

**ANNEX****Observations on the CAP Strategic Plan submitted by Ireland**

The Russian invasion of Ukraine and the ongoing generalised commodity price surge bring to the forefront in the strongest possible way the integral link between climate action and food security. This link is recognised in the Paris Agreement and has been incorporated in the new legislation for a Common Agricultural Policy (Regulation (EU) 2021/2115) and the Farm to Fork Strategy (COM/2020/381 final) with a view to ensuring sufficient food supply of affordable food for citizens under all circumstances while transitioning towards sustainable food systems.

In this context, and in the context of the climate and biodiversity crises, Member States should review their CAP Strategic Plans to exploit all opportunities:

- to strengthen the EU's agricultural sector resilience;
- to reduce their dependence on synthetic fertilisers and scale up the production of renewable energy without undermining food production; and
- to transform their production capacity in line with more sustainable production methods.

This entails, among other actions, support for carbon farming, support for agro-ecological practices, boosting sustainable biogas production<sup>1</sup> and its use, improving energy efficiency, extending the use of precision agriculture, fostering protein crop production, and spreading through the transfer of knowledge the widest possible application of best practices. The Commission assessed the Strategic Plans of Member States with these considerations of the sector's economic, environmental and social viability in mind.

The following observations are made pursuant to Article 118(3) of Regulation (EU) 2021/2115. Ireland is asked to provide the Commission with any necessary additional information and to revise the content of the CAP Strategic Plan taking into account the observations provided below.

Ref. Ares(2022)2416190 - 31/03/2022

**Key issues (Part A)****Observations with regard to the strategic focus of the CAP strategic plan**

1. The Commission welcomes the CAP strategic plan submitted by Ireland. It covers the specific objectives laid down in Regulation (EU) 2021/2115 and takes into account the Commission's recommendations. The Commission appreciates the structured dialogue with Ireland and takes note of the different public consultations Ireland carried out during the preparation of the CAP strategic plan.
2. The Commission notes that the Irish CAP strategic plan includes a solid identification of the challenges to be addressed, while the intervention logic needs to correspond better to the identified needs on a number of objectives.

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<sup>1</sup> Sustainable biogas production means the production of biogas that respects the sustainability and greenhouse gas emissions saving criteria laid down in Article 29 of Directive (EU) 2018/2001 (Renewable Energy Directive).

3. The Commission recalls the importance of the targets set for result indicators as a key tool to assess the ambition of the CAP strategic plan and monitor its progress. The Commission requests Ireland to revise the proposed target values, by improving their accuracy and taking into account all the relevant interventions, and by defining an adequate ambition level in line with the identified needs.

**Observations with regard to fostering a smart, competitive, resilient and diversified agricultural sector that ensures long-term food security**

4. The Commission considers that the CAP strategic plan shows the potential to contribute effectively to the general objective of fostering of a smart, competitive, resilient and diversified agricultural sector that ensures long-term food security.

5. The Commission welcomes the efforts to improve the competitiveness of Irish farms. However, in light of the Russian war on Ukraine, the Commission urges Ireland to consider interventions that will help reduce dependence on fossil fuels and other externally sourced inputs to preserve the production capacity and viability of farms and strengthen food security.

6. The Commission welcomes the use of capping to improve the redistribution of direct payments. The Commission suggests that, on the basis of the information provided in the CAP strategic plan, the level of ambition as regards the redistribution of direct payments from bigger to smaller and medium-sized farms should be further clarified.

7. Ireland is therefore invited to complement the explanations provided so far, in particular with a quantitative analysis showing the combined effects of all proposed income support tools on redistribution. This will allow the Commission to fully assess whether the aim of fairer distribution and better targeting of direct payments is addressed in a sufficient manner within the CAP strategic plan.

**Observations with regard to supporting and strengthening environmental protection, including biodiversity, and climate action and contributing to achieving the environmental and climate-related objectives of the Union, including its commitments under the Paris Agreement**

8. The Commission has doubts about the effective contribution of the CAP strategic plan to this general objective and it considers that further improvements and more ambition are required for the Commission to approve the CAP strategic plan.

9. The Commission notes Ireland's attempt at presenting a well-rounded narrative in its CAP strategic plan. Ireland has identified fundamental pressures on climate, natural resources and biodiversity. In response, it has presented elements which are relevant to these challenges, linking them to obligations arising from EU legislation on the environment and climate and setting out how what is proposed differs from what has gone before. Ireland is nevertheless requested to better demonstrate the increased ambition of the planned green architecture as regards environmental and climate related objectives, using qualitative and quantitative elements such as financial allocation and indicators.

10. As explained in greater detail in subsequent sections, the Commission has doubts whether what is proposed goes far enough. In this context, it particularly has in mind the substantial growth in the size of the Irish dairy herd in recent years – a growth which has had very substantial implications for

agricultural greenhouse gas emissions, for quality of air, water and soil, and for biodiversity. Given the current and future implications of this issue, the Commission would like to see more evidence that these aspects were fully taken into account in drawing up the CAP strategic plan.

11. The CAP strategic plan could make a stronger overall contribution to addressing the needs which Ireland itself has identified or which arise naturally from the country's situation. Certain identified needs (for example, in relation to forestry) are to be addressed entirely outside the CAP strategic plan – but more information is needed on these points. Certain needs arising from EU legislation on the environment and climate – as set out in Annex XIII to Regulation (EU) 2021/2115 – and from the specific Irish situation are addressed, but not with full clarity, especially in relation to greenhouse gas emissions from agriculture, and the status of habitats. Ireland is requested to take better account of the Prioritised Action Framework (PAF) and further align the proposed interventions with it. A number of the proposed responses to the identified needs, while generally relevant for the purpose, show significant potential for improvement.

12. This previous point seems to apply to Ireland's proposed eco-scheme. Ireland's stated intention to make this multi-option scheme open to as many farmers as possible (therefore with wide area coverage) offers potential environmental benefits. On the other hand, the Commission has concerns about aspects of the proposed scheme – including a risk that some of the options involved might add only very modest environmental value in comparison to basic good practice in Ireland, with the result that the scheme as a whole brings about too little change. The Commission also has observations about other responses to environment- and climate-related needs.

13. The Commission requests Ireland to clarify or amend certain Good agricultural and environmental condition (GAEC) so they fully comply with the regulatory framework (see detailed observations in Part B below).

14. The Commission welcomes Ireland's proposal for an ambitious and sophisticated joined-up approach to landscape actions, addressing interconnected environmental challenges. The proposal continues the current approach and improves it further. It brings together a range of interventions (agri-environment-climate, cooperation, non-productive investments and training) to deliver increased ambition on a landscape scale, integrating actions to the benefit of water, biodiversity and climate and including result-based carbon farming approaches.

15. Ireland is strongly encouraged to revise its CAP strategic plan in order to take into account the national targets that will be laid down in the revised Regulation (EU) 2018/842 (the Effort Sharing Regulation) and Regulation (EU) 2018/841 (the Regulation for the Land Use, Land Use Change and Forestry (LULUCF)) (revisions which are currently being discussed by the EU co-legislators) in view of the legal requirement in Article 120 of Regulation (EU) 2021/2115 to review the CAP strategic plan after their application.

16. The Commission welcomes the efforts proposed concerning renewable energy production and strongly encourages Ireland to fully benefit from possibilities under the CAP strategic plan by using them to increase sustainable domestic generation of renewable energy, including biogas, thereby strengthening what has already been programmed in their National Energy and Climate Plan. The Commission calls on Ireland to sufficiently improve nutrient use efficiency and circular approaches to nutrient use, including organic fertilising.

**Observations with regard to strengthening the socio-economic fabric of rural areas and addressing societal demands**

17. With regard to the CAP's general objective of strengthening the socio-economic fabric of rural areas, Ireland is invited to reflect on whether the budgetary resources and the instruments proposed are in line with the high number of needs identified and whether other policies outside the CAP are called to contribute. In addition, in line with the long-term Vision for the EU's Rural Areas (COM/2021/345 final), Ireland is invited to ensure a clear targeting of support towards the territories, beneficiaries and sectors that are most in need, based on the SWOT analysis and specific territorial needs.

18. The Commission considers that the CAP strategic plan has room for improvement regarding interventions to enhance animal welfare. Ireland is invited to ensure that the proposed interventions significantly improve animal welfare.

### **Observations with regard to fostering and sharing knowledge, innovation and digitalisation in agriculture and rural areas**

19. The Commission welcomes Ireland's excellent, well-structured, interactive approach to foster knowledge, innovation and digitalisation in agriculture and rural areas, which involves clear coordination and collaboration within its Agricultural Knowledge and Innovation System (AKIS) and a focus on key challenges. Information with regard to the contribution to and consistency with the Green Deal targets

20. With regard to the key Green Deal targets concerning anti-microbial resistance, pesticide use, nutrient loss, organic farming, high-diversity landscape features and rural broadband, the Commission welcomes the information provided and would like to make the following observations:

20.1. Anti-microbial resistance: The Commission notes that Ireland is considering setting a national value, and that the CAP strategic plan includes relevant interventions and other elements. The Commission requests that Ireland set such a value.

20.2. Pesticides: The Commission notes that Ireland's CAP strategic plan includes relevant interventions and other elements, but regrets the absence of national values. It requests that Ireland set such national values for the expected reduction in the use and risk of chemical pesticides and the use of more hazardous pesticides.

20.3. Nutrient losses: The Commission welcomes Ireland's stated national value of 50% for cutting nutrient losses, as well as the presence of relevant interventions and other elements in the CAP strategic plan. It requests Ireland to clarify and/or improve relevant elements of the plan (see various sections in Parts A and B).

20.4. Organic farming: The Commission welcomes Ireland's stated national value of 7.5% for coverage of organic farming – which marks a significant increase in percentage terms – as well as the supporting intervention. It invites Ireland to consider whether it could aim for a still greater increase as a means of delivering additional environmental benefits while also securing a higher share of added value for farmers in the food supply chain.

20.5. High-diversity landscape features: The Commission welcomes Ireland's stated national value of 10% of farmed area to be "prioritised for biodiversity". It strongly recommends that Ireland explain in greater detail what this means in

practice, and to clarify and/or improve relevant elements of the CAP strategic plan (see various sections in Part B).

20.6. Rural broadband: The Commission welcomes Ireland's stated national value of 100% for rural broadband coverage – though this value is planned for 2026 rather than 2025. As Ireland does not envisage related support through the CAP, the Commission requests Ireland to explain more fully how other instruments will achieve the value – and to consider whether this could be done by 2025.

### **Detailed observations (Part B)**

#### **STRATEGIC ASSESSMENT**

##### **To foster a smart, competitive, resilient and diversified agricultural sector ensuring long-term food security**

##### *Strategic assessment of Specific Objective 1*

21. Ireland is requested to include a specific needs assessment in relation to fairer, more effective and efficient targeting of direct payments according to Article 108(c) of Regulation (EU) 2021/2115. For instance, a clear identification of the farms with higher income support needs, in particular by physical size, is necessary.

22. In line with the comments made in Part A on the fairer redistribution, as regards the overview of how the aim of fairer distribution and more effective and efficient targeting of income support is addressed in point 3.4, this should not only indicate that the redistributive needs have been addressed, but also that they have been addressed sufficiently. To justify the sufficiency of the strategy and the consistency of all income support tools, a quantitative analysis needs to be provided showing the combined effects of all relevant income support tools on income per work unit by physical size.

23. The Commission welcomes the inclusion of capping of support in the CAP strategic plan and asks Ireland to provide an explanation of the expected effects of the capping.

24. As the SWOT analysis provides only general references to sectoral differences, Ireland is asked to clarify which sectors (e.g. protein crops) are in a more critical situation than others, and to reflect this in the weaknesses and/or threats with a view to justifying that the intervention strategy targets such sectors with additional support (e.g. coupled income support).

25. The complementarity between interventions related to a certain sector should be assessed not only in a technical sense (i.e. list of interventions targeting the same sector and potential accumulation of support), but also in a broader, strategic perspective (consistency/complementarity). Accordingly, Ireland should reinforce the explanation in section 3.5 on how the combination of the relevant interventions (including rural development interventions) will achieve the intended objective and fulfil the need(s) identified for the sector concerned.

26. Ireland is invited to include a description in section 3.6, giving an overview of the national situation as regards risks in agriculture, such as the increasing market exposure of the agricultural sector, climate change and associated frequency and severity of extreme weather events, as well as sanitary and phytosanitary crises. Ireland is also requested to explain the national approach to addressing these risks, including how different CAP strategic plan interventions and any national instruments or arrangements will contribute to helping farmers manage these risks. In view of the increasing production and income risks, Ireland is invited to consider introducing risk management tools funded by the European Agricultural Fund for Rural Development (EAFRD).

27. Ireland is asked to clarify in section 4.7 or in the description of the national Future Growth Loan Scheme if farmers and rural businesses receiving CAP strategic plan grants would also be able to apply with their grant projects for financing under this national scheme (i.e. if combination is allowed).

28. Agricultural risk management tools may address the growing risks that the changing climate represents in agriculture. Ireland is invited to consider incentives for farmers to take proactive measures reducing their vulnerability and increasing their adaptive capacity to climate change.

#### *Strategic assessment of Specific Objective 2*

29. Ireland recognises the importance of technology to improve the competitiveness of Irish agriculture. However, the target for the result indicator on digitalising agriculture (R.3) lacks ambition with only a marginal share of farms to be reached. In addition, the target for the result indicator on farm modernisation (R.9) is based on the uptake of specific investments from the current Rural Development Programme. Ireland is invited to reflect whether it would not be more appropriate to set higher targets (and consequently increase funding) since Ireland ranks this need highly. A higher ambition on digitalisation and precision farming would not only be good for competitiveness but would also contribute to reaching the environmental ambitions.

30. It should be noted that organic farming is missing in the intervention logic table, but is included in the text describing the intervention logic. This should be reviewed and corrected.

#### *Strategic assessment of Specific Objective 3*

31. Ireland recognises the need to support farmers in capturing a higher share in the value chain. This is the highest prioritised need under specific objective 3. Given the high potential offered by organic farming, the Commission invites Ireland to reflect on whether it could aim for a greater increase in the area. It should also be considered whether other actions related to organic farming (e.g. for stimulating demand) could help farmers capture a higher share in the value chain.

32. Ireland is invited to explain why no other sectoral interventions than fruit and vegetable and apiculture are planned. Given that sectoral interventions are channelled through Producer Organisations (POs), planning a budget for interventions in other sectors might further incentivise farmers to form POs and seek recognition for them.

To support and strengthen environmental protection, including biodiversity, and climatic action and to contribute to achieving the environmental and climate-related objectives of the Union including its commitments under the Paris Agreement

#### *Strategic assessment of Specific Objective 4*

33. The Commission welcomes Ireland's detailed analysis and other explanations in relation to specific objective 4 – with regard to Ireland's background situation, the needs to be addressed, and responses to those needs. It considers that the CAP strategic plan contains much relevant material in this respect and holds potential for contributing effectively to achieving this specific objective. However, the following key issues need to be addressed among others (see also subsequent sections in some cases):

33.1. The comments made in Part A on the overall environmental and climate ambition of the CAP strategic plan and the challenges brought about by the expansion of Ireland's dairy herd in recent years are highly relevant to specific objective 4.

33.2. Ireland's detailed references to its Climate Action Plan are welcome. The Commission notes apparent gaps between the stated overall requirements of reductions in greenhouse gas emissions from the agricultural sector on the one hand, and the expected contribution to these reductions from the CAP strategic plan. Ireland should explain how other instruments will fill those gaps, or else consider how its CAP strategic plan could make a greater contribution to emission reductions.

33.3. The Commission notes that Ireland's CAP strategic plan does not address the identified need of improving the carbon sequestration potential of Ireland's forest and woodland, as other instruments will do this. Given the importance of this need, the Commission seeks reasoned assurances from Ireland that the instruments concerned will be improved as required to meet the need.

33.4. The Commission welcomes Ireland's observation that protecting peatlands is an important aspect of combating climate change. With this in mind, it notes Ireland's intention to implement GAEC standard 2 from 2024 onwards –which is in line with the requirements of Regulation (EU) 2021/2115 – but would be grateful for provisional indications of the requirements which Ireland is considering applying under the GAEC standard, given the high presence of peatland in the country.

33.5. The comment in Part A of this letter about Ireland's proposed multi-option eco-scheme is relevant to specific objective 4. The Commission sees potential scope for strengthening the scheme in relation to extensifying livestock rearing and cutting nutrient use.

33.6. The Commission welcomes efforts to limit greenhouse gas emissions from the suckler herd through the Suckler Carbon Efficiency Scheme. However, it invites Ireland to find ways of ensuring that any such support actually leads to the necessary net emission reduction.

33.7. The target set for result indicator R.14 (carbon storage in soils) is 8.88% in the table and 9.32% in the text, this should be clarified. In either case, given that Ireland has the highest percentage of permanent grassland in the EU and peatlands cover a substantial proportion of the national land area, this target seems low.

#### *Strategic assessment of Specific Objective 5*

34. The Commission welcomes Ireland's detailed analysis and other explanations in relation to specific objective 5 – with regard to Ireland's background situation, the needs to be addressed, and responses to those needs. It considers that the CAP strategic plan contains much relevant material in this respect and holds potential for contributing effectively to achieving this specific objective. However, the following key issues need to be addressed among others (see also subsequent sections in some cases):

34.1. The comments made in Part A on the overall environmental and climate ambition of the CAP strategic plan and the challenges brought about by the expansion of Ireland's dairy herd in recent years are highly relevant to specific objective 5.

34.2. Ireland's references to legislation on air quality, nitrates and water quality –and related planning tools – are welcome. The Commission notes Ireland's statements that the revision-in-progress of its Nitrates Action Programme will play a major role in achieving some of the CAP's objectives – and that this revision may involve adjustments to “the organic nitrogen output of the

dairy cow, reducing stocking rates for a cohort of farmers”. If this is the case, the Commission invites Ireland to make this fundamental point clearer in all relevant sections of the CAP strategic plan. The Commission also requests further information from Ireland on the consistency of the CAP strategic plan with needs and targets arising from the Water Framework Directive (Directive 2000/60/EC) – including how many of the country’s water bodies Ireland wishes to exempt from the requirement of reaching “good status” under that Directive because of agricultural pressures.

34.3. The comment in Part A of this letter about Ireland’s proposed multi-option eco-scheme is relevant to specific objective 5. The Commission sees potential scope for strengthening the scheme in relation to reducing nutrient use and improving soil quality.

34.4. The targets for result indicators R.19 (protecting soils), R.20 (air quality), R.21 (water quality), R.22 (nutrient management) and R.24 (reduced use of pesticides) seem low compared to the scale of the needs identified on these issues in the CAP strategic plan. The Commission invites Ireland to revise and correct these as necessary.

34.5. The Commission encourages Ireland to explain the links with the Best Available Techniques (BAT) conclusions, including BAT-associated emission level (BAT-EL), notably in the context of reducing emissions of pollutants from installations (e.g. ammonia).

#### *Strategic assessment of Specific Objective 6*

35. The Commission welcomes Ireland’s detailed analysis and other explanations in relation to specific objective 6 – with regard to Ireland’s background situation, the needs to be addressed, and responses to those needs. It considers that the CAP strategic plan contains much relevant material in this respect and holds potential for contributing effectively to achieving this specific objective. However, the following key issues need to be addressed among others (see also subsequent sections in some cases):

35.1. The comments made in Part A on the overall environmental and climate ambition of the CAP strategic plan and the challenges brought about by the expansion of Ireland’s dairy herd in recent years are highly relevant to specific objective 6.

35.2. Ireland’s references to the Nature Directives are welcome. However, these references are significantly less clear than those made to legislation on climate change, air and water (see comments on specific objectives 4 and 5) – in particular, they are not very specific with regard to the PAF, in which Ireland envisages EUR 142 million co-funding from the CAP. Furthermore, the Commission questions whether it is sufficiently ambitious to aim to bring only 30% of agricultural habitats to show improving trends by 2030, given that all such habitats in Ireland are currently in unfavourable status. Therefore, the Commission requests Ireland to reflect more clearly, in its CAP strategic plan, the CAP-relevant needs (and responses to needs) identified in the PAF. It also invites Ireland to consider a more ambitious goal with regard to improving the status of agricultural habitats. Ireland is invited to consider further action on freshwater habitats, heathlands, mires and bogs, particularly those outside Natura 2000 areas. Finally, while welcoming the statement that by 2030 “10% of Ireland’s farmed area will be prioritised for biodiversity”, the Commission requests clarification of what that would mean in practice.

35.3. The Commission notes that Ireland’s CAP strategic plan will not address the identified need of maximising the contribution of forestry to biodiversity, as other instruments will do this. Given the



importance of this need, the Commission seeks reasoned assurances from Ireland that the instruments concerned will be improved as required to meet the need.

35.4. The Commission welcomes Ireland's observation that protecting peatlands is an important aspect of improving the status of certain habitats. With this in mind, it notes Ireland's intention to implement GAEC standard 2 from 2024 onwards – which is in line with the requirements of Regulation (EU) 2021/2115 – but would be grateful for provisional indications of the requirements which Ireland is considering applying under the GAEC standard, given the high presence of peatland in the country.

35.5. The comment in Part A of this letter about Ireland's proposed multi-option eco-scheme is relevant to specific objective 6. The Commission welcomes the practices proposed within the eco-scheme for improving on-farm biodiversity -particularly the options on "space for nature" (involving 7-10% of non-productive areas and features across all agricultural land, i.e. a requirement beyond the strengthened GAEC standard 8), and on the planting of hedgerows and trees. However, the Commission has a concern that the approach of setting a single compensation rate for all the various options of the eco-scheme could make these particular options less popular with farmers and limit their uptake. The Commission therefore considers it potentially important to ensure that these options would be adequately rewarded in comparison to others.

35.6. The CAP strategic plan includes few direct actions on birds and habitats, particularly farmland birds (e.g. ground nesting species, breeding waders), although these issues seem to be covered throughout several interventions. Ireland is asked to make the contribution of the CAP strategic plan on these issues explicit to ensure that the challenges related to the worsening trend in biodiversity are adequately addressed. Green architecture and greater overall contribution

36. Ireland is requested to better demonstrate the increased ambition of the planned green architecture as regards environmental and climate-related objectives, using qualitative and quantitative elements such as financial allocation and indicators.

37. Ireland is invited to clarify some programming choices and some links to indicators. The values for a number of result indicators relating to the environment are rather low. The Commission invites Ireland to revise and correct these as necessary.

38. In section 3.1.1, Ireland is invited to further develop the description of statutory management requirements 3 and 4, aimed at the protection and conservation of wild birds and habitats.

39. In section 3.1.2, Ireland is invited to further develop the description of the complementarity between baseline conditions, conditionality and the different interventions, providing an analysis of the synergies between instruments, going beyond summaries of interventions. To strengthen the socio-economic fabric of rural areas

#### *Strategic assessment of Specific Objective 7*

40. While the needs assessment and the intervention strategy are well developed, the link with some interventions could be further streamlined.

41. It is understood that investments under the On Farm Capital Investments Scheme will qualify as green investments (investments as referred to in Article 73(4)(a)(i) of Regulation (EU) 2021/2115). In this regard, Ireland is invited to better substantiate how young farmers will benefit from this intervention to address the need to access land for purchase and develop farm enterprises.

42. Ireland is asked to better explain how the Early Stage Support for Producer Organisations and the Community-led local development (LEADER) programme will provide opportunities for young farmers.

43. Ireland is also invited to consider including the relevant part of the intervention on European Innovation Partnerships, namely stream A, in the intervention logic of specific objective 7.

#### *Strategic assessment of Specific Objective 8*

44. A high number of needs are identified under this specific objective, including infrastructure, access to services, community development, development of the tourism industry, bio-economy, farmer wellbeing and increased opportunities for women in agriculture and business development. In addition, rural poverty and other social challenges such as ageing and the special service needs of rural vulnerable groups need to be addressed. The Commission welcomes Ireland's efforts to enhance the position of women in farming and rural areas. However, Ireland is invited to reflect on whether the budgetary resources provided and the instruments proposed are in line with the high number of needs and challenges to be addressed by the CAP strategic plan under specific objective 8. Ireland is also asked to explain which of those needs are addressed by instruments outside of the CAP strategic plan and how they are addressed.

#### *Strategic assessment of Specific Objective 9*

45. The Commission considers that the CAP strategic plan has room for improvement to enhance animal welfare. While male dairy calves, pigs and sheep are covered by the CAP strategic plan, Ireland is requested to detail more clearly the welfare issues to be addressed, how the interventions would significantly improve animal welfare and how they go beyond the baseline. Ireland is also encouraged to propose actions to achieve the transition towards non-confined housing systems, in particularly for sows, calves and laying hens.

46. While the CAP strategic plan acknowledges the need to increase awareness of healthy diets, interventions proposed seem to be limited. The Commission therefore invites Ireland to better explain how the shift towards healthy, more plant-based and sustainable diets will be achieved. Modernising the sector by fostering and sharing of knowledge, innovation and digitalisation in agriculture and rural areas, and encouraging their uptake by farmers, through improved access to research, innovation knowledge exchange and training.

#### *Strategic assessment of the cross-cutting objective*

47. The Commission appreciates that Ireland has set a clear target to provide every home, farm and business in Ireland, regardless of how remote or rural, with access to high-speed broadband – though this target is planned for 2026 rather than for 2025. Ireland is invited to provide further information on how the National Broadband Plan will achieve this target, whether this could be done by 2025 and how it will be ensured that farmers and the rural population at large will benefit from an adequate quality of service.

48. The Commission welcomes that Ireland has elaborated a strategy on digitalisation. The Commission however notes that the strategy lacks coherence and recommends that it should offer a

clearer overview of all interventions related to digitalisation in the CAP strategic plan. This involves explaining interventions in more detail and cross-referencing interventions under specific objectives. Ireland is invited to explain in the strategy their approach to digital innovation hubs with agriculture as a field of expertise.

### **Simplification for final beneficiaries**

49. Ireland is requested to clarify the cycle for updating the Land Parcel Identification System and whether these updates are also fed into the Single Application.

50. Regarding withdrawals in the geospatial aid application, Ireland is invited to provide information on the tools supplied to the beneficiary to submit such an application and to withdraw a parcel applied for. Ireland is also invited to provide information on whether new technologies are intended to be used for non-IACS controls and whether the Area Monitoring System is used for Force Majeure cases as referred to in Article 3 of Regulation (EU) 2021/2116.

51. Taking note of the information provided on the Farm Advisory System, Ireland is invited to supply information on how applicants are informed about the Farm Advisory System, in particular on point 4(f) on digital technologies in agriculture and rural areas referring to modernisation.

### **Target plan**

52. Data in table 2.3.1 should be provided by financial year rather than by claim year. It seems that it was filled in as if it was by claim year, e.g. for R.4 (income support), FY2023 should be 0, while there should be a value for FY2028 equivalent to previous years. A correction is needed.

53. R.1 (knowledge) and R.28 (environmental or climate-related performance through knowledge): R.28 is a subset of R.1, thus R.1 cannot be smaller than R.28. The training to implement the agri-environment-climate measure and the training to implement the Suckler Carbon Efficiency Programme should also be linked to R.1.

54. R.4 (income support): besides the issue of claim year versus financial year, the value for CY2028/FY2029 should not be filled in.

55. R.9 (modernisation): it should be checked whether it is correct that the milestones are 0 for the first three years. Investments are to be reported from the first payment. R.9 (modernisation) is significantly smaller than R.16 (investments in climate), R.26 (investments for natural resources) and R.32 (investments in biodiversity), it should be checked whether this is correct.

56. R.11 (concentration of supply): the value is empty, while the text in section 2.1.specific objective 3.8 indicates that the value should be 63.18%. The target value for R.11 should be aligned with the explanation.

57. While some interventions target climate adaptation, none of them is linked to R.12 (adaptation to climate change). Ireland is invited to set a target against R.12.

58. R.17 (afforestation) is missing while the intervention on non-productive investments will support planting of trees, this should be checked.

59. R.24 (pesticides): the target is 5.857% of utilised agricultural area under supported commitments. Organic farming contributes directly and significantly to reducing the use of pesticides, thus the area under organic farming would also need to be considered under R.24.

60. R.27 (environmental or climate-related performance through investments) being a cumulative value, the 2029 milestone cannot be smaller than that of 2028.

61. R.34 (landscape features) is missing, while there are interventions contributing to this indicator, this should be revised.

62. R.37 (jobs) is missing while it should at least equal R.36 (young farmers). In addition, LEADER might lead to the creation of jobs (and the target can be updated once the strategies are known).

63. R.39 (developing the rural economy) is missing, is it certain that none of the interventions will support other beneficiaries than farmers (such as SMEs or public authorities) or farmers investing in other gainful activities of the holding (such as processing)?

64. R.43 (limiting antimicrobial use) is missing. Organic farming contributes directly and significantly to reducing antimicrobial use, so R.43 should be higher than 0. In addition, animal welfare interventions may contribute to reducing antimicrobial use.

## **OPERATIONAL ASSESSMENT**

### **Minimum ring-fencing**

65. Concerning the ring-fencing for young farmers, the annual amounts planned in section 5 are slightly below the required minimum amounts (stipulated in Annex XII to Regulation (EU) 2021/2115) and do not match the amounts in the financial overview table (section 6, row 41), this should be reviewed.

66. Concerning the ring-fencing for Fruit and Vegetable Producer Organisations, Ireland should better specify in section 5.2 how the minimum levels of expenditure referred to in Article 50(7) of Regulation (EU) 2021/2115 will be complied with (i.e. at least 15 % of expenditure of each operational programme to cover the interventions linked to environmental and climate objectives, and at least 2% of expenditure of each operational programme to cover the interventions linked to research into and development of sustainable production methods).

### **Definitions and minimum requirements**

67. In section 4.1.1.1, the box should be left empty in case the decision is to use the same definition of production as stipulated in Article 4(1)(c)(i) of Regulation (EU) 1307/2013. The framework definition of production, as stipulated in Article 4(2)(a) of Regulation (EU) 2021/2115, lays down the necessary common elements to be included in a more developed definition established at national level.

68. In section 4.1.1.2, the definition of maintenance of agricultural area (for arable land, permanent crops and permanent grassland) includes reference to controlled burning. Clarity is needed on how this complies with GAECs 1, 2 and 9, and with the National Emission reduction Commitments Directive (Directive (EU) 2016/2284) targets on air quality.

69. In section 4.1.1.2.2, as regards permanent crops, maintenance criteria should be set also on the crops, not only on the land.
70. In section 4.1.2.1, information should be provided as regards the definition of agroforestry, such as tree density, size, distribution in relation to pedo-climatic conditions or management practices (whether or not differentiated per type of agricultural area).
71. In section 4.1.2.2.1, the status of lands which are lying fallow for more than one year should be clarified.
72. In section 4.1.2.3.2, information should be provided on minimum planting density. As regards the harvest cycles of 30 years, the Commission expresses concerns about the long harvest cycles that do not seem to justify the qualification as short rotation coppice.
73. In section 4.1.3.1, objective criteria should be set to determine the predominance of the agricultural activity.
74. In section 4.1.3.2, it should be explained how it will be verified that the land is actually and lawfully used by the farmer.
75. In section 4.1.3.3, the period should be clarified.
76. In section 4.1.3.5, characteristics of single landscape features should be provided, such as their maximum size, in particular of woodlands and stone walls. It should also be clarified whether shrubs and/or trees heather, which can be grazed, continue to be eligible in accordance with the framework definition of permanent grassland referred to in Article 4(3)(c) of Regulation (EU) 2021/2115.
77. In section 4.1.3.6, the principles of fixing reduction coefficients should be explained.
78. In section 4.1.3.7, the description of national schemes thanks to which the area remains eligible, and their compatibility with the relevant EU legislation should be clarified.
79. In section 4.1.4.1, it should be ensured that maintenance activities are covered and that the criteria to identify active farmers do not penalise farmers who do not perform productive activities.
80. In sections 4.1.5.2 and 4.1.6.1, Ireland should determine the requirement of being head of the holding by taking into account factors such as share of capital, voting rights, management power or similar, in connection to the national law, in particular in relation to legal entities and groups of farmers without legal personality.
81. In section 4.1.6.1, Ireland should reconsider the conditions for being “head of the holding for the first time”. It should mean that the person controls and leads an agricultural holding for the first time ever.
82. In section 4.1.7.2, Ireland should provide a justification in terms of cutting administrative burden and supporting viable farm income, based on qualitative and quantitative information.

#### **Elements related to direct payments**

83. As regards the establishment of the value of payment entitlements and the internal convergence, Ireland is requested to provide a justification for the maximum payment entitlement value and to verify the reply to the question relating to Article 24(6) of Regulation (EU) 2021/2115,

as it seems that the reply is in contradiction with the explanation provided in the corresponding text box.

84. As regards the reserve, Ireland is invited to provide further clarification as regards the establishment of the reserve, as well as further specifications about the categories that are intended to be served from the reserve under “specific disadvantages”.

85. As regards the replenishment of the reserve, Ireland is invited to explain what is meant by “a reallocation of funds from other direct payment interventions”.

86. As regards the 10% clawback on the transfer of payment entitlements where a farmer leases over 80% of his entitlements for a period of less than 5 years, Ireland is invited to explain the objective of this rule and to indicate how the conditions set will help to reach this objective. It must be kept in mind that all conditions set must be objective and non-discriminatory. Ireland should clarify whether it is intended to apply this clawback on the value of the payment entitlement. A change in the value of payment entitlements, other than what is explicitly provided in the Regulation, goes against the objective of internal convergence. Therefore, the clawback should rather be applied on the number of payment entitlements.

87. The same remark applies for the reduction in value of payment entitlements leased in by young farmers and having benefitted from a top-up from the national reserve for the leased-in payment entitlements. Also in this case a corresponding reduction in the number of payment entitlements should be envisaged. In addition, Ireland is requested to explain the objective intended to be achieved with this rule, also taking into account the overall objective of internal convergence of payment entitlement values.

88. In section 4.2.2.2, it should be specified which labour costs will be taken into account.

#### **Coordination of EU funds active in rural areas**

89. The Commission welcomes the information provided on the coordination of EU funds active in rural areas. Ireland is asked to provide further details to ensure complementarity, synergies and demarcation between the CAP strategic plan, the Partnership Agreement (as referred to in Article 10 of Regulation (EU) 2021/1060) and the Common Provision Regulation Funds, also in addressing the identified needs that are not or partially funded by the CAP strategic plan. Ireland should also consider referencing the long-term Vision for the EU’s Rural Areas.

#### **Interventions and baseline**

90. Ireland is invited to include principles of selection for operations, where applicable, in the description of interventions. Reference is made to Article 79 of Regulation (EU) 2021/2115 and Annex I to Regulation (EU) 2021/2289.

91. For each intervention concerned, Ireland is asked to provide a brief description of the method for calculating the amount of support and its certification according to Article 82 of Regulation (EU) 2021/2115 in section 7 of that intervention. The full certified method of calculation (when carried out by an independent body), and in case it has been carried out by the Managing Authority, the certification by an independent body, is to be provided in an annex to the CAP strategic plan.

92. Ireland is reminded that for all activities falling outside the scope of Article 42 of the Treaty on the Functioning of the European Union (TFEU), State aid rules apply and a clearance instrument should be indicated. In section 4.7.3, for activities falling outside the scope of Article 42 TFEU, there must be an exclusion of companies in difficulty or companies still having a pending recovery order following a Commission decision declaring an aid illegal and incompatible with the internal market, except in the cases mentioned in the applicable State aid rules.

### **Conditionality**

93. Ireland is requested to revise the standards on good agricultural and environmental condition (GAEC) by taking into account the observations below. GAEC 1

94. The standard does not include a comprehensive summary of the on-farm obligations, including the rules on reconversion in case that the ratio of permanent grassland in relation to agricultural area falls below the set level, as requested under Annex I to Regulation (EU) 2021/2289.

### **GAEC 2**

95. The Commission acknowledges the explanation Ireland has given for delaying the application of GAEC 2 to 2024. The work to improve the mapping of the peatland and wetland areas, in collaboration with the EU's Joint Research Centre, is welcomed. However, given the importance of peatland in Ireland, it would be very helpful if Ireland could provide some indications of the potential standards.

96. Ireland is requested to confirm that wetlands will be afforded the same protection as peatlands.

### **GAEC 4**

97. As 5 m width of buffer strips along watercourses is considered for applying organic manure, Ireland is invited to examine if this width could equally be considered for ploughing, chemical fertiliser and pesticides, which are also problematic in Irish areas close to watercourses.

98. Under the current GAEC 1 under cross-compliance, areas such as beaches, salt marshes and river banks that are contiguous to the listed water courses were also included. Ireland is invited to clarify the status of these areas under GAEC 4 and include those if this is not already the case.

### **GAEC 5**

99. Clarification is needed on the choice of dates for prohibiting ploughing.

### **GAEC 6**

100. The proposed rules for GAEC 6 do not set clearly the most sensitive period and the timespan during which farmers need to provide for soil coverage (for grasslands and arable area). Ireland is requested to define the sensitive period(s) and the appropriate minimum requirements to avoid bare soils.

## **GAEC 7**

101. Ireland has set out two alternative standards: a requirement of crop rotation with winter cover crops and a requirement on crop diversification. However, according to Annex III to Regulation (EU) 2021/2115, the practice of crop rotation cannot be considered optional and alternative to crop diversification. The Commission acknowledges the specific context of the arable sector in Ireland, the limited crop alternatives and the weather conditions. However, in the Commission's views, the option of fulfilling an annual rotation with a winter cover crop could be feasible for all farmers. The duration of the cover crop should be specified to ensure a significant break period between the main types of tillage crops. It is possible to differentiate the rules on cover crops according to farm size if a justification is provided.

## **GAEC 8**

102. The Commission considers that the intention to extend the requirement for a minimum share of landscape features and non-productive areas to all agricultural areas needs to be further discussed in the light of the requirements of Regulation (EU) 2021/2115.

103. The Commission notes that Ireland proposes to allow farmers to remove tree lines and hedgerows, as long as double the length is planted first and within a 10 km radius. However, Ireland is requested to clearly provide in GAEC 8 that farmers can only perform hedgerow removal on the basis of a prior administrative authorisation and that removals should be strictly limited to the need of land consolidation. In addition, the Commission has concerns regarding the list of landscape features. To qualify as non-productive areas, it should be ensured that the areas sown with a specific crop mix to provide feed for wild birds and grassland space for nature are not used for production or grazing. The conversion factor of 3 and a weighting factor of 2 for stonewalls seem difficult to justify.

104. Moreover, forests (afforested area), commonages and Natura 2000 areas are not eligible for the calculation of the share, as they cannot be considered non-productive agricultural areas. While these areas are certainly important for biodiversity and farming practices might be restricted, they cannot be considered under the scope of GAEC 8 that clearly refers to non-productive areas. However, woody features / groups of trees of a limited extent at the edge of agricultural areas or located in the parcels can be considered landscape features.

## **GAEC 9**

105. Considering the importance of this GAEC to protect the pastures of high natural value and the relatively limited designation (3.6% of permanent grassland within Natura 2000), Ireland is invited to consider a large definition of these areas, taking into account the current grassland status and trends in the recent report<sup>2</sup> on the conservation of protected grassland habitats, and the objective to achieve a good conservation status of these valuable grasslands.

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<sup>2</sup> The state of nature in the European Union – Report on the status and trends in 2013-2018 of species and habitat types protected by the Birds and Habitats Directives (European Commission report, October 2020).



## **For direct income support**

### **Basic Income Support for Sustainability (BISS)**

106. The justification provided for the establishment of the unit amount allows to establish that there is a need for income support, but does not allow to assess whether the established unit amount is appropriate. A further elaboration of this explanation, based on data related to the income needs, is therefore required.

107. Ireland is requested to reconsider the variation of the unit amount provided. The variation percentage is very high and is not adequately justified. The justification of the unit amount on the one hand, and of minimum and maximum unit amounts on the other hand should be linked, and these justifications should primarily be based on data related to the needs which the relevant intervention is intended to address.

Elements of uncertainty leading to a risk of unspent funds can be added to justify the variation. However, these elements must also be explained and where possible based on data, e.g. related to past experience of under-execution. Complementary Redistributive Income Support for Sustainability (CRISS)

108. The justification of the unit amount on the one hand, and of minimum and maximum unit amounts on the other hand should be linked, and these justifications should primarily be based on data related to the needs which the relevant intervention is intended to address. Elements of uncertainty leading to a risk of unspent funds can be added to justify the variation. However, these elements must also be explained and where possible based on data, e.g. related to past experience of under-execution.

### **Complementary Income Support for Young Farmers (CISYF)**

109. Regarding the planned unit amounts, Ireland is requested to explain how these amounts will contribute to achieving the policy objective of supporting generational renewal.

110. The support to young farmers may contribute to job creation, thus a link to R.37 should be added.

## **Eco-schemes**

As observed in Part A of this letter, the Commission has concerns on the overall design of the eco-scheme proposal, as well as on the scope of some practices.

### **Observations on the overall design of the eco-scheme and on the choice of result indicators**

111. As regards the setting of a single uniform unit amount, the probable great difference in the cost/income loss of the eight practices covered might lead to low compensation for some of them, or possibly too high for others. This can discourage the farmers' uptake of the most demanding practices such as planting trees/hedgerows or maintenance of landscape features/non-productive areas. The

Commission considers that keeping a reasonable link between the unit amounts and the calculation of costs incurred and income foregone could avoid that the more demanding practices are side-lined by the less demanding ones. Ireland is requested to explain how it is intended to ensure an adequate uptake for the practices with a higher environmental effect, in line with Article 31(8) of Regulation (EU) 2021/2115, stipulating that Member States shall use a rating or scoring system or any other appropriate methodology to ensure the effectiveness and efficiency of eco-schemes to deliver on the targets set.

112. Moreover, the choice of practices is not framed and there is no incentive for farmers to subscribe to practices that can be more synergetic and lead to a higher environmental benefit (e.g. practices 3 and 5, practices 5 and 6, possibly practices 2 and 8).

113. As regards unit amounts, the link between the level of payment and uptake is not clear. In line with Article 31(7) of Regulation (EU) 2021/2115, the payment can be granted either as an additional payment to BISS or as compensation for additional costs and income foregone. Even if in the first case no calculation needs to be provided, the level of payment shall nevertheless take into account the level of sustainability and ambition of each eco-scheme, based on objective and transparent criteria. The statement that the level of payment will depend on the uptake is not in line with the legal framework, as it implies that the level of support does not depend on the requirements.

114. Considering the arguments above as well as the modest environmental value-added that some practices seem to have, it is uncertain that this eco-scheme would result in a substantial change of practices on the ground and ultimately in an improvement of the farming footprint on environment and climate. Ireland is invited to consider these arguments and to strive for an eco-scheme that ensures a balanced approach between simplicity and appropriate environmental/climate ambition.

115. The choice to select three result indicators for the overall eco-scheme does not seem an optimal approach to capture the contribution of the different practices to specific objectives. Only the practices that contribute directly and significantly to a result indicator should be attributed to this indicator. Consequently, only the hectares (outputs) planned for the practices linked to a specific result indicator should be taken into account when setting the milestone/target for that specific indicator. Ireland is invited to review table 11 and plan separate unit amounts for each practice (or group of practices) and set specific result indicators for the specific practices. The different unit amounts can be given the same value. This approach would increase transparency and allow a better estimation of the results of the CAP strategic plan by a more precise link between practices and objectives.

116. As regards the result indicators selected, the choice of R.24 (pesticides) does not seem to be justified as regards the direct and significant link to the practices. The contribution of practices to the different objectives is explained in section 3.1.2 and pesticides reduction is not directly addressed by the eco-scheme (apart from the indirect contribution of using GPS-controlled equipment). Some of the practices supported under this eco-scheme could justify a link to other result indicators, such as soil (R.19) and landscape elements (R.34). The inclusion of these indicators in the eco-scheme would be possible by the approach suggested above.

117. Moreover, all eco-schemes have to provide a contribution to result indicators R.4 (income support), R.6 (redistribution to smaller farms) and R.7 (enhancing support for farms in areas with specific needs). These indicators do not reflect the environmental contribution of eco-schemes, but they do provide information on key objectives for direct payments.

## **Observations on individual agricultural practices**

### **Agricultural practice 2: Extensive livestock production**

118. This practice proposes a commitment of maximum 1.5 livestock units/hectare for 7 months. The stocking rate value may be environmentally beneficial in some more intensively managed regions, but it will be automatically achieved in other regions. Ireland is invited to provide an indication of expected benefits in terms of maintenance and change of practice, by clarifying how many farms already comply with the required threshold, since the practice targets all livestock farmers.

119. This practice offers a good potential to de-intensify improved grassland areas and avoid further intensification, provided that the proposed compensation to dairy and beef farmers is sufficient to ensure uptake and an appropriate level of maximum livestock units/hectare is set. It could also be considered to encourage livestock farmers to take this practice in combination with practice 8 on multi-species sward.

### **Agricultural practice 3: Limiting chemical nitrogen usage**

120. This practice involves a substitution of chemical fertilisers by organic ones, but not necessarily a reduction in the use of fertilisers. Moreover, the average use of mineral fertiliser was 82.9 kg N/ha UAA in 2018 (latest data available). Therefore, a significant number of farmers would qualify for this payment without any change of practice. Ireland is asked to provide an indication of the expected added value in terms of change of practice. Ireland should also justify the proposed threshold and the rationale for the maximum level of nitrogen usage, which seem high. Agricultural practice 4: Planting of Native Trees/Hedgerows

121. Ireland is invited to consider adding requirements as regards the species to be planted (e.g. appropriate in terms of biodiversity, adaptation to climate change, carbon sink capacity and resistance to pests and diseases).

122. Ireland is requested to clearly lay down in practice 4 that hedgerows and trees will not be used to comply with GAEC 8 during the planting year. Agricultural practice 5: Use of GPS-controlled fertiliser spreaders/sprayers

123. Ireland is invited to consider additional commitments under this agricultural practice to reduce overall pesticide use or switch to lower-risk pesticides and overall reduce fertiliser use. A commitment to use low-emission application techniques (rapid incorporation) in addition to the GPS-controlled fertiliser spreading could also be considered.

### **Agricultural practice 6: Soil sampling and appropriate liming**

124. Ireland is invited to clarify how this practice differs from the pilot soil sampling programme currently run by the Irish agricultural authorities. The practices of soil sampling and liming would make more sense within the framework of a fertilisation plan. The contribution to climate and environmental objectives should be further elaborated.

### **Agricultural practice 8: Planting of multi-species sward**

125.Despite the fact that the practice of sowing multi-species swards is beneficial, it is uncertain that the requirement to do it on at least 6% of the eligible hectares is sufficient to bring any benefit. While such a practice may improve sustainability, it may also lead to higher production of meat and milk in case the mixtures are used as forage for grazing animals.

126.The commitments could be strengthened (e.g. reduction of cutting frequency) in order to benefit insects and birds eating insects or seeds.

127.The targeted farmers could be reconsidered to ensure transition of practice for the most intensive livestock farmers. Ireland is asked to explain why the uptake is expected to be greater by more intensive farmers.

## **Coupled Income Support (CIS)**

### **Protein Aid**

128.While in accordance with Regulation (EU) 2021/2115 there is no need to demonstrate the difficulties that the production of protein crops is encountering, the socio-economic and/or environmental importance of the targeted sector needs to be justified.

129.This intervention only aims to give compensation for the sector's difficulty for the duration of the CAP strategic plan with no apparent intention to address it in the longer term. The aim should thus be further elaborated and, if needed, certain elements of the support decision (e.g. eligibility conditions in order to encourage agronomic practices that could increase efficiency) may also have to be reconsidered in order to incite longer-term improvement.

130.The eligibility rules for 'mixed cropping' should be clarified, particularly explaining if it covers exclusively mixtures of crops eligible for coupled income support. If it targets several sectors, the justification and importance, the explanation of the aim and of the unit rate in light of the support needs, should be completed similarly to the general planned unit amount.

131.The justification of the (relatively high) variation should also be further clarified in light of the support needs. In fact, given the various uncertainties about the sector's support needs, it is more realistic to determine the required support as a minimum and maximum unit amount, which in turn would allow fixing and justifying the planned unit amount and its variation.

132.In the financial table with outputs for this intervention, the planned unit amount remains constant over the years, despite a variation of the output indicator O.10 (in hectare). Ireland is asked to adapt the planned unit amount to reflect the variation of the output indicator.

133.The table concerning crops subject to the EU WTO schedule on oilseed (Blair House) must be completed with the planned support area for each crop, so that the Commission can determine the total support area at EU level and, should the EU level ceiling be reached, calculate a reduction coefficient for the Member States concerned.

134.The Commission should inform the Member States about such reduction coefficients, if any, in the observation letter to the CAP strategic plan. However, the Commission has not yet received all the information needed. Once all CAP strategic plans have been submitted, the Commission will inform the Member States whether there is a need to apply a reduction coefficient.

135.The link to result indicator R.14 (climate mitigation) is not justified because, according to the description of the intervention, there is no environmental

requirement beyond mandatory ones. Targeting protein crops alone does not justify the use of this result indicator. Concerning the claim that this intervention contributes to environmental objectives (e.g. reduced emissions), there should be a concrete requirement to go beyond the baseline (e.g. show reduced fertiliser application), instead of just referring to assumed indirect effects (e.g. of reduced fertiliser need).

### **For sectoral interventions**

136. Concerning sectoral interventions, it should be noted that, in accordance with Article 156 of Regulation (EU) 2021/2115, the sum of all payments made during a given financial year for a sector – irrespective for which programme and under which legal base those took place – cannot exceed the financial allocations referred to in Article 88 of Regulation (EU) 2021/2115 for that given financial year for that sector.

137. As regards the type of interventions in certain sectors defined in Article 42 of Regulation (EU) 2021/2115, expenditure that will be paid in 2023 or in the subsequent financial years relating to measures implemented under Regulation (EU) 1308/2013 for these same sectors must not be entered in the annual indicative financial allocations in section 5 or in the financial overview table in section 6 of the CAP strategic plan.

### **Fruit and vegetables**

138. Ireland is asked to consider not restricting the operational programmes to one type of intervention (promotion, communication and marketing) and also including the organic fruit and vegetable intervention in the programmes.

139. Ireland is also asked to clarify how the proposed approach based on one type of intervention will allow each operational programme to comply with the requirements laid down in Article 50(7) of Regulation (EU) 2021/2115, including as regards objectives referred to in Article 46 of Regulation (EU) 2021/2115 and rules on expenditure distribution/ceiling.

140. Ireland is invited to verify and properly describe in the CAP strategic plan how all additional EU legal requirements set out in Regulation (EU) 2022/126, for instance the percentage for minimum water saving (Article 11(4)(a) of this Regulation), are to be addressed.

### **Apiculture**

141. Ireland is asked to provide, in section 3.5.2, an analysis of the apiculture sector to substantiate the needs identified and the intervention type selected.

142. Ireland is also asked to include, in section 3.5.2, a description of the method used to determine the number of beehives in accordance with Article 37 of Regulation (EU) 2022/126 and to verify and properly describe in the CAP strategic plan how all additional EU legal requirements set out by this Regulation are to be addressed.

143. Ireland is asked to clarify how the intervention type will contribute to the sectoral and specific objectives selected, and to align the types of interventions outlined in section 3.5.2 (3 selected) with the intervention type included in section 5.2.

144.Ireland is invited to improve the description of the intervention by including eligibility conditions and supported expenditure and to clarify the data used to establish the planned unit amount against the outputs and in line with the information provided in section 6.

145.Ireland is invited to clarify the synergies and demarcation with rural development interventions. The indicative financial allocation for 2023 should also take into account any planned expenditure for the implementation of measures under the National Apiculture Programme 2020-2022 during the extension period from 1 August to 31 December 2022.

### **For rural development**

146.Ireland is invited to consider programming Natura 2000 and Water Framework Directive payments for mandatory requirements established under the relevant planning documents (including the third river basin management plan). This could complement voluntary approaches under other interventions for any area where obligations face an issue of acceptance. This is especially relevant for the new area to be designated for the 10% of strict protection according to the EU biodiversity strategy.

147.The Commission strongly encourages Ireland to take the opportunity of the CAP strategic plan to introduce interventions to support and enhance forest ecosystem services, should that not be the case with the instruments outside the CAP strategic plan.

148.Ireland is asked to verify that the planned unit amounts are justified and accurate.

### **Management commitments**

#### **Sheep Improvement Scheme**

149.Ireland is asked to describe how the proposed actions go beyond the standard practice and how they concretely lead to improved animal welfare.

150.Ireland is asked to explain how the annual duration of the contract and the multiannual planning of the commitments fit together.

#### **Dairy Beef Welfare**

151.Ireland is asked to explain how it will be ensured that knowledge obtained by farmers from weighing calves leads to improved animal welfare and to a reduction in the use of antimicrobials.

152.Ireland is asked to explain the claimed potential of this intervention to reduce greenhouse gas emissions.

153.Ireland is asked to also clarify how the productive effects of this intervention have been taken into account.

### **Agri-environment-climate General Measure**

154. Ireland is requested to describe the commitments and the results-based actions in a way that makes it possible to assess their nature, their ambition and their potential to deliver on the corresponding objectives.

155. The column on how commitments go beyond mandatory requirements provides rather a summary of the practice or the expected impact. Ireland is asked to explain how the proposed actions go beyond the baseline.

156. These explanations are also necessary for assessing the accuracy of the links to very numerous result indicators: R.14 (carbon sequestration), R.19 (soil), R.31 (biodiversity), R.33 (Natura 2000), R.20 (ammonia), R.21 (water quality), R.22 (nutrient management) and R.24 (pesticides). In addition, the link to R.34 (landscape elements) appears to be missing. Would it be possible to estimate the number of hectares by action/tier to better estimate the numerators of the related result indicators?

157. Ireland is asked to clarify how the Vulnerable Water Areas are identified and what the Farm Sustainability Plan entails. Agri-environment-climate Cooperation Measure

158. Ireland is asked to explain more clearly the difference for the farmers between the actions undertaken under Article 70 and those undertaken under Article 77 of Regulation (EU) 2021/2115.

159. Ireland is requested to provide more details on how the eight high priority target areas will be defined.

160. Large-scale drainage actions, which may cause emissions from organic soils, are mentioned. Ireland is asked to clarify under what circumstances support for drainage would be proposed.

161. Concerning result indicators, the links established by Ireland to R.14 (carbon sequestration), R.19 (soil), R.31 (biodiversity) and R.33 (Natura 2000) seem direct and significant. However, the link to R.34 (landscape elements) seems to be missing. In addition, the links to R.20 (ammonia), R.21 (water quality), R.22 (nutrient management) and R.24 (pesticides) do not seem direct in view of the (lack of) description of the measure.

### **Suckler Carbon Efficiency Programme**

162. It appears that Ireland relies very much on this intervention to deliver the greenhouse gas reductions indicated in the CAP strategic plan and therefore further explanation on the efficacy of the intervention is needed.

163. Ireland is invited to better explain the overall emissions reduction the precursor schemes delivered, the data used for assessing this and the limiting conditions that will be put in place to ensure an overall net emission reduction from this intervention. In this regard, links with area-related conditions such as reduced stocking density could be explored, since this intervention is proposed as an agri-environment-climate management commitment under Article 70 of Regulation (EU) 2021/2115 to be paid per hectare.

164. Ireland is invited to consider including low-protein diet and other feeding strategies to reduce methane and ammonia emissions into this intervention.

165. Ireland is asked to explain how the productive effects of this intervention have been taken into account.

## **Straw Incorporation Measure**

166. It is unclear whether straw incorporation would lead to an overall increase in carbon sequestration when compared to the current standard practices. Ireland is asked to describe the logic of this intervention in reducing national net carbon emissions.

167. In addition, Ireland is requested to consider and explain any other environmental impacts that have been taken into consideration in the design of this intervention.

168. Ireland is asked to justify why the minimum length of the commitment is only one year.

169. Taking into account that this intervention aims also at improving the soil, it should be linked to result indicator R.19 (improving and protecting soils).

## **Organic Farming**

170. Concerning result indicators, the intervention is linked to R.29 (organic farming) only, while it should also be linked to R.14 (carbon sequestration), R.19 (soil), R.21 (water quality), R.22 (nutrient management), R.24 (pesticides), R.31 (habitat and species). In case the support is for farming systems including livestock husbandry, also indicators R.43 (limiting antimicrobial use) and R.44 (improving animal welfare) could be relevant.

171. The payments include the organic license costs, which are typically considered as transaction costs, so the corresponding box should be ticked.

172. Table 12 and 13 need to be revised to include unit amounts for the different categories of conversion and maintenance as well as the different sectors, as payments differ. It is recalled that uniform amounts are the default option for interventions under Article 70 of Regulation (EU) 2021/2115. A single average unit amount for all different payments in the case of organic farming is not justifiable. ANC – Natural or other area-specific constraints

173. The intervention is linked to R.31 (biodiversity), while the description of the intervention does not justify this link. This should be reviewed.

174. Ireland is asked to clarify how the intervention complies with paragraph 13 of Annex 2 to the WTO Agreement on Agriculture. In addition, the reasons for the different treatment between ANC (minimum farm size requirement of 3ha) and direct payments (minimum direct payment requirement of EUR 100 equivalent to less than 3ha) should be explained.

175. The financial table with outputs should be revised since information is missing and appears to be inconsistent. Concerning the planned unit amounts, Ireland is invited to provide either the area (ha) for O.12 for each planned unit amount, or an average unit amount for each ANC category (areas facing natural constraints and areas affected by specific constraints).

## **Investments**

### **Non-Productive Investments Associated with Agri-Environment Climate Measure**

176. Ireland is asked to provide more details on the eligible investments and their nonproductive character.



177. In addition, Ireland is invited to consider extending this intervention to other landscape features, and also the current design of the intervention that excludes farmers who are not undertaking agri-environment-climate commitments.

178. Ireland is asked to verify that the selected specific objectives and result indicators are aligned with the design of the intervention, and to clarify in particular the link with specific objective 5 and result indicator R.16 (investments related to climate). The link with quality of air and water should also be clarified. Notably, the action “tree belt at farmyard” seems insufficient and will not have any significant air quality impact. Ireland is therefore invited to include additional air-related actions eligible under this intervention.

179. Ireland is invited to revise the section on unit amounts with regard to the maximum average unit amount (rather than a maximum payment).

### **On Farm Capital Investments**

180. Ireland is asked to ensure that the whole intervention and all the eligible investments are directly linked to climate and environment/animal related indicators with a clear and direct benefit for the environment and climate or animal welfare, so that the intervention can qualify for green investments linked to the ring-fencing, and to also ensure that funded investments go beyond normal practices and mandatory requirements.

181. Ireland is also asked to clarify the type of investments foreseen under “infrastructural work for young farmers and women farmers to expand their business” and explain how such investments qualify for green investments.

182. Ireland is invited to consider, in addition to investments in animal housing facilities for improving animal welfare, support for low-emission livestock housing techniques.

183. In addition, Ireland is asked to justify the relevance of an age criterion for the top up for Women Farmers (women aged 40 to 66 years) while the top up for Young Farmers (targeting both men and women aged no more than 40 years) is linked to conditions on setting up.

184. Ireland is asked to refer in the description of this intervention to compliance with the Directive on the promotion of the use of energy from renewable sources (Directive (EU) 2018/2001) and to ensure that energy generation is limited to own consumption.

185. Ireland is asked to verify that the selected specific objectives and result indicators are aligned with the design of the intervention, and clarify in particular the link with specific objective 1 and result indicator R.32 (investments related to biodiversity), as well as the low planned output for R.9 (farm modernisation): 5 000 farmers against 20 000 units planned for O.20.

186. Ireland is asked to revise the section on unit amounts with regard to the maximum average unit amount (rather than a maximum payment).

### **Cooperation**

#### **LEADER**

187. Ireland is invited to explain the added value – in terms of building social capital, improving local governance and achieving better projects/results – that LEADER is expected to generate in Ireland, compared to a situation where similar projects would be funded without using the LEADER approach.

188. Ireland is requested to ensure that all the principles of the LEADER approach will be put into practice.

189. Ireland is asked to explain how the sub-regional areas will be configured.

190. Ireland is also asked to describe how the partnership principle will be put in practice, with no single interest group to control the decision-making. Ireland should explain how it will be ensured that the local action groups will be inclusive, i.e. have young people, women, less advantaged groups etc. participating in the partnership and in the decision-making.

191. In addition, Ireland is invited to explain how the indicative LEADER themes and the requirement for concrete overarching elements of local development strategies chime with the bottom-up approach of LEADER.

192. Ireland is also invited to explain how it will be ensured that each local action group brings forward innovation in the local context.

193. Ireland is also invited to explain how it will be ensured that each local action group participates in networking and cooperation (at national or transnational level).

194. Ireland is also invited to set out the delivery mechanism more clearly, detailing the tasks of the local action groups, the Managing Authority and the Paying Agency.

195. Ireland is asked to clarify the approach to Smart Villages.

196. Ireland is encouraged to use simplified cost options.

### **Agri-environment-climate Cooperation Measure**

197. Ireland is asked to explain further the added value of the proposed intervention as compared to using management commitments under Article 70 of Regulation (EU) 2021/2115.

198. Ireland is also asked to provide more details on the role of farmers in the collaborative scheme.

199. Ireland is asked to provide more details on the nature of the bespoke landscape-type actions.

200. Ireland is asked to describe the principles of selection of areas, cooperation projects teams, and beneficiaries.

201. In addition, Ireland is asked to clarify the proposed result indicators according to the needs identified, as well as the value of the proposed unit amounts.

202. It should be clearly described that this intervention concerns new forms of cooperation or existing forms of cooperation introducing a new activity.

### **Collaborative Farming Grant**

203. Ireland is invited to explain further how this intervention supports increased access to land for young farmers.

204. Please also clarify the reasons why simplified cost options are not used for this intervention.

205. The support to generational renewal contributes to safeguarding and creating jobs, thus a link to R.37 (jobs) should be added.

### **European Innovation Partnerships**

206. The link to R.27 (environmental or climate-related performance through investment in rural areas) should be replaced by a link to R.28 (environmental or climate-related performance through knowledge and innovation).

### **Knowledge exchange and advice**

#### **Continued professional development for advisors**

207. Ireland is invited to consider whether budget shall be specifically dedicated to finance advisory and accompanying work towards new farmers willing to set up in organic farming or carbon farming approaches.

### **FINANCIAL OVERVIEW TABLE**

208. The amount of the product of reduction transferred to EAFRD for financial year 2023 (EUR 1.000) in row 26 should be included.

209. Coherence between the financial data entered in section 5 and in this overview table should be ensured. They should match (only totals should match for rural development).

210. It should be ensured that each intervention ring-fenced under section 5, be it for Environment, Generational Renewal or LEADER, fully contributes to meeting one of those ring-fencing requirements (i.e. cannot only partially contribute).

211. Concerning sectoral interventions, it should be noted that, in accordance with Article 156 of Regulation (EU) 2021/2115, the sum of all payments made during a given financial year for a sector – irrespective for which programme and under which legal base those took place – cannot exceed the financial allocations referred to in Article 88 of Regulation (EU) 2021/2115 for that given financial year for that sector.

212. As regards the type of interventions in certain sectors defined in Article 42 of Regulation (EU) 2021/2115, expenditure that will be paid in 2023 or in the subsequent financial years relating to measures implemented under Regulation (EU) 1308/2013 for these same sectors must not be entered in the annual indicative financial allocations in section 5 or in the financial overview table in section 6 of the

### **CAP strategic plan.**

## **CAP PLAN GOVERNANCE, EXCLUDING CONTROLS AND PENALTIES**

213. In section 7.1, Ireland is asked to clarify how the principle of separation of functions is ensured while the Paying Agency and the Competent Authority are both reported as being part of the Finance Division of the Ministry for Agriculture, Food and the Marine. It also appears that the Certification Body has not been appointed yet.

214. Ireland is also asked to clarify how the principle of separation of functions is ensured while the Department of Rural and Community Development will be delegated both the administration of some LEADER elements and the role of Paying Agency for LEADER.

215. In addition, Ireland is asked to clarify the set-up of the Competent Authority and how it will carry out its ongoing supervision of the work of the Paying Agency and its compliance with the accreditation criteria.

216. Ireland is asked to provide more details on the future composition of the Monitoring Committee. Ireland is reminded to ensure a balanced representation of the relevant bodies concerning women, youth and the interests of people in disadvantaged situations in the Monitoring Committee.

217. With regard to sections 7.3, 7.4 and 7.5, comments will be delivered by the Commission services in a separate communication.