



## EU CROSS-COMPLIANCE NEWSLETTER

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Previous issues can be found on the IEEP website

[http://www.ieep.org.uk/research/Cross Compliance/Project timetable and available documents.htm](http://www.ieep.org.uk/research/Cross%20Compliance/Project%20timetable%20and%20available%20documents.htm)

## Cross-compliance in CEECs

*This article summarises presentations and discussions at the seminar ‘Cross-compliance in Central and Eastern European Countries (CEECs)’ held in Prague, Czech Republic, in September 2004. The seminar was part of a series within the Concerned Action of the Fifth Framework Action Programme ‘Cross-compliance: Background, Lessons and Opportunities’.*

The Prague seminar on cross-compliance focused on the adoption and implementation of Good Agricultural and Environmental Conditions (GAECs). The workshop aimed to compare current approaches towards the development of GAECs within the old and new EU Member States and the future development of GAECs in the context of the evolution of the CAP.

### Legislative basis for GAECs

GAECs have been developed in new Member States since EU accession due to the requirements of the Single Area Payment Scheme (SAPS) as set out in Article 143b of Council Decision 2004/281/EC and Regulation 2199/2003 laying down transitional measures for Regulation 1259/1999. Article 143b allows new Member States to implement the SAPS

for direct payments under the First Pillar of the CAP, recipients of which are required to meet GAECs, until the end of 2008. The SAPS was designed to allow new Member States time to develop an Integrated Administration and Control System (IACS, the EU’s subsidy payment system) and prepare for implementation of the Single Farm Payment (SFP) that will be used by old Member States from January 2005. Of the new Member States, Malta and Slovenia have opted not to implement SAPS but chose instead to directly implement the SFP. This was possible since they already had IACS or a similar system before accession, and had programs in place that closely resembled the CAP direct aid system and therefore allowed a historic calculation of payments to farmers which is required for the SFP.

The framework for good agricultural and environmental condition is defined in Annex IV of Regulation 1782/2003 (the Common Rules Regulation). GAECs are defined at Member State level, and must protect soils, ensure a minimum level of maintenance and avoid the deterioration of habitats (see table below for further details).

| Issue  | Standards  |
|--|--|
| Soil erosion:<br>- protect soil through appropriate measures   | Minimum soil cover<br>Minimum land management reflecting site-specific conditions<br>Retain terraces   |
| Soil organic matter:<br>– maintain soil organic matter levels through appropriate practices                      | Standards for crop rotations where applicable<br>Arable stubble management   |
| Soil structure:<br>– maintain soil structure through appropriate measures  | Appropriate machinery use  |
| Minimum level of maintenance:<br>- ensure a minimum level of maintenance and avoid the deterioration of habitats | Minimum livestock stocking rates or/and appropriate regimes<br>Protection of permanent pasture<br>Retention of landscape features<br>Avoiding the encroachment of unwanted vegetation on agricultural land |

## Development and implementation of GAECs

Varied approaches have been taken to the preparation of GAECs, including design of verifiable standards, setting-up control systems and information systems for farmers (advice and awareness raising). The workshop provided an opportunity to share experience on best practices and lessons learned. Representatives from each new Member State present gave an overview of progress in their country and details of the most recent drafts of GAEC standards.

In the *Czech Republic*, GAEC standards were prepared by a small group of experts from the Ministry of Agriculture and two Czech research institutes. The main priorities were simplicity, controllability, low cost and achievability of standards. A broad range of potential GAECs were discussed, but finally it was decided to include only one standard for soil erosion. The standard is defined as the protection of landscape features helping to avoid soil erosion by wind and water (eg hedges, terraces, wind-break strips and contour field paths with drains).

In *Slovakia* the full range of standards covered by Annex IV have been implemented with more detailed indicators. Protection against soil erosion is a priority, so a broad range of standards have been introduced such as maintenance of green cover, ploughing along as opposed to across contour lines, beneficial crop rotation, use of mulch crops and minimum tillage technology. For the protection of soil organic matter there are two standards and for protection of soil structure there are four standards. Standards for the minimum level of maintenance include mandatory annual mowing of meadows and avoidance of under-grazing of pastures. Concern was raised that implementation of standards and the control system may be relatively difficult and costly to implement.

In *Latvia* four GAECs have been developed. Three GAECs are targeted at avoiding land abandonment (a widespread problem) and one is focused on promoting organic matter in soils. These standards were prepared by a working group of the Ministry of Agriculture, so can be considered to reflect mostly agricultural rather than environmental issues. This is not an uncommon approach amongst Member States.

A similar problem with land abandonment was highlighted in presentations from *Estonia and Lithuania*. The Estonian Ministry of Agriculture highlighted a poor awareness about GAEC amongst farmers and administrators, and stated that more detailed Guidance from the EU on GAECs would be welcome. In Estonia three GAEC standards concerning land abandonment have been implemented, although some control problems have been discovered since implementation. The Lithuanian Institute of Agrarian Economics presented a similar system of GAEC standards that also focus mainly on preventing land abandonment.

*Poland*, the new Member State with the strongest agricultural tradition, has adopted about thirteen GAECs. Prevention of land abandonment is a priority, along with combating soil erosion on sloping ground.

*Hungary* has implemented the full range of standards, covered by Annex IV, with detailed indicators, similar to Slovakia. In comparison with other new Member States, several truly environmental standards exist in the Hungarian system of GAEC (preserving natural landscape elements; preservation of natural grasslands; appropriate grazing densities on certain grassland). Concern was raised over the ease with which such standards could be controlled.

*Slovenia and Malta* are the only new Member States that decided to implement the Single Farm Payment Scheme directly, rather than the SAP. As a result, implementation of cross-compliance will start on 1 January 2005 (see table 1 on page 6). GAEC in Slovenia is relatively extensive, and will include avoidance of: stubble burning, soil erosion, application of sewage sludge without a permit, application of Nitrates above 170kg/ha and application of fertilisers on frozen or waterlogged soil. Manure storage facilities must also be adequate and machinery maintenance and training certificates must be available.

During the discussion several issues were raised, as follows.

- Varied approaches to setting GAECs can be seen among Member States and it was suggested that a trend could be detected for the new Member States to give more attention to agricultural aspects and the old

Member States to focus more on environmental aspects.

- It seemed that there were examples of where good agricultural and good environmental conditions may be contradictory (for instance the maintenance of drainage ditches may be good for agriculture but is not necessarily good for the environment).
- There is potential for the development of soil management plans and nature management plans in the framework of cross-compliance in future. It was also suggested that it may be desirable to require an environmental management system for the whole farm (EMS, as defined by the Regulation 1836/93).
- In the context of land abandonment, which is a priority issue for CEECs, it was agreed that the distinction between unwanted vegetation succession due to abandonment or under-utilisation and restoration of landscape features and landscape biodiversity such as solitary trees, bushes, woods, wetlands etc was unclear.
- It was highlighted that there is a need to protect 'landscape features' in their own right, not just as habitats, but it is a challenge to define protection of landscape features in a way which farmers and inspectors both readily understand.
- There is great variation in the content and definition of the term 'permanent pasture' across the EU. It is proving difficult to

protect high nature value grasslands with biodiversity, landscape or historic interest whilst allowing farmers to reseed improved grasslands of no particular conservation value.

- It was agreed that using a democratic method of developing GAECs through the involvement of stakeholders results in good standards that can bring benefits to all stakeholders.

In conclusion it was agreed that there is an urgent need for robust and effective compliance monitoring and evaluation of the environmental impacts of cross-compliance to inform and advance policy discussions.

Background materials and presentations from the seminar (containing details on GAECs in every CEEC) can be found on the IREAS web pages

(<http://www.ireas.cz/index.php?pg=detail&id=17&lang=en>). A seminar report containing national reports on GAEC will be available from the project web site: <http://www.ieep.org.uk/research/Cross%20Compliance/Welcome%20Page.htm> by 1 December 2004.

*Abraham Hofhanzl and Zdenek Postulka,  
Ministry of Environment, Czech Republic*

## Implications of the Proposed New Rural Development Regulation

The final version of a proposed new rural development Regulation (RDR) was adopted by the Commission on 14 July 2004.

The new proposal retains most of the existing rural development measures, but they have now been grouped into three priority axes:

- i) improving the competitiveness of agriculture and forestry;
- ii) land management;
- iii) improving the quality of life in rural areas and encouraging

diversification of economic activities.

Minimum expenditure on the three 'axes' is proposed at 15, 25 and 15 per cent, respectively and EU co-financing rates at 75 per cent for axes 1 and 3 in the Convergence areas (previously Objective 1 areas) and 50 per cent in other areas. Equivalent rates are 55 and 80 per cent for Axis 2 and LEADER (which has been incorporated).

**Cross compliance and Good Farming Practice**

The proposal does not refer to Good Farming Practice. All payments under the new LFA<sup>1</sup>, agri-environment, forestry-environment and afforestation schemes, as well as payments in agricultural and forest Natura 2000 areas, would be subject to cross compliance as applicable to Single Farm Payments under Pillar One. Agri-environment and animal welfare payments would only be payable for commitments going beyond cross compliance as set out in Annexes III and IV of Regulation 1782/2003, in addition to other relevant mandatory requirements resulting from national legislation when these are identified in the rural development programmes. Table 1 on page 6 shows when the new standards would apply in old and new Member States. Beneficiaries would also be obliged to respect 'minimum requirements for fertilisers and plant protection products use' identified in the

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<sup>1</sup> Compensatory allowances are to be renamed as 'natural handicap payments in mountain areas and payments in other areas with handicaps' and the criteria for the designation of areas are to be linked more closely to altitude, gradient, latitude, low soil productivity or harsh climatic conditions

programme, which creates some ambiguity in the baseline.

A system of reductions and exclusions from payments as a result of non-compliance would be introduced (Article 48).

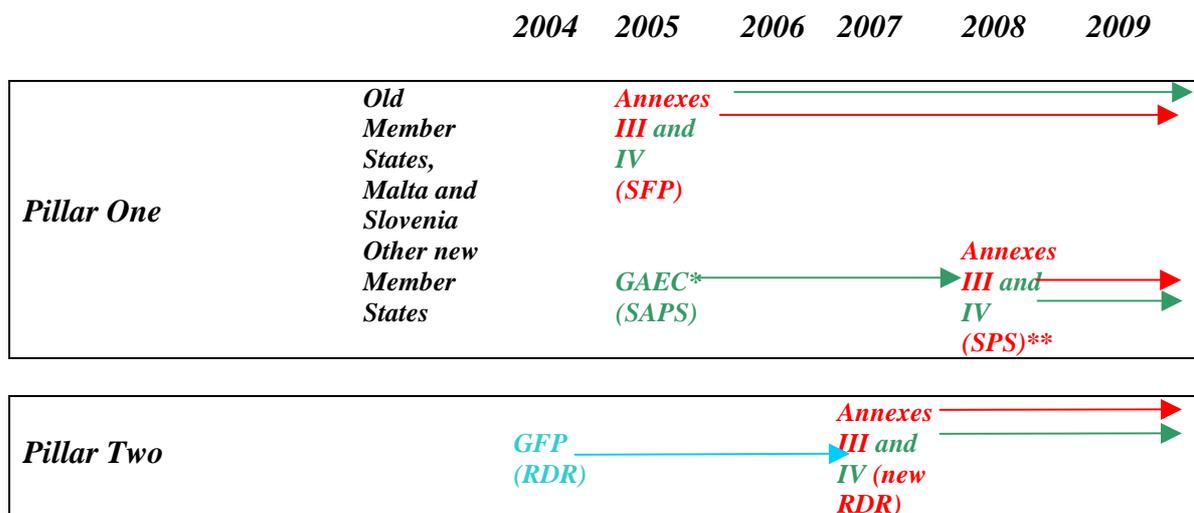
**Issues emerging**

The proposals introduce a welcome standardisation of the basis of cross-compliance across the EU, although considerable differences in environmental standards will remain since interpretation will differ among Member States.

The proposed regulation earmarks funds for running networks and exchanging examples of good practice. Such activity is currently lacking in relation to cross-compliance, and this measure could contribute significantly to improving the implementation of cross-compliance across the EU.

*Agata Zdanowicz and Harriet Bennett,  
IEEP*

**Table 1: Overview of cross-compliance conditions in the EU on the First and Second Pillars of the CAP 2004-2009**



\*No explicit link to Annex IV of 1782/2003

\*\*Must be introduced by 2009, but could be earlier

GAEC = Good Agricultural and Environmental Condition

GFP = Good Farming Practice (under Pillar Two)

SFP = Single Farm Payment

SAPS = Single Area Payment Scheme

RDR = Rural Development Regulation

**Exchange of Experience and Views on the Cross-compliance Concerted Action Meetings – Views From Participants**

*Carlo Prinz, Federal Ministry of Consumer Protection, Food and Agriculture, Germany*

I had the opportunity and pleasure to attend all five seminars of the Concerted Action ‘Developing Cross Compliance in the EU – Background, Lessons and Opportunities’. In retrospect, all seminars made valuable suggestions for ongoing work on the design and establishment and shaping of compulsory cross compliance by the exchange of experience among scientists, NGOs and administrative experts.

The first seminar discussed in depth the difficulties faced in formulating verifiable standards for systematic controls that have clear value but that can also be inspected by the inspection bodies. A major conclusion was that controls must mainly be based on checks of farmers’ documentation since actions taken by farmers are hard to subject to systematic controls as a rule.

With respect to the evolving CAP legislation on cross-compliance, I found it particularly informative and interesting to discuss with other Member States their ideas concerning the implementation of the rules laid down in Annex IV of Regulation 1782/2004. The past two seminars (Granada and Prague) gave centre stage to these issues. Through discussions at these seminars it became evident that different solutions can solve similar problems. Hence, a uniform implementation of the requirements for the Good Agricultural and Environmental Conditions throughout the EU, as desired by many stakeholders, seems hard to achieve.

*Eike Lepmets, Ministry of Agriculture, Estonia*

In Estonia, the concept of cross-compliance has already been intensively discussed for more than a year, more recently while working out the conditions

for the Single Area Payment Scheme (SAPS). In parallel, the concept of cross-compliance was also taken into account in the elaboration of the standards of good farming practice for rural development measures. During these discussions many questions were brought forward, particularly on where to draw the line between different environment protection measures (ie legislation, SAPS, Good Farming Practice, agri-environment schemes) and how to set up the control system. The seminar on cross-compliance in Prague was an excellent opportunity to exchange experiences on this issue. It seemed that many Member States, old and new, were also keen to discuss suitable approaches to this issue. As the standards to keep land in good agricultural and environmental condition are extremely country-related and as the situations concerning agriculture and the environment vary greatly, it was useful to get an idea of the various approaches taken.

*Dr Carol Millsopp, Department of Agriculture and Rural Development (DARD), Northern Ireland*

### **Concluding Meeting**

A stakeholder meeting entitled 'Policy Forum on Cross-compliance in the CAP' will be held in Brussels on 1 December 2004. The findings of the two-year Concerted Action will be presented and discussed with stakeholders. Topics will include the strengths and weaknesses of cross-compliance as a policy tool; its

As a participant in the seminar series on cross-compliance, I have found the seminars very informative and have appreciated the opportunity to attend. They have developed my knowledge of the EC requirements of cross-compliance. It was very useful to have the regular input of speakers from both DG Agriculture and DG Environment to clarify understanding of the Commission's requirements.

Papers and updates from other Member States on their experiences with Good Farming Practice formulation and implementation provided essential role models on which to base discussions for the development of cross-compliance measures in Northern Ireland.

The series of seminars benefited from the continuity of representatives from Member States, which enabled rapport to be built. The seminars have provided an excellent opportunity to share and learn from each others' experiences and provided regular progress reports on the development of cross-compliance within each Member State represented.

relationship to other policy tools and market measures; administration and control procedures and costs; and, the future of cross-compliance up to and beyond 2013. If you wish to register your interest in attending this meeting please contact the organiser, Harriet Bennett (hbennett@ieeplondon.org.uk).

### **Recent Relevant Publications**

Cross-compliance implementing rules regulations (Commission website)  
[http://europa.eu.int/eur-lex/pri/en/oj/dat/2004/l\\_141/l\\_14120040430en00180058.pdf](http://europa.eu.int/eur-lex/pri/en/oj/dat/2004/l_141/l_14120040430en00180058.pdf)

Defra consultation document on cross-compliance  
<http://www.defra.gov.uk/corporate/consult/capsingle-payment/index.htm>

GFA-race/IEEP Environmental Impacts of the CAP reform  
<http://statistics.defra.gov.uk/esg/reports/capmtrp/default.asp>