



EUROPEAN COMMISSION
Secretariat-General

REFIT Platform

Brussels, 8 February 2016

STAKEHOLDER SUGGESTIONS

- AGRICULTURE AND RURAL DEVELOPMENT -

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The Commission services have complemented relevant quotes from each suggestion with a short factual explanation of the state of play of any recent, relevant ongoing or planned work by the EU institutions.

The document does not contain any official positions of the European Commission unless expressly cited.

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1. SUMMARY

This briefing includes seven suggestions in three different areas. Other proposals have been received but files are still being prepared:

The Common Agricultural Policy (CAP):

- The Danish Business Forum (DBF) suggests simplifying the existing rules for weighting factors and ecological focus areas. The legislation (Basic Act i.e. Regulation (EU) 1307/2013 and Delegated Regulation 639/2014) was adopted in 2013 and 2014.
- The Danish Business Forum (DBF) suggests simplifying the way in which wind breaks are considered as ecological focus areas. The legislation (Basic Act i.e. Regulation (EU) 1307/2013 and Delegated Regulation 639/2014) was adopted in 2013 and 2014.
- The Danish Business Forum (DBF) suggests a revision of cross compliance rules in order to create greater transparency and proportionality of the regulatory framework and to minimise the risk of differing interpretations in the Member States. The cross-compliance system is based on two instruments listed together in Annex II Regulation (EU) No 1306/2013 adopted in 2013.
- Freistaat Sachsen argues that due to new and the increased greening of Pillar I, there are overlaps with Pillar II, resulting in the risk of additional compensation and further administrative burden in managing consistently the respective measures in both pillars. The applicable Regulation (EU) No 1307/2013 of 17 December 2013 was adopted in 2013.
- The European Environmental Bureau suggests carrying out a Fitness Check on the CAP to ensure it delivers on its objectives of viable food production, sustainable management of natural resources and balanced territorial development and improve its cost-efficiency.

European Agricultural Fund for Rural Development:

- Freistaat Sachsen argues that the ESI Regulation is intrinsically a problem for funding of the EAFRD because it contains newly-added additional regulations and generates inconsistencies within the EAFRD Regulation. The applicable Regulation (EU) No 1303/2013 of 17 December 2013 (the "Common Provision Regulation" – CPR) was adopted in 2013.

Marketing Standards for Fresh Fruit and Vegetables:

- The Danish Business Forum (DBF) suggests dropping the EU regulatory framework on marketing standards for fresh fruit and vegetables and leaving it to the industry to agree on standards in this area. Specific marketing standards in the fruit and vegetables sector follow very closely those adopted by UNECE –see recital 6 of Regulation 543/2011 adopted in June 2011.

Furthermore, a number of submissions have been received by the Board of Swedish Industry and Commerce (NNR) but have not yet been included in the file.

2. THE COMMON AGRICULTURAL POLICY (CAP)

2.1. Ecological Focus Areas

2.1.1. Submission by the Danish Business Forum (DBF)

The newly reformed Common Agricultural Policy includes new rules on so-called weighting factors and ecological focus areas. When defining so-called ecological focus areas, the European Commission sets a weighting factor for each of the different categories of ecological focus areas. By multiplying the weighting factor with the size of the particular area in question, it is calculated how much that area contributes to fulfilling the requirement of an ecological focus area.

Short rotation coppice, nitrogen-fixing crops and catch crops were originally all set to a weighting factor of 0.3. Subsequently, the European Commission has raised the weighting factor for nitrogen-fixing crops to 0.7. There is no environmental or biodiversity gains to be made from favouring nitrogen-fixing crops. Contrastingly, diversity of weighting factor leads to unnecessary confusion, uncertainty and unnecessary administrative work.

It is proposed to work toward a simplification of the rules; including setting a uniform weighting factor for short rotation coppice, nitrogen-fixing crops and catch crops.

2.1.2. Policy Context

To enhance the environmental performance of the new CAP, a mandatory "greening" payment has been established to support practices beneficial for the climate and environment. Such practices take the form, among others, of an obligation to dedicate at least 5% of arable land to Ecological Focus Areas (EFA) established to safeguard and improve biodiversity on farms. The legislation (Basic Act i.e. Regulation (EU) 1307/2013¹ and Delegated Regulation 639/2014²) establishes a broad range of EFA types

¹ <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1450090520029&uri=CELEX:02013R1307-20150603>

(i.e. land lying fallow, terraces, landscape features, buffer strips, hectares of agro-forestry, strips of eligible hectares along forest edges, areas with short rotation coppice, afforested areas, areas with catch crops and areas with nitrogen-fixing crops), comprising both elements of a productive and non-productive nature so that the EFA requirement can be fulfilled in a balanced way. It is for Member States to select EFA types that farmers can use for this purpose.

Each EFA type has been assigned a weighting factor and some of them also a conversion factor. The aim of conversion and weighting factors is to reduce the burden on farmers, to facilitate the measurement of certain EFAs and to take account of different characteristics of individual EFAs. This principle was set up in Regulation (EU) No 1307/2013 while the values of the factors are set out in the annex to Delegated Regulation (EU) No 639/2014 which also established corresponding requirements per EFA type. The said Delegated Regulation, in recital (77), explains that the different weighting factors acknowledge "the differences in terms of importance for biodiversity."

Against this background and as a result of observations by both legislators during the scrutiny period after the adoption of Delegated Regulation No 639/2014, it was decided that the weighting factor for nitrogen-fixing crops initially set at 0.3 should be raised to 0.7 to better reflect its impact on biodiversity (see Recitals (1) and (4) of Delegated Regulation No 1001/2014). For reasons of timing and in order not to delay the implementation of Delegated Regulation No 639/2014 this was carried out subsequently by Delegated Regulation No 1001/2014.

2.1.3. Submission by the Danish Business Forum (DBF)

The newly reformed Common Agricultural Policy (CAP) includes new requirements for wind breaks. On farms with more than 15 hectares of farm land (area, which is part of a natural rotation), there has to be an Ecological Focus Area (EFA) equivalent to 5%. Only certain types of areas can be considered as ecological focus areas.

The regulation allows windbreaks to count as EFAs. However, the rules in the delegated act for the use of such windbreaks as EFAs are now so complex that when implementing, Denmark chose not to include these confusing and complex rules. Consequently, it is not possible to use windbreaks as EFAs in Denmark.

The way in which windbreaks are considered as EFAs should be simplified. The objective being that the original intention to use windbreaks as EFAs can be carried out in practice by the Member States.

² <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1450090403586&uri=CELEX:02014R0639-20150101>

2.1.4. Policy Context

To enhance the environmental performance of the new CAP, a mandatory "greening" payment has been established to support practices beneficial for the climate and environment. Such practices take the form, amongst others, of an obligation to dedicate at least 5% of arable land to Ecological Focus Areas (EFA) established to safeguard and improve biodiversity on farms. The legislation (Basic Act i.e. Regulation (EU) 1307/2013³ and Delegated Regulation 639/2014⁴) establishes a broad range of EFA types, comprising both elements of productive and non-productive nature, so that the EFA requirement can be fulfilled in a balanced way. It is for Member States to select EFA types that farmers can use for this purpose. The legislation does not provide for a specific "windbreak" EFA. However, this purpose may be served by landscape features such as trees (e.g. trees in line) or hedges/wooded strips, which the current legislation qualifies as EFA types to fulfil the 5% obligation. According to a 2014 notification (for 2015 claim year), 13 Member States have chosen hedges and 16 have chosen trees in line to be eligible for EFAs (Denmark did not choose either of them).

Currently, the only requirement related to the qualification of trees in line or hedges/wooded strips as EFA provided for in Delegated Regulation (EU) No 639/2014 are minimum and maximum dimensions which helps their identification and also helps ensuring that the area is predominantly agricultural.

Moreover, in accordance with Article 70(2) of Regulation (EU) No 1306/2013 and a guidance document for Member States, Member States are required to establish the so-called EFA-layer in their Land Parcel Identification Systems (LPIS)⁵, i.e. a reference layer containing all potential EFAs or, as agreed with Member States in the on-going simplification process, at least EFAs that are stable in time or expected to remain stable for 3 years. The purpose of asking Member States to establish the EFA layer is to help farmers filling in their aid application (data from the EFA layer have to be included in the pre-established form provided annually to farmers by the national administrations). Further specification has been provided to Member States by the previously mentioned guidance document on the establishment of the EFA-layer in the LPIS).

³ <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1450090520029&uri=CELEX:02013R1307-20150603>

⁴ <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1450090403586&uri=CELEX:02014R0639-20150101>

⁵ This computer database contains all agricultural areas that are eligible for a direct payment under the Common Agricultural Policy. It is used to cross-check the parcels for which payments have been claimed by the farmer. The land parcel identification system ensures that the farmer is paid for the correct area and that overpayment is avoided. http://ec.europa.eu/agriculture/glossary/index_en.htm#l

2.2. EU Framework for farmers in relation to Cross Compliance

2.2.1. Submission by the Danish Business Forum (DBF)

Farmers receiving direct aid or subsidy from the Rural Development Programmes⁶ must meet a number of requirements regarding e.g. the environment, health, and animal welfare (so-called cross compliance). The purpose of cross compliance (CC) is to promote sustainable agricultural production. However, cross compliance is administered in different ways in the Member States, creating an unlevel playing field and disproportionate penalties, unclear rules and disproportionately large aid reductions which make it difficult for farmers to organise their operation appropriately.

A revision of the CC-rules should be conducted in order to create greater transparency and proportionality of the regulatory framework and to minimise the risk of differing interpretations in the Member States. Furthermore, the European Commission should ease the possibility for the Member States to learn from each other's implementation of EU rules on cross compliance by, for example, having tables of comparison.

2.2.2. Policy Context

Cross compliance links CAP support to farmers (direct payments, certain rural development payments and certain wine payments) with their respect of standards of environmental care, of public, animal and plant health and of animal welfare. The principle is straightforward: before the 2003 reform, a farmer infringing the rules laid down in EU legislation in the areas of environment, public and animal health, animal welfare and management of land, did not see any consequences on the support he received. With cross compliance, this support is reduced proportionately to the extent, severity, permanence and recurrence of the infringement.

The cross-compliance system is based on two instruments listed together in Annex II Regulation (EU) No 1306/2013⁷: the Statutory Management Requirements (SMRs) and the standards for Good Agricultural Environmental Condition (GAECs) of land. The SMRs stem from sectorial legislation in the areas of animal and public health, animal welfare and environment. These refer to basic requirements applicable to all farmers, not only CAP beneficiaries. Accordingly, no additional burden is imposed on CAP beneficiaries and

⁶ The Rural Development programmes define multi-annual strategies in selected programming areas, based on a thorough analysis of their socio-economic and environmental needs. The strategies implemented under each Rural Development programme aim at meeting the European Union priorities for Rural Development through a number of selected measures. The programmes also lay down the conditions that potential beneficiaries have to meet if they are to benefit from Rural Development funds. http://ec.europa.eu/agriculture/glossary/index_en.htm#s

⁷ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R1306&rid=1>

requirements are harmonised in Member States as they stem directly from European legislation. From the beginning, only the relevant parts were introduced to cross-compliance but not entire Regulations or Directives. Additional stricter national requirements are not to be enforced via cross-compliance. The GAECs are to be defined by Member States achieving the set aim by taking account of local conditions. Such approach ensures the flexibility for Member States reflecting the principle of subsidiarity. Both SMRs and GAECs serve as baseline for certain Rural Development (RD) measures, as RD support should be calculated taking account of the cost incurred and the income foregone.

The scope of cross-compliance was already reviewed exhaustively and several times in the course of the past discussions on the CAP (in particular the 2009 Simplification exercise, the Health Check and the 2013 CAP reform).

The 2013 reform was designed to achieve continued food security and safety in Europe, whilst also ensuring a sustainable use of land and maintaining natural resources, preventing climate change and addressing territorial challenges. In this framework, changes have also been introduced for cross compliance. The objectives have been clearly included in the text of the legislation and the legal basis has been harmonised and streamlined. The scope of cross compliance has been simplified into one single list, including all Statutory Management Requirements (SMRs) and Good Agricultural Environmental Condition (GAECs) standards. Moreover, the number of SMRs was reduced from 18 to 13 clearing out cases where there are no clear and controllable obligations for farmers. The GAEC legal basis has overall been harmonized and the number of the GAEC standards has been reduced from 15 to 7 to ease their implementation in the context of agricultural activity and to ensure consistency with the "Greening"⁸. All obligations in place have been also before in the scope of cross-compliance.

Member States have a legal obligation to inform beneficiaries in an exhaustive, understandable and explanatory way on their obligations arising from cross-compliance.

The new early warning system is voluntary for Member States. It has been incorporated in order to simplify and to ease the cross compliance implementation by farmers and by competent national authorities. It provides for the possibility not to sanction first time offenders but to issue an early warning letter provided that the non-compliance does not constitute direct risk to animal or public health. Beneficiaries receiving an early warning may get granted preferential access to the farm advisory system.

⁸ The 2013 reform of the Common Agricultural Policy introduced several instruments to promote environmental sustainability and combat climate change. These instruments comprise a green direct payment, enhanced cross-compliance obligations, an obligation to allocate 30% of the Rural Development budget to projects and measures that are beneficial for the environment and climate change (including voluntary agri-environment-climate measures), training measures and support from the farm advisory services. http://ec.europa.eu/agriculture/glossary/index_en.htm#g

Another simplification introduced by the new CAP reform is the exemption from the cross compliance system for farmers participating in the Small Farmers Scheme.

2.3. Overlap Pillar I and II

2.3.1. Submission by Freistaat Sachsen

The EU promotion of rural development (Pillar II) increases the competitiveness of agriculture, ensures the sustainable management of natural resources and supports economic strength in rural areas. The direct payments from Pillar I should be accompanied and complemented. However, due to the new elements and the increased greening of Pillar I, there are overlaps between the two pillars. This results in the risk of additional compensation and further administrative burden in managing consistently the respective measures in both pillars. The result of the legislative procedure is a compromise which will bring all parties (farmers, authorities and testing bodies) to the limits of feasibility.

- The environmental performance ("greening") in Pillar I contains elements (e.g. maintenance of permanent grassland areas, diversity in the cultivation of crops on arable land, providing "ecological compensation areas") which are also promoted in the agro-environmental measures of Pillar II.
- In both pillars, payments for areas with natural handicaps and to young farmers (i.e. farmers who are no more than 40 years old) are possible.

2.3.2. Policy Context

Greening

The so-called "greening" layer is new in Regulation (EU) No 1307/2013⁹ of 17 December 2013. It responds to calls in the run-up to the 2013 CAP reform to link direct payments even more strongly in order to care for the environment and climate (i.e. in ways which go beyond the mechanism of "cross-compliance").

Greening payments in Pillar I of the CAP comprise three obligations that can also be addressed by "agri-environment" measures in Pillar II provided for in Art. 28 of Regulation (EU) No 1305/2013 of 17 December 2013. Member States are obliged to avoid "double funding" between the greening payments of Pillar I and agri-environmental payments of Pillar II. In practice, this should mean that agri-environment payments relate to practices which are either different in nature from those covered by greening payments, or of the same nature but more demanding.

It should be understood that there is also a thematic overlap between greening and rural development support for organic farming (Art. 29 of Reg. 1305/2013¹⁰) and for Natura 2000 and the Water Framework Directive payments (Art. 30 of the same regulation). Support for organic farming was part of agri-environment payments prior to Reg. 1305/2013. Natura payments were provided for in previous regulations. Water Framework Directive payments were first provided for in Reg. (EU) No 1698/2005¹¹ but were not available in practice until several years later, when the Commission issued implementing rules. The same prohibition on "double funding" applies to these measures as to agri-environment payments (see above) – although in the case of these latter measures, the issue has provoked little comment. Overall, the issue is new and systemic at EU level.

Payments for areas with natural constraints

If a Member State wishes to do so, the CAP can provide an income support to farmers in areas with natural constraints (such as altitude, aridity or poor soil) (ANCs) in the form of a decoupled area-based direct payment. This support as part of the direct payment system, which can complement or not the equivalent support under rural development, it is granted only in one Member State.

The main purpose of the payments for areas with natural constraints in both pillars is to allow Member States to choose from which part of the CAP budget they support farmers whose farming activity and the income derived from it are permanently limited by natural

⁹ <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1450090520029&uri=CELEX:02013R1307-20150603>

¹⁰ <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1450435808531&uri=CELEX:02013R1305-20150523>

¹¹ <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1450435903468&uri=CELEX:02005R1698-20140101>

constraints. On average, these areas are less productive while income needs and provision of public goods in them are important.

Provision for such payments in Pillar I is new, introduced with Regulation (EU) No 1307/2013 of 17 December 2013.

Provision in Pillar II has been made for several multi-annual budgetary periods. The current provisions are in Arts. 31-32 of Reg. 1305/2013 – with a new basis for the delimitation of the areas, based on biophysical criteria (except for mountain areas and areas facing "specific" rather than "natural" constraints). This new delimitation also applies to first pillar support, where relevant.¹²

The fact that ANC-related payments are possible in both Pillar I and Pillar II cannot be described as an "EU-wide problem", as a given Member State is free to offer the payments in both pillars, in one pillar, or in neither.

Support to Young Farmers

Support to Young Farmers can be granted under both Pillars of the CAP, although following different forms. Among others:

- Under Pillar I: annual payments for a maximum period of 5 years are granted to Young Farmers having already set-up as "active farmers".

- Under Pillar II: lump-sum payments in at least two instalments, linked to the correct implementation of a business plan are granted to Young Farmers still in the process of setting-up.

These differences can trigger difficulties in managing the two types of support by the concerned authorities.

2.4. Effectiveness and Efficiency of the CAP

2.4.1. Submission by the European Environmental Bureau

Under the CAP around 53 billion EUR per year is given to farmers which represents approximately 40% of the EU budget. With almost 50% of the EU land area under farming, improving agricultural practices are crucial to achieving existing EU policy goals. Despite successive reforms however including the last one, there continues to be widespread evidence of significant inefficiencies across a range of indicators. For example it is meant to provide income support to all farmers yet 70% goes to 20% of farmers, mostly cereal. The state of nature in Europe is worst for farming dependent

¹² Three types of areas are designated: mountain areas, areas facing significant natural constraints other than mountain areas and areas affected by specific constraints.

ecosystems, with for instance a 53% decline of common farmland birds since the 80s. The recently reformed CAP is unlikely to change much in this regard with first evidence that Member States are unlikely to be using the already weak greening measures put in place.

A Fitness Check of the CAP is the only way to ensure a rigorous fact based and unbiased review of the available evidence on how the new CAP is delivering towards the objectives of viable food production, sustainable management of natural resources and balanced territorial development. This could yield significant gains either in terms of reduced expenditure for achieving the same goals or achieving more ambitious goals for the same amount of money.

2.4.2. Policy Context

The implementation of the new CAP started on 1 January 2015.

In line with its overall objectives laid down in the Treaty on the Functioning of the European Union (Article 39), the new Common Agricultural Policy (CAP) has three key objectives:

- Viable food production
- Sustainable use of resources
- Balanced territorial development

In order to fulfil these key objectives the CAP disposes over several complementary instruments which for explanatory reasons are often divided in what is called the "two pillar structure".

Pillar 1, made of:

- Direct Payments conceived to provide support to farm income and to remunerate farmers for public goods (normally not paid for by the markets such as landscape care); these are paid annually and on a per hectare basis;
- Market measures conceived to provide support in case of market crisis.

Pillar 2 or the "Rural Development Policy" whereby Member States and/or regions obtain pre-allocated multiannual budget for which they (together with the Commission services) develop programmes in line with their strategic needs by choosing from a menu of common measures conceived to benefit farm competitiveness, environment and climate action and activities linked to the wider development of rural areas

With a view to the sustainability objective the CAP disposes over several instruments:

- Cross compliance: For both Direct Payments and Rural Development Policy farmers are required to respect certain rules: statutory management requirements (laid down in a number of EU directives and regulations concerning public health,

animal and plant health etc.) and good agricultural and environmental conditions (protection of soil against erosion etc.; exact specifications are decided by Member States).

- Greening: For Direct Payments the 2013 reform introduced for the first time the requirement that 30% of the national direct payments envelopes are spent for three environmental and resource friendly production methods: maintaining permanent grassland, crop diversification, ecological focus areas (EFA). The basic acts of the 2013 reform were published only in December 2013; in order to allow for a proper preparation – there are several choices for Member States regarding the design of greening (including allowing for practices which are already taking place and considered as "equivalent") – the full implementation of greening only kicked off in January 2015.
- For the Rural Development Policy at least 30% of the EU-budget for each rural development programme must be reserved for a series of measures benefitting the environment or the fight against climate change (such as agri-environment climate measure, organic farming, support for areas with natural constraints, Natura 2000, forestry measures and investments beneficial for the environment or climate). For the period 2014-2020 a total of 51% of the EAFRD has been earmarked to these measures.

3. EUROPEAN AGRICULTURAL FUND FOR RURAL DEVELOPMENT (EAFRD) REGULATION

3.1. Submission by Freistaat Saachsen

The ESI Regulation is intrinsically a problem for funding of the EAFRD, because in comparison with previous funding periods in which there was no comparable umbrella regulation for the EAFRD, it contains newly-added additional regulations and generates through its primary focus on the structural funds, inconsistencies within the EAFRD Regulation. The aim of the ESI Regulation to create added value has not been achieved. Instead, the regulation has prompted contradictions and is, as a result, unnecessary.

3.2. Policy Context

Regulation (EU) No 1303/2013 of 17 December 2013 (the "Common Provision Regulation" – CPR) defines common principles, rules and standards for the implementation of the five European Structural and Investment Funds: the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF). The regulatory framework covers the

programming period 2014-2020.

The CPR aims at harmonising, as far as possible, implementation rules for the Funds. It defines a common set of thematic objectives and lays down common procedures in a number of areas, such as programming, programme adoption and amendment, monitoring and control. It also harmonises and reinforces the partnership principle and strengthens the result-orientation of the Funds through ex-ante conditionalities and the requirement to establish a performance framework. As regards common delivery systems for implementation, it broadens the possibilities for the use of innovative financial instruments.

The EAFRD aligns with the common provisions as defined in the CPR within the above-mentioned remits. Nevertheless, rural development policy is established to accompany and complement direct payments and market measures of the CAP. Therefore, the activities of the EAFRD and the operations to which it contributes should be consistent and compatible with support from other instruments of the CAP. Because of this special situation of being part of the CAP, the Rural Development Regulation (EU) No 1305/2013 only complements the provisions of Part II of the CPR.

The rules for the RD programmes intervention logic are therefore defined in the Fund specific regulation (EU) No 1305/2013 and aligned with the common CAP objectives. In particular, RD programmes should contribute to the achievements of the CAP objectives through six EAFRD Union priorities, using a predefined set of measures. To ensure consistent implementation with the CAP 1st pillar, common provisions for financial management and controls, in particular for the area and animal related measures have been laid down in the CAP Horizontal Regulation (EU) No 1306/2013.

The ESIF DGs are working closely together to ensure common and consistent interpretation of common provisions. Moreover, common procedure design is ensured and common IT tools are promoted (e.g. SFC¹³). Other joint exercises with the ESIF DGs include a policy communication on the programming in 2015, annual reports as of 2016 to the Council and EP, studies, interpretation network, scoreboard for simplification including simplified costs options SCO, e-governance and payment efficiency, monitoring of ex ante conditionalities, providing trainings in Member States, running of a High level group on simplification etc. At Commission level we are also working at IT and process rationalisation e.g. common procedure design and IT tools (RDIS, SFC, EC data tool).

Evaluations and studies are currently conducted to analyse the effects of the new provisions and the common framework on the administrative burden for administrations and beneficiaries. The first results of this exercise are expected in 2016.

¹³ "Shared Fund Management Common System" – an IT system to exchange and store documents among the Commission and the Member States.

4. MARKETING STANDARDS FOR FRESH FRUIT AND VEGETABLES

4.1. Submission by the Danish Business Forum (DBF)

Businesses may only present, offer, deliver or sell fruit and vegetables within the EU in ways that live up to the so-called marketing standards. For example, a bag of oranges that has one or more mouldy oranges can no longer be sold (or even be given away) unless the mouldy oranges are removed from the bag. These marketing standards are time-consuming and consequently lead to increased food waste, as the bag of oranges is likely to simply be thrown out.

Instead the company could contribute to reducing the food waste by, for example, giving away the fresh fruit and vegetables that for various reasons cannot be sold in its existing form.

It is proposed to drop the EU regulatory framework on marketing standards for fresh fruit and vegetables and leave it to the industry to agree on standards in this area. In this regard, the UN-ECE standards are a possible reference. Alternatively, there could be a modernisation and simplification of the rules in order to prevent food waste. Furthermore, it could be made possible under specific conditions and for specific purposes to supply products which do not comply with the standards, or specify that sorting of fresh fruit and vegetables only has to take place before it is issued for direct human consumption.

4.2. Policy Context

a) Marketing standards for fruit and vegetables have a long tradition in the EU and also exist at international level. They are set to contribute to improving the economic conditions for the production and marketing of such products and ensure their quality. The general provision for fruit and vegetables provides that the products must be sound, fair and of marketable quality. These general conditions have been further elaborated (only for some products), with the degree of detail depending on the product, i.e. its economic importance and its particular characteristics.

b) EU legislation on marketing standard for fruit and vegetables is found in Regulation (EU) No 1308/2013¹⁴ of the European Parliament and the Council establishing a common organisation of the markets in agricultural products and Commission Implementing Regulation (EU) No 543/2011¹⁵ of 7 June 2011 laying down detailed rules for the

¹⁴ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R1308&qid=1449678417391&from=EN>

¹⁵ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32011R0543&rid=1>.

application of Council Regulation (EC) No 1234/2007 in respect of the fruit and vegetables and processed fruit and vegetables sectors. Specific marketing standards in the fruit and vegetables sector follow very closely those adopted by UNECE –see recital 6 of Regulation 543/2011.