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Ministry of Food, Agriculture and Fisheries
The Danish AgriFish Agency



Mr. Pedro Tarno
Head of Unit
European Commission
DG for Agriculture and Rural Development

The Danish Agrifish Agency /
Center for Agricultural Subsidies
June 4 2013
(dok. 535983)

Re: Annulment of the Danish river basin management plans (RBMP) as well as the consequences of the implementation of the compensation scheme for mandatory buffer zones

Dear Mr Tarno,

Thank you for our meeting on May 6, 2013 in Brussels, where we had the opportunity to discuss our letter of May 2, 2013, asking whether payments made in advance (i.e. payments made prior to the adoption of new RBMPs) under the compensation scheme for mandatory buffer zones could be envisaged under the Rural Development Programme.

We are very grateful that the meeting could be arranged and take place with such short notice, and that we had the opportunity to discuss the letter and receive an initial reaction from the Commission on the issue.

At the meeting we understood that the Commission's initial assessments indicate that there is no possibility to proceed with the payments under the compensation scheme in a situation with no approved RBMPs.

We acknowledge this reaction.

We like to confirm that we do not intend to compensate farmers with community funds under the scheme, and that no declaration of expenditures for EAFRD contribution related to the scheme will be submitted in the present situation, as long as a new decision has not been made concerning the RBMPs.

At the meeting, we provided the Commission with an update on the situation concerning the new RBMPs.

We informed the Commission that due to delays in the implementation of a public hearing related to the new plans, the decision on new RBMPs is more likely to be adopted in 2014 (most probably by September 2014) rather than as previously expected in the course of 2013.

As stated in our letter, it is a priority for us to start providing financial payments to farmers by late 2013.

Considering the changed timetable regarding the RBMPs and the prospect of not being able to provide payments under the RDP in 2013, we can inform you that the Danish government has decided to establish a scheme based on nationally funded payments to compensate farmers for expenses they have had and income they have foregone in order to meet the requirements in relation to the buffer zones (and this, in accordance with the De Minimis Regulation).

A financial solution based only on national funds will put considerable strains on national public budgets.

In the Commission's communication of February 26, 2013 (received in response to our letter of January 15, 2013), we were informed that the continued applicability of the compensation scheme and the possi-

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bility of providing compensation retroactively (in the period with suspended RBMPs, but where the mandatory requirements regarding the buffer zones nonetheless are in force and have to be met by farmers) could be envisaged provided the fulfillment of four conditions (i.e. the scenario 2-solution), i.e.:

- The envisaged RBMPs can be adopted with retroactive effect.
- Continuity of the conditions set out with regard to the measure in the annulled and the new RBMPs is to be ensured.
- The restrictions for which compensation is paid under the measure shall remain.
- The necessary controls shall be carried out as required under Regulation (EU) No 65/2011 for the whole period.

With the recent amendment to Regulation 1974/2006 (i.e. Regulation 335/2013 on transitional rules) legal basis has been provided for undertaking new commitments to beneficiaries in 2014-2015 pursuant to article 38 of the basic regulation of the current programming period (Regulation 1698/2005), inclusive of payments linked to the Water framework Directive (2000/60/EC). Considering the expected postponement of the new RBMPs (expected adopted by September 2014), we would be grateful if the Commission can confirm whether the postponement has any consequences for the continued applicability of the scenario 2-solution as described in the aforementioned letter from the Commission.

More specifically, assuming that new RBMPs are adopted by September 2014, we would like to know, whether it would be possible to provide compensation under the RDP scheme retroactively for the commitment period starting from January 1, 2014 until the adoption of the new plans, in which case the De Minimis solution will provide payments to farmers covering the initial commitment period from September 1, 2012 until the end of 2013.

We look forward to receiving your response to this letter.

Yours sincerely,

Mr. Steen Bonde
Head of Unit