



20 April 2022

Ministry of Enterprise and Innovation

## Sweden's initial response to the key issues raised by the Commission in the observations on the Swedish CAP Strategic Plan

Sweden welcomes the Observation letter (here after OL) on the CAP strategic plan (here after SP) and is looking forward to continuing the constructive cooperation with the Commission in the framework of the structured dialogue. Sweden's ambition is to arrive at an adoption of Sweden's SP as soon as possible.

Sweden's SP is the result of a long process with numerous thematic consultation forums, written consultations and bilateral meetings with stakeholders, as noted by the Commission in the OL. The process has also included political discussions and interaction with the parliament and a comprehensive scrutiny by the ex-ante evaluator. For two years, and in parallel with the SP-process, the ex-ante evaluator has examined all key elements of the SP, such as SWOT-analysis, needs assessment and the overall intervention logic. Thus, the Swedish SP is based on a solid process and reflects conditions and needs relevant for Sweden's agriculture and rural areas.

It is also important to consider different national interventions that complements the SP in meeting identified needs, i.e., related to environment and climate, including forestry measures, broadband and commercial services. Sweden is ready to provide relevant additional information on such schemes in the coming bilateral discussions.

## **Fostering of a smart, competitive, resilient and diversified agricultural sector that ensures long term food security**

Targeting direct payments to farmers based on needs is a priority. The analysis shows that the introduction of redistributive payments and complementary redistribution income support for sustainability (hereafter: CRISS), would risk being counterproductive in this respect. Sweden therefore welcomes the invitation to present further analysis and facts to underpin the proposed introduction of degressivity in direct payments as a more appropriate measure to meet this ambition.

The coupled income support is of vital importance for income and profitability in animal production as well as for biodiversity. Sweden looks forward to constructive discussions with the Commission on how the intervention logic can be further developed to reflect all relevant facts.

Regarding the importance of strengthening farmer's position in the food chain, the Commission expresses concerns referring to the level of support and the lack of diversity of type of interventions for Producer Organisations. Even if many agricultural sectors are facing challenges in terms of profitability, Sweden does not see that the introduction of additional sector interventions would have any significant positive effect. In this context it is important to take into consideration the situation in Swedish agriculture, with already existing strong, cooperative enterprises owned collectively by farmers. It is also important to consider the interest from the producers to partake in sector programmes.

## **Support for and strengthening of environmental protection, including biodiversity, and climate action and to contribute to achieving the environmental and climate-related objectives of the Union, including its commitments under the Paris Agreement**

The Commission invites Sweden to provide additional information on a variety of items, e.g., the green architecture and its overall contribution to environmental and climate related objectives as well as its relation to the needs assessment. In the framework of the structured dialogue Sweden will provide such additional information and show how the Swedish SP reflects the increased ambitions on environment and climate, both in terms of budget allocation and improved design of environmental and climate interventions.

As mentioned above, Sweden's SP is the result of a long and comprehensive process. Any significant changes, e.g., introduction of new interventions, at this late stage in the preparations, will put the planned implementation of the SP from 2023 at risk. The request to consider introduction of new interventions will therefore not be possible to meet.

On the questions on conditionality and Good agricultural and environmental conditions (GAEC), Sweden welcomes a possibility, in the coming bilateral discussions, to further clarify the proposed implementation. It is of outmost importance to find a system compatible with the operation of agriculture in Nordic climate. To implement GAEC in such a way as to severely limit the possibility for food production with just limited, or no, environmental benefits, would be unacceptable, not least in view of the explicit aim of strengthening the resilience of European agriculture. Sweden is looking forward to a constructive dialogue on these issues.

### **Strengthening of the socio-economic fabric of rural areas**

Sweden welcomes that the Commission has considered the reference to complementary national measures which strengthen the socio-economic fabric of rural areas, such as support for commercial services.

In the framework of the structured dialogue Sweden will provide additional information on coordination and governance with other EU funding, as requested by the Commission.

### **Fostering and sharing of knowledge, innovation and digitalisation in agriculture and rural areas**

Sweden welcomes the opportunity to further elaborate on the strategic approach to Agricultural Knowledge and Innovation Systems (AKIS) as well as on the instruments outside the SP to address the needs related to broadband access in rural areas. Additional information and elaboration on those items will be provided in the continued dialogue.

### **Information with regard to the contribution to, and consistency with, Green Deal targets**

Sweden shares the Commission's assessment that the Swedish SP will contribute to, and is consistent with, the ambitions in the Green Deal. In order to further facilitate that assessment, Sweden will provide additional

information and qualitative explanations regarding the consistency of the Swedish SP with, and contribution to, the Green Deal targets.

As stated on several occasions, Sweden considers that the discussion on the Green Deal has not yet reached any conclusion on the setting of national target values for the Green Deal targets. Further analysis on principles and consequences is needed. Therefore, Sweden will not include national target values for the Green Deal targets in the SP.