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#### **NOTE**

From:	General Secretariat of the Council
To:	Delegations
Subject:	Simplification and better regulation in EU Common Policies on food, agriculture and fisheries
	<ul> <li>Information from the Danish delegation, on behalf of the Bulgarian,</li> <li>Czech, Danish, Estonian, Finnish, Hungarian, Latvian, Lithuanian,</li> <li>Netherlands, Portuguese, Slovak and Swedish delegations</li> </ul>

Delegations will find in the <u>Annex</u> a note from the Danish delegation, on behalf of the Bulgarian, Czech, Danish, Estonian, Finnish, Hungarian, Latvian, Lithuanian, Netherlands, Portuguese, Slovak and Swedish delegations, on the above mentioned subject to be dealt with under "Any other business" at the Council meeting (Agriculture and Fisheries) on 18 September 2023.

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# Simplification and Better Regulation in EU Common Policies on Food, Agriculture and Fisheries

Information from the Danish delegation on behalf of Bulgaria, Czech Republic, Denmark, Estonia, Finland, Hungary, Latvia, Lithuania, Netherlands, Portugal, Slovakia and Sweden

The common policies on food, agriculture and fisheries are some of the pillars of the European Union. The sectors deliver a significant contribution to the European economy. While the policies have undergone significant reforms in recent decades, more needs to be done to strike the right balance between policy objectives and implementation and control rules, with more emphasis on goal-oriented policies instead of directly prescribed measures. This is especially acute as Europe faces major challenges related to climate change, environment, animal welfare, food availability and affordability in the coming years. EU institutions, Member States, farmers, fishers, food producers, the environment and consumers would all benefit from a rethink that puts simplification at the heart of future legislative and policy reform proposals in line with the Better Regulation Principles.

## Better regulation in EU Common Policies on Food, Agriculture and Fisheries

Ensuring the internal coherence and compatibility between different policy areas, proposals and existing EU legislation is important. Unintended overlaps and double regulation must be avoided. Repeal of outdated legal acts and refit of existing legislation must be continued. All stakeholders – from authorities and large food companies to family farmers and consumers – must be able to understand what rules apply to them. It creates uncertainty when several initiatives cover the same scope and seek to address the same substance matter in different ways.

As outlined in the Council (ECOFIN) on 16 June 2023, the systematic use of thorough impact assessments is necessary, containing costs at Member State level for the entire scope of the proposals. New proposals from the Commission must be accompanied by comprehensive impact assessments that describe the positive and negative consequences of the proposal for society as a whole, for the environment and for the stakeholders who are directly affected, e.g. food producers and authorities. Impact assessments are crucial for the co-legislator to ensure that EU legislation has the desired effect, without unnecessary burdens on Member States and businesses. In this context, extensive public consultation is a powerful tool that needs to be fully utilized to collect the necessary information on the impact of legislative action.

However, integrating simplification more firmly in the legislative process going forward will only address future rule-making. A structured effort should also be made to simplify existing rules to make them easier to understand and adhere to, as well as to encourage innovation and development. The administrative and technical rules that stakeholders face most directly are often determined in secondary legislation, through implementing and delegated acts. New legislative proposals should clearly define the scope of implementing and delegated acts in order to avoid disproportional burdens at a later stage.

### Food safety and animal welfare

The Farm-to-Fork Strategy called for several new food labelling initiatives. Improved labelling may contribute to healthier diets, increased sustainability and answer to consumer demands, but it also represents an administrative burden to food producers and processors. New labelling requirements should therefore be balanced and evidence-based so that they can help consumers make healthier choices, contribute to animal welfare or sustainability, e.g. by reducing food waste, or be called for by the consumers. Labelling needs to be easy to understand for consumers.

The European Commission is expected to present a proposal for a revision of EU animal welfare legislation in the second half of 2023. Consumer expectations and scientific evidence call for improvements in protection and enforcement. Consequently, it is all the more important that the revision is carried out in a way that makes it straight forward for farmers to comply with the rules.

## **Agriculture**

The reform of the Common Agricultural Policy 2023-27 aimed to introduce a simplification with the development of CAP strategic plans. Going forward, further simplifications will be needed to ensure that the Common Agricultural Policy will be sufficiently flexible to support inter alia the green transition of the sector. In this respect, more possibilities to support green measures should be considered. Furthermore, in order to fully achieve the simplification potential of the strategic plans, the approval process needs to focus on objectives and identified needs and avoid focusing on details.

As another important simplification, it could be considered to allow not only annual but also plurennial financial management of financial allocations for climate, environment and animal welfare across both pillars of the Common Agricultural Policy, as is already possible under the financial management of pillar II. This would mirror year-on-year fluctuations in agriculture and provide farmers and Member States with a much needed flexibility.

Moreover, further flexibility to allow amendments if necessary in the CAP strategic plan under pillar I during the year would constitute another important simplification for farmers and paying agencies. It is important that the acceptance process of Member States' strategic plan amendments is clear and fluent, and that the Commission respects the Member States' national leeway.

#### **Fisheries**

The 2013 reform of the Common Fisheries Policy introduced the landing obligation. It was a major step forward for sustainability, but implementation and enforcement have been challenging for fishers and authorities. Electronic monitoring including cameras is included in the revision of the EU's fisheries control system. Fishers using electronic monitoring including cameras should be given more flexibility, for example in the choice and development of gears that are fit for purpose for the individual fisher whilst securing the objective of management measures. In that way, innovative methods and simplification can go hand-in-hand.

One example of double regulation in the Common Fisheries Policy is fishing capacity ceilings. It could be questioned if such ceilings are the most relevant tool in fish stocks management systems where sustainable management of fish stocks is ensured by setting annual TACs and quotas. The same applies in the case of small-scale coastal fisheries where passive fishing gear is used for targeting local stocks, which are not managed at EU level and where national management measures are in place. Furthermore, fishing capacity ceilings must not be a barrier to the green transition on fishing vessels.

In recent years, consultations with third countries have become increasingly complicated. This has major impacts on fishers' planning. In the follow-up to the Commission's Communication on the Common Fisheries Policy today and tomorrow of 21 February 2023, it is important that emphasis is put on ensuring smoother cooperation with third countries in the years ahead.