



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

The Director-General

Brussels, 31 March 2022

Subject: Observations on the proposal by the Republic of Slovenia for a CAP Strategic Plan 2023-2027 - CCI: 2023SI06AFSP001

Your Excellency,

I hereby acknowledge receipt of the proposal for the 2023-2027 CAP Strategic Plan of the Republic of Slovenia, submitted via SFC2021 on 23 December 2021.

An assessment by the Commission services of the proposed CAP strategic plan has identified a number of issues that require further clarification and adaptation. The enclosed annex sets out the relevant observations, which are communicated pursuant to Article 118(3) of Regulation (EU) 2021/2115.

I invite the Republic of Slovenia to submit a revised proposal of the CAP strategic plan for approval, taking into account these observations.

In accordance with Article 121 of Regulation (EU) 2021/2115, the time limit of 6 months for the Commission decision to approve your CAP Strategic Plan does not include the period starting on the day following the sending of these observations and ending on the date on which the Republic of Slovenia responds to the Commission and provides a revised proposal.

The Commission is committed to a continued structured dialogue with national authorities in the further approval process of your CAP Strategic Plan. The Commission is open to receiving your written reaction on the key elements of the observations within 3 weeks and intends to publish them subsequently alongside our observations on all the CAP Strategic Plans received in time, unless you would object to publication of your reaction. I invite your services in charge to engage in bilateral exchanges as soon as possible in order to discuss the observations set out in the Annex.

Yours faithfully,

Wolfgang BURTSCHER

Enclosure: List of observations pursuant to Article 118(3) of Regulation (EU) 2021/2115

His Excellency Ambassador Iztok Jarc
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ANNEX

Observations on the CAP Strategic Plan submitted by Slovenia

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 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 production¹ 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. Slovenia 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.

¹ 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).

The key issues

Observations with regard to the strategic focus of the CAP strategic plan

1. The Commission welcomes the Common Agricultural Policy Strategic Plan submitted by Slovenia (hereafter the Plan), the consideration given to its recommendations of 18 December 2020 (SWD(2020) 394), and the exchanges in the framework of the structured dialogue leading up to its submission. The Commission takes note of the public consultations conducted in preparing the Plan and invites Slovenia to strengthen the partnership principle during the implementation phase.
2. The Commission welcomes the efforts by Slovenian authorities to strengthen agricultural supply chains, including short local supply chains, to promote producer cooperation in the agricultural sectors and participation of producers in quality schemes. The Commission also welcomes the strategy to develop the organic sector also by way of investing in supply of the organic products to the market and by way of cooperation to place such products on local markets.
3. However, the Plan needs a higher overall ambition level regarding the contribution to environmental care and climate actions to contribute to the EU environmental and climate objectives and fully reflect the relevant Slovenian environmental and climate needs; furthermore, the needs relating to socio-economic fabric of rural areas and to knowledge, innovation and digitalisation in agriculture and rural areas have to be better addressed in the Plan.
4. The Commission recalls the importance of the targets set for result indicators as a key tool to assess the ambition of the Plan and monitor its progress. The Commission requests Slovenia 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 the fostering of a smart, competitive, resilient and diversified agricultural sector that ensures long-term food security

5. The Commission considers that the 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.
6. The Commission recognises the importance given to improve competitiveness in the Plan as well as interventions supporting competitiveness and economic sustainability. In light of the Russian war on Ukraine, the Commission urges Slovenia to also consider interventions that will help reduce dependence on fossil fuels and other externally sourced inputs to preserve the long-term sustainable production capacity and viability of farms.
7. The Commission requests Slovenia to reassess its redistribution strategy/justification and to complement explanations received, in particular by 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 more effective and efficient targeting of direct

payments is addressed in a sufficient manner within the Plan, including in relation to the request for the 10% redistributive payment derogation.

8. The Commission has also doubts on the design of the support to productive investment: the support proposed targets a wide range of activities while creating overlapping eligibility scopes for beneficiaries and for areas of support without targeting the needs in specific terms. Slovenia is requested to improve the targeting of productive investments towards the real needs identified in the country.

Observations with regard to the 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

9. The Commission considers that the Plan does not show a potential to contribute effectively to this general objective.
10. The Plan needs to be amended to increase its ambition in delivering towards climate change and mitigation, natural resources and biodiversity objective as required by Article 105 of Regulation (EU) 2021/2115 (Strategic Plan Regulation hereafter SPR). In that context, Slovenia 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. Slovenia is requested also to better explain the strategic choices made to address the identified needs in an effective way.
11. Slovenia needs to improve on consistency with and effective contribution of the Plan to the national objectives set out or stemming from legal acts included in Annex XIII to the SPR. Slovenia is therefore requested to ensure that the needs assessment and the intervention strategy of the Plan takes these legal acts and their planning instruments into account and to adapt the Plan in accordance with the observations in the following sections of the letter. To contribute accordingly to the referred national objectives, relevant interventions and their financial allocations require to be modified and new interventions proposed where necessary.
12. The Plan does not provide a sufficient explanation of the contribution of the green architecture to the achievement and consistency with the long-term national targets of Regulation (EU) 2018/842 (Effort Sharing Regulation) and Regulation (EU) 2018/841 (LULUCF Regulation). The Plan does not sufficiently reflect national goals and measures outlined in the National Energy and Climate Plan (NECP) and the Long-Term Climate Strategy for Slovenia until 2050 (LTS), nor does it sufficiently reflect adaptation concerns.
13. Slovenia is requested to take better account of the Prioritized Action Framework (PAF) and further align the proposed interventions with it.
14. The Commission requests Slovenia to clarify, and if necessary, amend certain Good agricultural and environmental condition on land (GAEC) so they fully comply with the regulatory framework. The Commission also requests Slovenia to improve some eco-schemes, which may fall below the level of the conditionality requirements as well as revise the levels of payments of some interventions taking into account the different level of ambition of the commitments required. Other relevant interventions and their financial allocations will need to be modified to

ensure increased ambition in delivering towards climate and environment objectives and the inclusion of new interventions considered where necessary.

15. The Plan is not consistent, in particular, with Slovenia's commitment under the Effort Sharing Regulation as it fails to recognise the need to reduce methane emissions from enteric fermentation, which account for 54% of all agricultural greenhouse gas (GHG) emissions. Slovenia is requested to demonstrate how the green architecture delivers on the climate performance, in order to contribute to the national obligations that are currently in place.
16. Furthermore, while the needs assessment identifies a problem of GHG and ammonia emissions, the Commission considers it unlikely that the proposed interventions will effectively address this need, also given that the Plan does not include any measure related to emissions associated with manure storage accounting for 14% of GHG agriculture emissions. Slovenia is requested to redesign the interventions to ensure a more effective reduction of agriculture emissions.
17. While adapting the Plan, Slovenia is strongly encouraged to take into account the national targets that will be laid down in the revised Regulation (EU) No 2018/842 (the Effort Sharing Regulation) and Regulation (EU) No 2018/841 (the Regulation for the Land Use, Land Use Change and Forestry (LULUCF)) (revisions which are currently discussed by the EU co-legislators) in view of the legal requirement in Article 120 of the SPR to review the Plan after their application.
18. Slovenia is invited to better elaborate the strategic approach concerning a sustainable livestock sector by explaining how the different elements of the Plan come together into a coherent picture which takes into account climate and environmental related aspects as well as competitiveness and market potential of the livestock sector.
19. Furthermore, Slovenia should increase the ambition of the planned interventions for biodiversity and nature, which is of particular concern given the declining status of some habitats and species linked to agriculture, in particular in Natura 2000 sites.
20. Slovenia is also requested to address the high soil erosion problem, which is recognised in the summary of the Strengths, Weaknesses, Opportunities and Threats (SWOT), but not addressed by the needs and the intervention strategy of the Plan.
21. The Commission strongly encourages Slovenia to fully benefit from the possibilities of the SPR to increase sustainable domestic generation and use of renewable energy, including biogas, thereby strengthening what has already been programmed in its NECP. Moreover, the Commission calls on Slovenia to support interventions that improve nutrient use efficiency, circular approaches to nutrient use, including organic fertilising as well as further steps to reduce energy consumption.

Observations with regard to the strengthening of the socio-economic fabric of rural areas

22. The Commission welcomes the effort made to attract and sustain young farmers in agricultural business, to improve their business and financial skills and provide for access to finance via financial instruments. The Commission also welcomes the attention paid to specific animal welfare farming methods and the adaptation of agricultural holdings to improve animal welfare, including those of small farms.
23. At the same time, the Commission considers that improvements are needed to the Plan to contribute effectively to this general objective: Slovenia is invited to set higher objectives for job creation and to make efforts to decrease the high unemployment rate of women in rural areas; at the same time, Slovenia is invited to recognise and address the need for developing entrepreneurship and promoting growth in rural area.
24. The Commission is concerned about the absence of commitment in the Plan to promote gender equality including the participation of women in farming, in line with specific objective 8. The Commission encourages Slovenia to consider addressing this objective by justified and proportionate measures.

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

25. The future agricultural knowledge and innovation system's (AKIS) budgetary efforts need to be strengthened to ensure described improvements on coherence and synergies within the AKIS while also taking into account that the needs related to knowledge and innovation have been identified in respect of many specific objectives of the Plan.
26. As regards Slovenia's strategy for digitalisation in agriculture and rural areas, the Commission notes the intentions to fully address the need for fast broadband in rural areas drawing from resources outside the Plan. This considered, it invites Slovenia to provide further information on the foreseen actions to fully cover the rural areas with fast broadband by 2025, including, if needed, with investments in the Plan.

Other issues

27. The Commission notices the efforts made towards simplification for national administration and final beneficiaries, in particular as regards reliance on remote controls via geo-tagging, activation of the alert system to guide the beneficiary towards the correct completion of the application, and automatic transfer of relevant data for prefilling the aid application.

Information with regard to the contribution to and consistency with Green Deal targets

28. The Commission regrets that Slovenia did not make use of the possibility to provide information regarding national values for the Green Deal targets included in the Farm to Fork Strategy and the Biodiversity Strategy, except for the target to achieve 18% organically farmed agricultural land in 2030. The Commission

requests Slovenia to provide the missing national values that contribute to the Green Deal targets.

29. Despite the absence of national values and the difficulty to assess the impact of the proposed interventions, the Commission considers that the Plan could, if improvements are made, have a positive overall contribution to the Green Deal targets on nutrient loss, high diversity landscape features, pesticide reduction and access to broadband. However, the level of this ambition is considered insufficient and therefore it invites Slovenia to reinforce its Plan in these areas in line with the further observations provided.
30. As regards the Green Deal targets concerning the use of antimicrobials, the Commission acknowledges that Slovenia aims to make a significant contribution to reaching the Green Deal targets at EU level in 2030 through the national strategy “One health”. Slovenia is invited to provide the relevant national value and clarification on the interventions to be used for the training and awareness raising activities to help maintain a low consumption of antimicrobials.

Detailed observations

1. STRATEGIC ASSESSMENT

31. Slovenia is requested to include in the strategic statement but also in other parts of the Plan only content in formats that can be displayed and read so as to allow the assessment of these parts.
32. Relating to the claim that the Partnership Agreement 2021-2027 (hereafter The Partnership Agreement) will in part finance the construction of broadband infrastructure in rural areas, the Commission notes the intention and requests Slovenia to indicate that this intention is subject to the outcome of the negotiations on the Partnership Agreement between the Commission and Slovenia and cannot be prejudged in the Plan.
33. Based on Article 108(e) of the SPR and the following paragraph, the needs assessment should include the needs identified in the national plans linked to Annex XIII of the SPR and an explanation of how they are addressed in the Plan. Slovenia should revise the Plan to make clear how Annex XIII of the SPR is taken into account in the needs assessment. Further, when the needs are addressed not only by the Plan, that is also by other means, the Plan should indicate that it addresses the needs partially and specify, which other means address the needs.
34. The Commission regrets that several needs (i.e. the Need 29 ‘Improving the coverage of rural areas with fast broadband infrastructure’, Need 19 ‘Conservation and improvement of biodiversity in forest habitats’ and Need 03 ‘Risk management’) are included in the needs assessment, but are not addressed by the Plan. The SWOT and the Commission recommendations of 18 December 2020 point to the insufficient coverage of rural areas with broadband infrastructure, to the sensitivity of the spruce monocultures to climate change impacts and to the low

coverage of the Slovenian agricultural production with risk management tools. Slovenia is invited to address these needs in the Plan and/or to significantly strengthen the explanation provided for the purpose of Article 108(e) of the SPR by indicating specifically which other instruments and legislation will address them, how and to what extent.

35. Slovenia is requested to comprehensively explain in the Plan, how the Plan's interventions are coherent with the Recovery and Resilience Plan component on forestry, digitalisation in agriculture and research and development.

1.1. To foster a smart, competitive, resilient and diversified agricultural sector ensuring long term food security

1.1.1. Strategic assessment of Specific Objective 1

36. Slovenia is invited to ensure that all identified needs for specific objective 1 are appropriately described, including Need 23 'Effective generational renewal' and Need 24 'Promotion of job creation'.
37. The Commission considers that Slovenia should strengthen the evidence that the Plan addresses the need of redistribution of income support by interventions financed by the European Agricultural Guarantee Fund and other instruments in order to justify the derogation concerning the 10% complementary redistributive income support for sustainability. With regard to the overview on fairer distribution and efficient targeting of income support in section 3.4 (hereafter redistributive strategy), it should not only indicate that the redistributive needs have been addressed, but also that they have been sufficiently addressed. To justify the sufficiency of the redistributive strategy and the consistency of all income support tools, Slovenia is requested to provide:
 - A quantitative analysis, by physical farm size, showing the combined effects of all relevant income support tools on the amount of direct payments per hectare and the income per work unit (e.g. using data from the Farm Accountancy Data Network).
 - An explanation on the expected effects of degressivity on the redistribution of direct payments.
 - An overview of Slovenia's strategic approach to address income needs of small farms (including e.g. minimum requirements and payment for small farmers).
38. Complementing the assessment of Need 03 'Risk management', Slovenia is requested to fill in section 3.6. It should present the Plan's interventions and national solutions helping farmers to face production, market or income-related risks, and explain the national approach to address them. Slovenia is invited to include elements which allow to assess also the quantitative dimension of the envisaged action (e.g. coverage of farms, insured volumes, average premia, loss and coverage volumes) as well as to describe the complementarity/demarcation between the different tools (e.g. risk management vs crisis management) with a view to understand how the risk of overlapping/overcompensation is avoided. Moreover, given that agricultural risk management is a dynamic field evolving over time, Slovenia is invited to explore additional risk management tools (based on farmers' cooperation, covering income risks or other innovative tools) which seem not to be currently available to farmers.

39. Slovenia has identified in the Plan increased climate-related hazards and risks, however, it has not presented how these shall be addressed within the intervention strategy. Slovenia is therefore invited to design appropriate risk mitigation/management tools to address these threats.

1.1.2. Strategic assessment of Specific Objective 2

40. Slovenia should reinforce/complete the information in section 3.5 of the Plan with the interventions targeting *each* sector, including the livestock and protein crops sector, by including an explanation on how the combination of the relevant interventions (coupled income support, sectorial interventions, national support schemes and rural development interventions) is to achieve the needs identified for the sectors. Slovenia should explain how the interventions related to each sector complement each other and how, when so appropriate, they delineate from each other with a view to increase the competitiveness of the sectors, including in the longer run. Section 3.5 should also explain the long-term strategy for the sectors in particular in terms of concentration of supply and organisation of producers.
41. In the light of Need 06 'Increasing productivity, competitiveness and added value in agriculture' (classified as very important) and Need 10 'Better visibility and organisation of producers to act together on the market' (of medium importance but entirely to be covered by the Plan), Slovenia is invited to explain why it does not plan interventions in other sectors than those for which interventions are mandatory.

1.2. To support and strengthen 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

42. The Chapter 2.3.3 of the Plan should provide a more comprehensive, sound and pertinent presentation of its consistency with and contribution to the Green Deal targets.
43. The Plan should be revised to clarify and justify in appropriate terms the allocation of European Agricultural Fund for Rural Development (EAFRD) and European Agricultural Guarantee Fund (EAGF) to each of the environmental and climate-related objectives.
44. The presentations of intervention strategies for specific objectives should include all relevant interventions, including contributions of GAEC.

1.2.1. Strategic assessment of Specific Objective 4

45. Slovenia is requested to specify in which way and to what extent the Plan contributes to achieving the climate targets and commitments under Regulation (EU) 2018/842 (Effort Sharing Regulation) and Regulation (EU) 2018/841

(LULUCF Regulation) and explain the Plan's consistency with and contribution to the needs identified in the NECP and the LTS².

46. Slovenia is invited to revise the summary of the SWOT analysis to account for weaknesses and threats related to livestock production and its climate impacts. In particular, the summary of SWOT should address the increasing trend in non-CO₂ emissions from 2013 onwards; current consumption and dietary patterns not being in line with health guidelines; absence of clear incentives to reduce GHG emissions in agriculture; absence of an updated Adaptation Strategy for agriculture and land use; lack of studies and data on climate measures (activity data, emission factors, marginal costs); lack of climate audit tools and farm advisors to provide targeted whole farm advice on mitigation and adaptation; the presence of areas at risk for loss of soil organic carbon on mineral arable soils; the state of renewable energy and energy efficiency in the agriculture sector. At the same time, opportunities associated with changing consumption patterns towards plant-based diets and increased domestic protein and plant production merit to be recognised as supportive of mitigation goals.
47. Slovenia is invited to better delineate the needs for specific objective 4 by:
 - tackling the overlap between the Need 13 'Reduction of GHG and ammonia emissions' and Need 15 'Climate change mitigation and adaptation';
 - explaining why Need 26 'Promoting sustainable energy use and the development of circular and bioeconomy' is not linked to specific objective 4 but linked to specific objectives 2 and 8. It should be taken into account that interventions related to renewable energies and bio-economy should be targeted through a suitable set of eligibility conditions relevant respectively to specific objective 4 and 8.
48. With regard to the result indicators, Slovenia is invited to:
 - increase the overall ambition to address the observations in 'The key issues' of this Annex, including by developing an intervention strategy with appropriate result indicators for reduction of GHG including result indicator R.13 (reducing emissions in the livestock sector) and R.17 (areas supported for restoration).
 - justify the links it made between the interventions and R.14 (area supported with practices to reduce emissions or maintain or enhance carbon storage) and result indicator R.12 (area supported with practice to improve climate adaptation).
 - continue to use R.20 (air quality/ammonia reduction), when so is relevant due to benefits of interventions.
49. Slovenia is invited to provide an estimate of the mitigation potential under the concerned interventions.

² Following measures are specified in the NECP and the LTS: upgrade research and capacity building; improve monitoring, reporting and verification for the land sector; improve spatially explicit information under integrated administration and control system (IACS) / land parcel identification system (LPIS); manure and fertilizer storage, fertilization based on soil analysis results, enhancement of supply chains with local food of plant origin; biogas from livestock manure; enhancement of forest resilience by optimising age structure and tree composition of forests, including the converting of spruce monocultures, protection of forest soil and removal of invasive alien species and adjustment of tillage technologies.

50. Slovenia is requested to include in the summary of SWOT and needs assessment the risks of forest fires, and address them with short-term and long-term forest fire prevention measures, if necessary.
51. The Commission encourages Slovenia to explain the links with the Best Available Techniques (BAT) conclusions including BAT-associated emission level (BAT-AEL) notably in the context of reduced emissions of pollutants from installations (e.g. ammonia).

1.2.2. Strategic assessment of Specific Objective 5

52. The Plan should be revised to specify in which way and to what extent it contributes to the needs identified in specific programmes developed in Slovenia under Directive 2000/60/EC (Water Framework Directive (WFD)), Directive 91/676/EEC (Nitrates Directive), Directive (EU) 2016/2284 (National Emissions of certain atmospheric pollutants (NEC) Directive) and Directive 2009/128/EC (Sustainable Use of Pesticides Directive). It should be explained how the needs and the intervention logic are consistent with and contribute to the specific programmes under those Directives.
53. Slovenia is invited to clearly explain the situation in respect of water quantity in its water bodies as this situation is not clear from the summary of SWOT. Also, given that the Plan contain the intervention for the technological modernisation of irrigation systems, the Plan should be revised to identify a need related to water use.
54. The Plan should include a quantitative assessment of hydromorphological pressures in the summary of SWOT, indicating that 40% of Utilized Agricultural Area (UUA) is estimated to be drained. Slovenia is also requested to consider hydromorphological changes and impacts of drainage and the intervention strategy given the Need 17 'Reduction of negative impact of agriculture on surface and groundwater' identifies a need for reduction of hydromorphological pressures and for reduction of negative impacts of drainage.
55. Slovenia should explain which measures other than irrigation are planned under the Plan to address water quantity issues, such as natural water retention measures, training and advice, practices to reduce water demand etc.
56. Slovenia should consider the analysis performed under the third River Basin Management Plan, when available, in the intervention logic.
57. The summary of SWOT should better reflect the severity of nutrient pollution since 99% of surface water bodies fail good chemical status. Slovenia highlights in the Plan that the surplus of phosphorous from agricultural soils is low. However, the 4-year average for Slovenia reached 2.7 kg/P/ha/year, significantly higher than the EU-27 average.
58. The overview of nitrates pollution provided in the Plan should be aligned with data reported for the Implementation Report under the Nitrates Directive of October 2021.

59. Green Deal target on 50% reduction of nutrient losses: Slovenia is requested to exhaustively identify the areas with greatest nutrient surpluses. Since the Plan lacks clarity on this, Slovenia is requested to revise the targeting in line with this identification as well as to revise the intervention strategy and to soundly explain Plan's expected contribution to improved nutrient management and water quality.
60. Green Deal target on 50% reduction of the overall use and risk of chemical pesticides: Slovenia is requested to exhaustively identify the areas most concerned by the use of chemical pesticides. Since the Plan lacks clarity on this, Slovenia is requested to revise the targeting in line with this identification as well as to revise the intervention strategy and to soundly explain Plan's expected contribution to more sustainable use of pesticides. Since according to the summary of SWOT analysis permanent plantations use most of the chemical pesticides, the use of nonchemical methods and reduced use of chemical pesticides should be targeted in a greater extent to permanent plantations.
61. Although soil compaction was identified in the summary of SWOT as a major threat, it is not included in need P14 'Preservation of organic matter and productive potential of soil'.
62. Slovenia is requested to revise the Plan to recognize soil erosion as a weakness rather than a treat, given some areas in Slovenia seem to be permanently and regularly affected by it, and to address it in the needs assessment and in the intervention strategy.
63. Slovenia is requested to revise the Plan to reflect that not only one investment intervention is relevant for specific objective 5 (i.e. SI10.01 sectoral interventions for fruit and vegetables – investment and research) given that other investment interventions are according to their descriptions relevant to specific objective 5 (e.g. modernization of irrigation systems, non-productive investments for sustainable use of plant protection products).
64. Slovenia is invited to explain how the question of improved monitoring of the impacts of the interventions of the Common Agricultural Policy (CAP) on water quality and for soil monitoring system has been taken into account in its strategic assessment – from the SWOT to prioritised needs. Slovenia is requested to revise the Plan in this respect given these two elements are of high importance for the impact assessment of the common agricultural policy interventions.
65. Slovenia is invited to complement the intervention strategy for ammonia reduction with support for covering the tanks of slurry and liquid manure to minimize ammonia volatilisation.
66. Slovenia is requested to justify the links made between the interventions and result indicators R.19 (practices beneficial for soil management to improve soil quality and biota), R.21 (protecting water quality), R.22 (sustainable nutrient management) and R.24 (sustainable and reduced use of pesticides).
67. Relating to result indicators R.21, R.22 and R.24, Slovenia is invited to indicate the expected outcomes from the implementation of related measures in terms of reducing the loss of pesticides and nutrients in water and to what extent the intervention strategy will significantly contribute to achieving the objectives of the WFD by 2027.

68. The Horizon Europe Mission ‘A Soil Deal for Europe’ offers opportunities for accelerating the testing and deployment of solutions through placed-based activities. Slovenia is invited to consider actions that will ensure synergy between soil interventions under the Plan and this mission.
69. Greater attention could be given to the role of forest and agroforestry for water and soil protection in specific objective 5, as forests are currently discussed in specific objective 4 and specific objective 6.

1.2.3. Strategic assessment of Specific Objective 6

70. Slovenia is requested to specify in which way and to what extent the Plan contributes to the needs identified in Prioritised Action Framework for Natura 2000 (PAF), the national Species Action plans or conservation measures for Natura 2000 sites by explaining how the needs and the intervention logic are consistent with these documents.
71. The needs for biodiversity are too broadly defined. Based on the analytical work of the SWOT, Slovenia is invited to identify in specific terms the need for the improvement of the conservation status of habitats and species of EU importance associated with agricultural land both inside and outside Natura 2000 network.
72. Green Deal target on 10% high diversity landscape features: Slovenia is requested to protect existing landscape features when the Plan investments concern them (e.g. investments in agro-ameliorations). Further, Slovenia identified in the SWOT a lack of databases for capturing landscape features into spatial data layers. Slovenia is therefore requested to address this issue and improve the databases to be able to report on landscape features in a more appropriate and realistic way.
73. The Plan introduces a number of new instruments that could have the potential to contribute decisively to biodiversity: Natura 2000 payments, non-productive investments and new result-based payments. However, the target for the related result indicator R.31 (preserving habitats and species) is set at 9.26% of the UAA, which seems low, while the coverage of Natura 2000 payments is for 1200 hectares only. This is clearly insufficient to tackle the steep decline of grasslands and associated species (grassland birds and butterflies) in relevant Natura 2000 sites and outside, which is the subject of the infringement procedure INFR(2019)4058. Slovenia is invited to consider increasing the coverage of the Natura 2000 payments to relevant Natura 2000 sites from the outset.
74. Relating to the Need 20 ‘Preservation of the cultural landscape and high diversity features’ Slovenia is invited to highlight upfront in the title of the need the biodiversity benefits. Relating to the Need 22 ‘Ensuring genetic diversity and preserving local breeds and varieties’, Slovenia is invited to emphasise more the need to select species and breeds resistant to pests and to climate change impacts (e.g. water scarcity, temperature increases and heatwaves). These characteristics would reduce reliance on inputs such as pesticides and water.
75. Slovenia is requested to revise the Plan to better explain how the interventions of the Plan will help to address the Need 21 ‘Maintaining pollination by improving the habitat of wild pollinators’; this is also of relevance in the light of the EU Biodiversity Strategy for 2030 which includes the target of reversing the decline in pollinators.

76. Considering it appears to be challenging to engage farmers in the management of Natura 2000 sites and to enhance the uptake of relevant measures, Slovenia is requested to analyse the situation and identify, depending on the outcome of the analysis, a need to support site management and planning, advice, training, animation, communication and monitoring related to habitats.
77. Slovenia is invited to justify the links made between the interventions and result indicator R.34 (agricultural land under practices for high diversity landscape features) and result indicator R.31 (preserving habitats and species).

1.2.4. Specific strategic focus

Environmental architecture

78. The Plan should be revised to explain the coverage, possible combinations and complementarity of interventions, including investments, clearly and in specific terms.
79. It should be clearly indicated how the possible combinations of interventions (eco-schemes and other area-based measures and interventions) increase impacts on climate and environment.
80. The Commission encourages the use of result-based schemes.

Increased ambition with regard to environmental and climate-related objectives

81. Slovenia presented the green architecture and novelties that point to topical improvements but in doing so it has not demonstrated that the Plan has an increased overall ambition with regard to environmental and climate-related objectives and has a potential to make a greater contribution to these objectives. To demonstrate the increased overall ambition, Slovenia is requested to:
 - include in the Plan also the explanation of what the Plan is expected to achieve using quantitative aspects relating to result indicators, budgets and any other relevant data. It should be presented how quantitative aspects compare to the ambition of 2014-2020 period. In this context, the Commission has noted that the values set for R.19 (soil) and R.21 (water) are lower than those attained in the Rural Development Programme for Slovenia 2014-2022 (hereafter RDP).
 - include an explanation proceeding from relevant elements of the SWOT and from the needs assessment to explain the strategic choices made with a view to address the needs in a more effective way than so far.
 - present the expected improvements of the Plan against the relevant impact indicators set out in Annex I to the SPR.
82. Slovenia is asked to ensure that measures with higher environmental value in a particular geographical area targeting environmental pressure(s) are not crowded out by measures with a lower environmental value as this compromises the overall ambition. In this context, Slovenia is asked to reconsider including in the intervention strategy the interventions with varying tiers of ambition (such as crop rotation measure with an important allocation to the least ambitious tier and a small allocation to the most ambitious tier).

1.3. To strengthen the socio-economic fabric of rural areas

1.3.1. Strategic assessment of Specific Objective 7

83. For the specific objective on generational renewal, Slovenia is requested to ensure a better coherence between the SWOT summary and the needs assessment in section 2 of the Plan, including to properly reflect the weaknesses related to access to capital, credit and land, and to further streamline the intervention strategy and the generational renewal strategy in section 3.2 of the Plan by better integrating and explaining the contribution of all relevant interventions.

1.3.2. Strategic assessment of Specific Objective 8

84. Support for rural areas beyond agriculture and the coordination of EU funding instruments should be ensured with the view to the Union's social and territorial cohesion. The Need 24 'Promoting employment and maintaining jobs in rural areas', Need 26 'Promoting sustainable energy use and the development of circular and bioeconomy', Need 27 'Raising quality of life and development of services and infrastructure in rural areas' and Need 28 'Strengthen social inclusion, cooperation and integration of rural populations' are identified, but the Commission considers them to be only partially addressed in the Plan via LEADER and the interventions for non-agricultural activities. As the needs relate to rural areas, Slovenia is invited to better explain the consistency between these needs and the intervention mix to reply to them by either continuing to partially address them via the Plan and explain to which extent they are also covered by other EU or national funds, or, by fully addressing them via the Plan, in which case Slovenia is invited to consider additional measures (e.g. one for investments in infrastructure and to expand the intervention for non-agricultural activities (IRP25)). This should also allow the delivery of LEADER fully in line with the method so as to achieve its added value.
85. Although bioenergy is a part of the bio-economy, bioenergy and renewable energy should be mainly addressed under specific objective 4. In specific objective 8, the focus should be on the bio-economy in a wider context. Slovenia is invited to adapt the needs and interventions accordingly in specific objectives 4 and 8.

1.3.3. Strategic assessment of Specific Objective 9

86. Considering the current African Swine Fever situation, Slovenia is invited to enlarge its analysis of the biosecurity situation and, if necessary, to address it.
87. The Farm to Fork strategy outlines the importance of moving to healthy, more plant-based and sustainable diets. The Commission notes that the Slovenian Plan acknowledges the low intake of fruits and vegetables in the Slovenian population but the proposed intervention seems to be limited to "increasing consumer awareness of Union quality schemes and the importance of healthy diets". The Commission invites Slovenia to better explain how the shift towards healthy, plant-based sustainable diets will be achieved.
88. The Commission notes that a need on food loss and waste reduction has been identified in the SWOT and that the Plan's interventions will be complemented by actions outside the Plan which, together should lead to a discernible reduction in food loss and waste.

1.4. 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

89. Relating to the need 29 ‘Improving the coverage of rural areas with fast broadband infrastructure’, the Commission requests Slovenia to: (a) provide some details on the intervention strategy (calendar of milestones, targets, planned investments) to reach EU connectivity objectives in 2025³ in all rural areas; (b) provide further details on the quality of rural 4G mobile coverage and explain how they will reach the target of 5G in all populated areas, in particular rural populated areas, in 2030⁴.
90. Slovenia is requested to revise the Plan to introduce explicit intervention strategy and to target beneficiaries, number of events or projects in this respect. Beyond this, experience learns that also grassroots innovative ideas which will be coming in through innovation support (cf. Article 15(4)(e)) of the SPR) can be developed into environmentally oriented European Innovation Partnership operational groups.
91. According to section 8 of the Plan, the Slovenian AKIS needs improvement and a number of elements hindering knowledge flows from the SWOT analysis will be tackled. However, some interventions mentioned in section 8 seem to be missing in the rural development intervention section. Also, the interaction and complementarity between the various advisory providers should be clarified. How does Slovenia intend to support transnational operational groups and ensure international knowledge flows, for instance with Horizon 2020 and Horizon Europe projects? Slovenia is invited to also clarify the interaction between the various AKIS organisations concerning the Idea exchanger and the one-stop-shop for innovation support.
92. The digitalisation strategy overall responds to the results of the SWOT analysis and the needs assessment and has a strong focus on the provision and use of data. It also outlines a sound and reasonable approach to support the digital transformation in agriculture sector and the public administration considering digital infrastructure and tools, human resources and data. However, this requires to be interlinked with the results of the SWOT analysis and the needs assessment. Hence, Slovenia is invited to revise and provide further clarifications for the following elements:
- The SWOT Analysis needs to cover the digitalisation at larger scale in rural areas while cross-referencing other parts of the SWOT analysis (e.g. for broadband to SWOT for SO8). This analysis should be further elaborated on challenges to the uptake of digital tools in agriculture, such as sensors. Slovenia

³ A European Gigabit society - Three strategic connectivity objectives for 2025:

- All main socio-economic drivers (SED) should have access to gigabit connectivity: schools, business parks, universities, research centres, hospitals, etc.
- All urban areas and major roads and railways should have uninterrupted 5G coverage; 5G should be commercially available in at least one major city in each EU Member State by 2020,
- All European households, rural or urban, should have access to connectivity offering a download speed of at least 100 Mbps, upgradable to gigabit speed.

⁴ 2030 Digital Compass – Two strategic connectivity objectives for 2030:

- All European households will be covered by a Gigabit network and
- All populated areas covered by 5G.

has to seize and explain the opportunities in creating synergies between the measures supporting digitalisation in the public administration and also the whole agricultural sector to become more performant reflecting on how these contribute to achieve other Specific Objectives (e.g. through precision farming (Specific Objective 4), provision of e-services). In addition, the potential of developing digital technologies should be explained in more detail.

- The needs assessment is well elaborated. However, it should indicate the level of priority of the identified need and be supported by the SWOT Analysis (i.e. Need 29 on broadband infrastructure). The expected synergies with other policy instruments such as Recovery and Resilience Fund implementation are clearly and convincingly outlined. However, the complementarity with RRP needs further explanation as one of the very important and large-scale investment to be financed by RRP is not mentioned by the Plan's strategy (i.e. the establishment of the National Food Institute as a central pillar of innovation ecosystem in the food supply chains).
- The digitalisation strategy should also reflect the synergies with the Horizon Europe candidate partnership "Agriculture of Data" or other policies funded under the Digital Europe programme such as the Testing and Experimentation facilities for artificial intelligence in agri-food as well as the Digital innovation Hubs. Research and Innovation actions in combination with the Plan may support, for instance, making innovative digital technologies available in particular for smaller farms. The measures under the intervention logic need further explanation on how they would contribute to digitalisation. In addition, the interventions need to be named including details on how the support to marketing, traceability and to the micro-enterprises will be achieved.
- The Digitalisation strategy reflects on the actions planned to avoid and mitigate digital divides in a general way pointing to closing the connectivity and skills gaps. This reflection needs further details on whether there is only a risk of a digital divide between rural and urban areas or also between different types of farms or different population groups, which may require additional actions to be considered and developed in the Plan.

1.5. Simplification for final beneficiaries

93. Referring to the simplifications introduced in the aid application process, the beneficiary should remain responsible for the aid application submitted, so that all related rights and responsibilities can be clearly assumed, even in the case of an automatic claim system.
94. Slovenia is requested to indicate whether the Land Parcel Identification System (LPIS) data are used to pre-populate the geospatial allocation and to provide more information on the sharing of the data sets collected through the integrated system as required by Article 67 (3), (5) and (6) of the SPR.
95. Slovenia is invited to specify which other types of data (other than from the LPIS) are used to prefill the Single Application and to provide more information about the possibility of using the Area Monitoring System to deal with cases of force majeure.

1.6. Target Plan

96. Slovenia is asked to revise or complete the targets taking into consideration the following observations:
- It is not clear if R.6 (redistribution to smaller farms) set at 94% is realistic (current value is 85%). In line with the observations in section 1.1.1 above, the following statement requires to be supported by a more detailed quantitative analysis of the expected effect of the redistributive payment on the income of small farms: “Given the expected growth of the indicator due to the abolition of payment entitlements, the introduction of a complementary redistributive income support for sustainability and the introduction of degressivity to the basic payment, we expect that the income of smaller agricultural holdings will be slightly higher, thus allowing smaller agricultural holdings to be maintained.”
 - For R.14 (carbon storage in soils and biomass), Slovenia is invited to inform about the shares of arable land and permanent grassland concerned by the coverage.
 - R.17 (afforestation, restoration, agro-forestry) should be used for the intervention restoration after natural disasters in the context of SO4.
 - For R.28 (environmental or climate-related performance through knowledge and innovation), Slovenia is asked to explain how the target of 53 776 people will be achieved given that the two contributing interventions do not specify precise implementing arrangements for the environmental or climate-related actions.
 - For R.33 (improving Natura 2000 management), Slovenia is invited to confirm the value 26.12% of total Natura 2000 under supported commitments for it seems no intervention is linked to R.33.
 - R.37 (jobs created), it is not clear if the target value correctly takes into account only 700 jobs (in full time equivalent) out of 3 629 Young Farmers to set up with the support from the Plan given that in the RDP a great majority of Young Farmers set up for full-time jobs.

2. OPERATIONAL ASSESSMENT

2.1. Minimum ring-fencing

97. Slovenia is invited to ensure coherence between data entered in section 5.3 and those in the financial overview table under section 6.1, in particular the divergences noted for Article 70 of the SPR.
98. The investments for adaptation to climate change for permanent plantations (IRP16) and the investment for cooperation for protected areas (IRP 33) do not qualify for the environmental ring-fencing due their predominately productive character in the case of the former and due to a formal link made to Article 77 of the SPR in the case of the latter. Despite this, the Plan seems to be in line with the ring-fencing obligation provided for in Article 93(1) of the SPR, but Slovenia is invited to adjust the Plan accordingly.
99. The amounts planned annually for eco-schemes in section 5 are below the required minimum of 25% of the adjusted allocation for direct payments of Slovenia as set out Annex IX of the SPR, and the indicated rebate to compensate for this is not sufficient to reach 25%. Slovenia is asked to revise this ring fencing to make it compatible with the Regulation.

100. Slovenia has ring-fenced an amount of EUR 26.794.846 for young farmers, i.e. more than the minimum of EUR 19.729.510 set out in Annex XII of the SPR. However, the minimum amounts needed to reach the minimum requirements under Pillar I and Pillar II (EUR 5.000.000 and EUR 11.783.608 respectively) do not reach the minimum needed of EUR 19.729.510. Slovenia is requested to adapt the amounts in rows 42 and 46 of the overview table in section 6.1 of the Plan so that the sum of the two rows reaches the minimum of EUR 19.729.510 set out in Annex XII of the SPR.
101. Slovenia is invited to explain how it ensures that the maximum and minimum spending requirements for sectoral expenditure in the fruit and vegetable sector as laid down in Article 50(7)(a)-(d) of the SPR are respected.
102. The amounts planned annually for Complementary redistributive income support for sustainability (CRISS) in section 5 are below the required minimum of 10% of the adjusted allocation for direct payments (Annex IX to the SPR) whereby the derogation laid down in Article 29(1) second subparagraph of the SPR is not deemed justified.

2.2. Definitions and minimum requirements

103. With regard to section 4.1 Slovenia is invited to
 - Move the definitions of agricultural areas to sections 4.1.2.2 (arable land), 4.1.2.3 (permanent crops) and 4.1.2.4 (permanent grassland), instead of section 4.1.1.2.
 - Provide information on the elements of agroforestry based e.g. on type of trees, their size, number, distribution and management practices (whether or not differentiated per type of agricultural area) in section 4.1.2.1.
 - Include information on the minimum planting density in section 4.1.2.3.2.
 - Explain whether in all the cases the non-agricultural activity for more than 30 days determine the ineligibility of the area, even if this happens outside the growing season, in section 4.1.3.1. Slovenia should take into account the jurisprudence of the Court of Justice of the European Union (case C-61/09 (Landkreis Bad Dürkheim) as well as the cases C-422/13 (Wree) and C-684/13 (Demmer)) that the farmers should be given the opportunity to prove that they were still able to do the agricultural activity.
 - Add some information on the implementation, i.e. how it will be verified that the land is actually and lawfully used by the farmer in section 4.1.3.2.
 - In section 4.1.4.1, explain the basic criteria used to identify the non-active farmers and why any farmer not included in the negative list should be considered active farmers, i.e. has agricultural activities typically not marginal and is engaged in at least a minimum level of agricultural activity. Moreover, Slovenia is requested to confirm that the criteria to determine compliance with the criterion of being an ‘active farmer’ (rebuttal test) do not penalise the farmers who do not perform productive activities, e.g. whether the direct payments are considered as part of the income from the agricultural activity.
 - Clarify on which basis the negative list has been drafted in section 4.1.4.2. The negative list should be used as a complementary tool to help identify such non-agricultural activities and should reflect the basic criteria for identifying the active farmer which are however not indicated. The continuation of previous implementation is not considered as a sufficient justification.

- Justify the threshold of EUR 5 000 in section 4.1.4.3 by including qualitative and quantitative information, e.g. the number of excluded farms.
 - Explain, with regard to the definition of ‘young farmer’, the meaning of “being a manager” in terms of share of the company, voting rights, decision making power in line with the applicable national law in section 4.1.5.2.
104. For technical assistance, it should be exhaustively explained what the allocation will be used for and the beneficiaries should be clearly listed.
105. Slovenia is invited to further develop section 4.4. on the CAP network in the following way:
- Please further specify how the national CAP network will contribute to the EU CAP network, and better identify concrete activities related to support EIP and knowledge flows within the AKIS, the contribution to monitoring and evaluation and work with LEADER/other territorial initiatives.
 - clarify the indicative timeline for the launch of the national CAP network.
 - consider adding some information on the planning to set up suitable monitoring tools and indicators at national level to follow the outputs and performance of the National CAP Network as a key tool to support CAP implementation.
106. Relating to complementarities with the EU Funds, Slovenia is invited to more fully explain:
- How complementarities and avoidance of overlaps between the Plan and EU funds⁵ relevant for rural areas will be ensured. In doing so, Slovenia is invited to take into account further developments related to the adoption of the relevant programming documents for these funds by the Commission. In this context, still subject to finalisation, the Commission takes note of the intention of Slovenia to cover support for entrepreneurship under European Regional Development Fund (ERDF).
 - How synergies between the Plan and the Partnership Agreement will be articulated.

2.3. Interventions and baseline

2.3.1. Conditionality

107. Slovenia is requested to revise some GAEC as well as to add definitions and safeguards to protect the environment, most notably for GAEC 5, 6 and 7.
108. For GAEC 1, Slovenia is requested to clarify in the Plan the reconversion obligation that would apply for the maintenance of the permanent grassland ratio.
109. In relation to GAEC 2, the Plan states that the implementation will be delayed until 2024. The Commission urges Slovenia to implement the GAEC as soon as

⁵ European Social Fund, European Regional Development Fund, Programme for the Environment and Climate Action, Recovery and Resilience Fund, Digital Europe Programme, Connecting Europe Facility (CEF 2 Digital), Horizon Europe Missions and Food Systems Partnership.

technically possible, or else to provide a more detailed justification for the delay with a planning of the mapping exercise.

110. Moreover, GAEC 2 implementation should protect all relevant wetlands and peatlands on agricultural land. Slovenia is invited to provide a definition of wetland and peatlands. This should include all carbon rich soils, including in Natura 2000 sites. In the Slovenian description, cultivation every three years is allowed. However, a definition of ‘cultivation’ in the context of GAEC 2 would be needed.
111. GAEC 4 requires clarifications on the buffer zones along drainage ditches. It refers to 3-meter buffer zones along drainage ditches of more than 2 meter. However, it is not clear what this means in terms of width or in terms of siting of the buffer strips. It is not clear whether ‘3 meter’ refers to all water courses or just to drainage ditches. Furthermore, the GAEC description prohibits the application of organic fertiliser, but it is not clear if this includes manure directly from animals. In addition, grazing and watering is allowed if there are “no excessive signs of damage to the land”. The Commission asks for a more precise wording to ensure a better protection of the environment.
112. GAEC 5 only protects arable land with a very steep slope (a mean slope of 20% or more). This gradient is very high, and a large share of the agricultural surface would be exempted from this GAEC. In view of the high erosion rates in Slovenia, the Commission strongly recommends lowering the threshold considerably (e.g. to below 10% as is done in other Member States) or prove that erosion does not occur at lower gradients. Slovenia should demonstrate that there is no risk of erosion on land with a lower gradient that could not be mitigated by tillage management practices. Slovenia is requested to consider this issue and adapt this GAEC accordingly.
113. In addition, Slovenia proposes the vertical plantations to be permitted by the Ministry of Agriculture for purpose of agromeliorisation. Slovenia should explain the principles that will be applied to vertical plantations, as well as the safeguards to rule out additional risks to the soil.
114. With respect to GAEC 6, Slovenia is requested to clarify the appropriateness of winter ploughing to the GAEC objective. Slovenia should explain how a minimum soil cover is maintained when winter ploughing is allowed. Furthermore, the sensitive period(s) for which the GAEC applies should be clearly spelled out. In addition, Slovenia should revise GAEC 6 by including additional provisions to clarify notions such as ‘normal farming practices’, and ‘good agricultural practices’.
115. As reflected in the footnote 2 to GAEC 7 of Annex III of the SPR, this GAEC lays down that rotation requires a change of crops at least once a year at parcel level including the intermediate crops, except in case of multiannual crops, grasses and other herbaceous forage. Article 13 of Regulation (EU) 2021/2115 lays down that when setting the standards, the Member States shall take into account, where relevant, the specific characteristics of the areas concerned, including soil and climatic condition, existing farming systems, land use such as farming practices, farm size and farm structures, land use, and the specificities of outermost regions. Slovenia should define this practice appropriately to contribute to the GAEC objective of preserving the soil potential. The secondary crops should be cultivated between two main crops and they should cover the full time period between the

main crops resulting in a « significant break » between these (e.g. between winter and spring crops, between two successive spring crops). In addition, the proposed exemptions to exclude farms below 10 hectares would apply to a large area of land given the high percentage of farms below 10 hectares in Slovenia. In view of the needs identified and the positive effect of crop rotation for soil quality, the Commission requests Slovenia to consider lowering the exemption threshold under this GAEC.

116. As regards GAEC 8, due to the exemptions applied, in particular the minimum size of agricultural land, this standard would be applicable to few farms. The Commission requests Slovenia to re-assess to ensure a greater contribution to the needs identified under specific objective 6 in the Plan. Slovenia is invited to provide a clarification about the definition of small paths ('kolovoz') in the definition of landscape features as it does not seem certain that they contribute to biodiversity. Finally, Slovenia should consider whether to require to actively eradicate invasive alien species.
117. Slovenia is encouraged to consider revising GAEC 9 as defined in the Plan to deliver more expected benefits for biodiversity. The Commission encourages Slovenia to include in the definition all 'environmentally sensitive areas' within Natura 2000 sites to be designated and identified as needing 'strict protection'. The designation should take into account the current grassland status and trends ((according to reports⁶ from the Nature Directives (Directive 2009/147/EC (on the conservation of wild birds) and Council Directive 92/43/EEC (on the conservation of natural habitats and of wild fauna and flora)) and the objective to achieve a good conservation status of these valuable grasslands.

2.3.2. For direct income support

2.3.2.1. Basic Income Support for Sustainability (BISS) (Articles 21-28 of the SPR, section 5 of the Plan) and Complementary Redistributive Income Support for Sustainability (CRISS) (Article 29 of the SPR, section 5 of the Plan)

118. The justification in the Plan 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 justification, based on data related to the income needs, is therefore required.
119. The Commission invites Slovenia to reconsider the variation of the unit amount provided for BISS and CRISS. The variation percentages are very high and are 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. These justifications should primarily be based on data related to the needs which the relevant interventions want 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 related to under-execution.

⁶ The state of nature in the European Union - Report on the status and trends 2013-2018 of species and habitat types by the Birds and Habitats Directives (European Commission Report, October 2020).

2.3.2.2. Complementary Income Support for Young Farmers (CISYF) (Article 30 of the SPR, section 5 of the Plan)

120. Slovenia is invited to explain the values of the hectares threshold, the unit amount and the variation for minimum and maximum unit amounts, in particular in view of their contribution to attract and sustain young farmers. In addition, Slovenia is invited to add a link to R.37 for the contribution of the intervention to safeguard and create jobs.

2.3.2.3. Eco-schemes (Article 31 of the SPR, section 5 of the Plan)

121. Regarding the intervention eco-scheme (INP08), it is attributed to paragraph 5 of Annex II to the World Trade Organisation (WTO) Agreement on Agriculture (hereafter WTO Agreement). The reason to attribute the eco-scheme to this paragraph is not explained and contradicting the statements that for 10 out of 12 eco-schemes the payment amounts are based on cost incurred and income forgone. The right paragraph would be paragraph 12 when interventions are based under Article 31(7)(b) of the SPR and Slovenia is suggested to create two separate interventions for eco-schemes based on the type of eco-scheme. In view of the Green Box requirement, Slovenia is reminded that the maximum planned unit amount cannot be higher than the certified amount for the cost incurred and income foregone.
122. The eco-scheme intervention (INP08) consists of 12 eco-schemes. The Plan does not define combinations between them to optimize the environmental benefits, nor does it determine, which eco-scheme(s) is/are to be used mandatorily for the beneficiaries, who resolve to engage in the eco-scheme. Relating to the ambition of eco-scheme, the Commission notes that the least demanding sub-interventions (i.e. catch crops, over-winter greening and the slurry application) account for the majority of the budget of the eco-scheme. Hence, it is likely that the least demanding and most paid sub-intervention(s) would have high uptake, compromising the overall environment and climate outcome of the eco-scheme. Slovenia is invited to consider the mentioned aspects while improving the eco-scheme to bring about higher environmental benefits. For eco-schemes ZNENP08.02 (traditional use of grassland) and ZNENP08.01 (extensive use of grassland) and ZNENP08.03 (low release organic fertilisers), Slovenia is requested to explain in detail the payment of 30 EUR/ha for the first two and the payment of 96 EUR/ha for the last one.
123. The Commission recalls the provision of Article 31(7) of the SPR related to the coherence of the level of payment with the level of sustainability and ambition of the eco-scheme. On this basis, the explanation of the unit amount cannot take the form of a division of the dedicated envelope by the expected area enrolled. The range of variation of the unit amount between -50% (minimum) and +66% (maximum) appears as too high and risks to compromise the provisions of Article 31(8) on the payment levels, which should be respected also when setting minimum and maximum unit amounts. An assessment of the risk of variation of the uptake would help provide clarity.
124. Slovenia attributed each of the 12 eco-schemes to specific result indicators. The Commission asks to clarify why R.34 is mentioned under the eco-scheme in section 4 but none of the 12 eco-schemes is attributed to that result indicator. To fulfil option 2 (7% of arable land to non-productive area of features) under GAEC 8, it is

recommendable to include a dedicated eco-scheme for landscape features beyond the result-based eco-scheme to protect lapwing and skylark nests, which apply at a regional level.

125. Furthermore, the link under the eco-schemes ZNENP08.01 to .06 with R.12 (climate adaptation), the link between ZNENP08.06 and R.24 (pesticides) as well as the link between the support to extensive grazing and R.21 (water quality) are unclear and must be justified. Slovenia is reminded that all eco-schemes should contribute to result indicator R.4, R.6 (and R.7 when selected).
126. Slovenia is requested to explain how the eco-scheme is targeted to areas with environmental pressures and how it is complementary with the interventions of the Plan.
127. Slovenia is requested to explain the environmental benefits of eco-schemes ZNENP08.02 (traditional use of grassland) and ZNENP08.01 (extensive use of grassland).
128. Both measures for grasslands (ZNENP08.02 and ZNENP08.01) lack the necessary requirements to address the most significant pressures on biodiversity. The Commission strongly recommends to consider specific mowing regimes and limits on fertilization to be prescribed to maintain the extensive character of grasslands. In addition, the added value of ZNENP08.02 compared to ZNENP08.01 is unclear.
129. ZNENP08.05 Catch crops and undersowing: This eco-scheme needs to be reconsidered in view of the conditionality standards for soils under GAEC 6 that already establish an obligation to have a minimum soil cover to avoid bare soils in sensitive periods.
130. For eco-scheme ZNENP08.06 (winter cover) it should be clearly spelled out how the implementation would go beyond GAEC 6 (minimum soil cover). In addition, the use of herbicides should be forbidden to provide a real added value for the environment.
131. As regards ZNENP08.07 (tillage management), the ambition of this eco-scheme should be strengthened by combining requirements with soil cover, crop rotation and an integrated pest management (IPM) strategy. Given that the carry-out of no-tillage increases the risk of weeds presence in fields, this could potentially lead to additional herbicides applications. This can be minimised with the application of appropriate techniques within an integrated weed control strategy, requiring also a complex crop rotation. It would therefore make sense to require an IPM strategy or to put a limit on the herbicides treatments to ensure that this practice leads to an overall environmental benefit.
132. For ZNENP08.10 (biodiversity in permanent crops), Slovenia is requested to further specify the requirements farmers should comply with to ensure greater biodiversity, such as the width of buffer strips on the edges of permanent crops.
133. Four eco-schemes are proposed regarding nutrient management and fertilisation (ZNENP08.03 (low release organic fertilisers), ZNENP08.04 (nitrogen stabilisers in slurry and use of additives), ZNENP08.11 (organic fertilisers permanent crops) and ZNENP08.12 (hop composting)). All these techniques should require a nutrient management Plan by the farmer before selecting farm practices. The reduction of

volatilisation has positive consequences but should be accompanied by the optimisation in the application considering, among others, weather conditions and crop requirements. Slovenia is requested to consider within nutrient management Plan not only nitrogen, but also phosphorus and the link between the eco-schemes and the implementation of the Farm Sustainability Tool (FaST). In the fertiliser application within the eco-schemes, the application should be limited to the need for nutrients of the crop (and the limitations imposed under SMR 2). Does Slovenia also foresee any requirements on the frequency and/or the period of application? Furthermore, considering the very small area and payment under ZNENP08.12, the Commission suggests including the practice under ZNENP08.03 for hops.

134. Finally, for ZNENP08.04 (nitrogen stabilisers and the use of additives), the Commission would recommend including the practice under a more comprehensive eco-scheme reducing GHG and ammonia emissions and other undesired effects like emission of water pollutants to ensure a better use of natural resources and reduce the overall carbon footprint. Given that the eco-scheme targets a minor source of emissions, other measures to reduce ammonia emissions would be recommended (manure storage, improving nutrient planning, reducing stocking density, organic farming). Moreover, Slovenia is invited to clearly indicate the limit below the Nitrates directive on the amount on nutrients applied.

2.3.2.4. Coupled Income Support (CIS) (Article 32-35 of the SPR, section 5 of the Plan)

135. Result indicators: Slovenia should consider to link its CIS interventions also to R.4 (linking income support to standards and good practices), R.6 (redistribution to smaller farms) and R.7 (enhancing support for farms in areas with specific needs).
136. For animal sectors, the interventions aim to compensate for the difficulty the sectors are facing for the duration of the Plan, with no apparent intention to address it in the longer run. The description of the purpose should thus be further elaborated and, if needed, certain elements of the intervention (e.g. targeting/eligibility conditions, unit rate modulation) might also have to be re-considered with a view to improvement in terms of competitiveness, quality and/or sustainability in the longer run.
137. The explanation of how the planned unit rate for all sectors and its variation was determined in light of the actual need for support of the targeted sector should be reinforced. Given the various uncertainties about the sector's support need, it is actually more realistic to determine the required support as a (limited) range of values, which in turn would allow fixing and justifying the planned unit rate and its variation.
138. Slovenia is invited to provide explanations on how the CIS interventions are consistent with the Water Framework Directive (WFD), in particular on how they are taking into account river-basin management challenges. This holds in particular for CIS interventions targeting sectors in regions within which the "good ecological status" as per the WFD has not yet been achieved and/or is at risk.
139. In order to address efficiently difficulties and improve the competitiveness and sustainability of the sector and to avoid that the proposed CIS interventions lead to a deterioration of the environmental and climate situation (e.g. resulting from intensification of livestock farming), Slovenia is requested to clarify the interplay between CIS and other support decisions under the Plan and to improve, if relevant,

the CIS interventions' targeting (e.g. eligibility conditions for specific types of farming within a sector and CIS adapted to different local context).

140. The Commission should inform Member States about reduction coefficients, if any, related to the EU WTO schedule on oilseed (Blair House) in the observation letter. However, the Commission has not received all the information needed yet. Once all Member States have submitted their Plans, the Commission will inform Member States, if such coefficient is needed.
141. Slovenia proposes an entry threshold of 14 small ruminants set up to include professional breeding of small ruminants. Slovenia is invited to elaborate on the reasoning for the threshold in light of the difficulty and/or the support's aim, and the coverage of the sector.
142. The intervention proposes a 30% higher support per unit for cattle born and slaughtered in Slovenia. Slovenia is invited to further explain the reasoning for the need for this higher support in terms of competitiveness and its contribution in terms of quality. Slovenia is also invited to demonstrate that this would not be discriminatory and/or go against the internal market.
143. For intervention INP06 it seems that there is a typo in the indicative financial allocation for all years (41 916 should be EUR 3 814 371).

2.3.3. For sectorial interventions

2.3.3.1. Fruit and vegetables

144. For the fruit and vegetable interventions in section 5.2, no link with the cross-cutting objective has been established. The Commission considers that, where relevant, this link should be established (e.g. for type of intervention SI10.03).
145. Slovenia is invited to verify and properly describe in the Plan how all additional requirements set out in Regulation (EU) 2022/126, for instance, the percentage for minimum water savings (Article 11(4)(a) of Regulation (EU) 2022/126), are to be addressed. In addition, section 4.7.3 of the Plan should be complemented with information on whether various targets, like the percentage of minimum water savings, do not contradict targets set for rural development interventions.
146. Form and rate of support/amounts/calculation methods should contain the elements described in Article 52 of the SPR.
147. Concerning WTO aspects, it is not sufficient to indicate the compliance with the relevant paragraph 12 of Annex II to the WTO Agreement. Slovenia is invited to add a short explanation on how this compliance is ensured, in particular with regard to the requirement to limit payments to cost incurred or income forgone.
148. The planned output for output indicator O.35 (number of supported operational programmes) is not correct (0.2) and it should be planned in full from the first year.
149. Since the interventions SI10.02 Advice and SI10.03 Coaching contribute to knowledge exchange, Slovenia is invited to link these interventions to R.1 (enhancing performance through knowledge and innovation) and R.28

(environmental and climate-related performance through knowledge and innovations).2.3.3.2. Apiculture

150. Slovenia is invited to:

- Improve section 3.5.2 by providing
 - a more detailed analysis of the sector allowing to deduce sectoral needs and a justification for the planned interventions;
 - a description of the reliable method for determining the number of beehives as required under Article 37 of Delegated Regulation (EU) 2022/126;
- Improve the description in section 5 by providing a comprehensive explanation of the interventions and supported actions, including eligible expenditure and their relevant beneficiary/ies;
- Ensure that support is provided for eligible expenditure as per provisions of Article 22 and Annex II, part 1 of Delegated Regulation (EU) 2022/126;
- Explain and justify how planned unit amounts and outputs were determined, are consistent with section 6 and, where possible, include planned unit amounts for the different actions described;
- Review the very low value of result indicator R.35 (preserving beehives) considering that 35% of the total annual Union contribution is allocated to intervention SI.2-Support to beekeepers. Only interventions under Art. 55(1)(b) of the SPR should contribute to this indicator;
- Include the information on total public expenditure in tables 5.2.10 of the apiculture interventions and the table 6.2.2 of the Plan;
- Improve the explanation on WTO compliance;
- Provide a clear demarcation with EAFRD interventions;
- Specify for SI01 the supported costs for apiaries for knowledge transfer and the beneficiaries;
- Note with regard to the intervention SI02 that packaging for honey production and purchase of means of transport are ineligible as per Annex II, Part 1, point 1 and 4 respectively of Delegated Regulation (EU) 2022/126 and that costs for seeds of melliferous plants are only eligible if they are planted for preservation of bees and not for plant production. Specify what are typical apiaries and what will be supported. Research on apitechnic measures and combating varroasis would be more appropriate under the intervention SI04.

2.3.3.3. Wine

151. Slovenia is invited to better assess the needs and outline the actions that will address such needs, taking into account the differences between types of interventions and setting the objectives and actions to be carried out according to their specificity. Furthermore, each intervention should be linked to a pertinent result indicator.

152. For the ‘Restructuring and conversion of vineyards’ type of intervention Slovenia should better outline how the proposed actions may improve what is described as ‘unfavourable traditional production conditions on steep locations’ and how the support throughout the entire grape and wine production chain will be put in place.

153. Slovenia should explain how the ‘Information in Member States’ type of intervention will address the problems of lack of competitiveness and fragmented production. In this respect, Slovenia should consider the requirements of Article 14 of Delegated Regulation (EU) 2022/126.
154. The amount envisaged for ‘Promotion in third countries’ does not seem to be proportionate to the current Slovenian wine production and exports. Slovenia should substantiate the reasoning behind such major intervention. Moreover, considering the described fragmented and difficult production conditions, it is not clear how Slovenia will ensure an increase of production and export proportionate to the amount of money allocated to this intervention.
155. ‘Promotion in third countries’ should concern mainly the communication on the quality system of the Union wines, which may be complemented by reference to wine origin. Focussing exclusively on the Slovenian origin and qualities of the promoted wine, would not be in line with the aim of this type of intervention.
156. Slovenia should establish which operators will benefit from this measure.
157. Slovenia is invited to explain which activities, in the wine sector, will be considered as aiming at environmental protection and thus fulfilling the obligation to dedicate minimum 5 % of expenditure to such aims, according to Article 60(4) of the SPR.

2.3.4. For rural development

158. Section 10 of the descriptions of the interventions for rural development deals with compliance with Annex 2 to the WTO Agreement on Agriculture. With regard to this, Slovenia is invited to always identify correct legal basis and always explain how the interventions comply with the applicable paragraphs of Annex 2 to the WTO Agreement on Agriculture. The Commission noted that in many cases, the legal basis is not suitable and in most cases no sound justification is provided.
159. Relating to section 8 of the interventions for rural development, the box “No” must be ticked for interventions IRP21, IRP22, IRP27, IRP 28, IRP28, IRP29 and IRP30.
160. For activities falling outside the scope of Article 42 of the Treaty on the Functioning of the European Union, 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 have to be excluded, except in the cases mentioned in the applicable State aid rules.
161. No carry over amounts are planned in Table 13 of the interventions. In this context, Slovenia is requested to explain how it will handle the commitments undertaken under the Rural Development Programme for years 2023, 2024 and 2025, if any.

2.3.4.1. Management commitments (Article 70 of the SPR, section 5 of the Plan

162. In section 7 of the description of each intervention concerned Slovenia should provide a brief description of the method for calculating the amount of support and its certification according to Article 82 of the SPR. 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 Plan. This comment applies also to eco-schemes.

163. Slovenia is asked to describe the combinations of the interventions, which are allowed, and to indicate the approach to avoid double funding in cases when the same commitments are a part of several interventions.

IRP18 Agri-environment-climate-commitments (AECC)

164. The Commission recommends splitting the intervention consisting of 32 sub-interventions as this would enable that the relevant elements, in particular the link to needs, result indicators, conditionality, and methodology for premia are presented in a read-friendly way.
165. The Plan should be revised to exhaustively explain, how specific sub-interventions of intervention IRP18 tackle specific pressures for water, soil, air and biodiversity and address the identified needs, as well as to specify the environmental and climate benefits.
166. The Plan should be revised to always indicate exhaustively the commitments. They are sometimes not clear (e.g. A.14 Local breeds and A. 26 Precision farming).
167. The Plan should be revised to articulate in a complete and specific way the conditionality relevant to each sub-intervention as this is systematically not the case.
168. The Plan should be revised to specify the amounts of support per hectare in section 7 of the intervention and to describe the methodology for each payment in specific terms as this is systematically not the case given a generic text is provided.
169. For A.10 (Preservation of hedges), the payments to the beneficiaries must be provided per hectare given any AECC payment has to be per hectare.
170. The Plan has to determine the length of contracts.
171. The intention to compensate only 40% of full premium to beneficiaries under intervention IRP18 (and if applicable, under any other area-based interventions), needs to be justified as it is not evident that beneficiaries would apply for it under these circumstances.
172. The table in section 6 of IRP18 on maximum amounts of nitrogen use (mineral and livestock fertilisers) should be revised to indicate clearly the limits of using livestock fertilisers deriving from the Nitrates Directive (170 kg/ha).
173. It appears from Table 13 of the intervention IRP18 as well as of some other area-based interventions that the beneficiaries would be able to enter into contracts only in 2023. Slovenia is asked to clarify the intentions and correct accordingly Table 13 of the intervention and, if relevant, other interventions.
174. Given that in all cases the uniform planned unit amount is planned to be used, the maximum amount of the planned unit amount should not be used at all. Slovenia is requested to correct Table 13 of the intervention accordingly.

175. The sub-interventions for improving feed and reducing emissions (A.28, A.29, and A.30) do not clearly align with agri-environment-climate commitment which should be linked to a hectare based result indicator. If the intervention can be designed in such a way to guarantee an overall emissions/pollutant reduction, it could be considered acceptable under AECC.
176. The sub-intervention A.14 Local breeds should be programmed separately, using output indicator O.19, which is specific to genetic resources interventions and, in this case, would be based on livestock units.
177. The sub-interventions A.18-22 Integrated production absorbs a considerable budget. To ensure its contribution to environmental objectives, its ambition should be increased.
178. As regards the sub-intervention A.1 Special grassland habitats, Slovenia is requested to confirm that the dates for mowing periods are not preventing flowers from seeding and that the use of organic fertilizer does not prevent to reach the objective of the sub-intervention since the upper limit of 40 kg N/ha per year seems to be high for the objectives of this sub-intervention. Slovenia is requested to set rules for the number cuttings, for the timing of grazing and for grazing pressure since they seem relevant for the objectives of the sub-intervention. Slovenia should clarify whether this sub-intervention is also implemented in water protection zones.
179. For the sub-intervention A.3 Conservation of wetlands and bogs, Slovenia is invited to prescribe the mowing period to prevent that in the year of mowing, meadows are mown too early.
180. With regard to sub-intervention A.6 Dry karst meadows and pastures, the narrow-leaved ragwort should not be controlled with grazing as it is toxic for livestock.
181. As for sub-intervention A.7 High truck orchards, a rule setting a limit on the use of insecticides should be considered.
182. For sub-intervention A.8 Steep meadows and A.9 Humocky meadows, an upper limit of allowed input of nitrogen from organic fertilisers should be considered set to help preserve the species and habitats.
183. The sub-intervention A.17 Crop rotation should be reconsidered in view of the revisions requested for GAEC 7.

IRP27 Biotic plant protection

184. Slovenia is invited to complete the missing information, verify the counting against the environmental ring-fencing, strengthen the description in section 5 (e.g. list of commitments needs to be exhaustive and well described), clarify completely the baseline elements (e.g. are all relevant minimum/other national requirements referred to), provide further information on rate of support/amounts/calculation method/unit amount (e.g. it is not clear if the announced 'model calculations' have been carried out and certification is missing), consider if the ambition can be strengthened (e.g. planned output is below 1% of agricultural land) and confirm that there is no risk of double funding/overlapping with interventions with a similar scope (e.g. INPO8, IPR18 and IPR19).

IRP 28 Animal welfare

185. Slovenia is invited to complete the missing information. The supported items, the eligible costs and the commitments should be described exhaustively. The amounts of support/payments for the different categories should be provided as well as the description of the methodology. Several elements are missing or incomplete, e.g. the description of the link between GAECs, statutory management requirements (SMRs) and national standards with the intervention, duration of the contracts.
186. Slovenia is invited to propose further interventions to reduce the need for tail docking of pigs and to encourage non-confined housing system for calves and sows.

IRP19 Organic farming

187. Slovenia is requested to link this intervention with result indicator R.31 (habitat and species). For livestock husbandry also indicators R.43 (limiting antimicrobial use) and R.44 (improving animal welfare) are relevant.
188. Compensation per livestock unit or beehives is not possible based on Article 70(8) of the SPR. Slovenia should include the duration for conversion period together with corresponding compensation of additional costs and income foregone for the different crop types for the conversion period. Section 13 'Financial table with outputs' should include the different unit amounts for the different crop types. Several elements are missing or incomplete, e.g. the description of the link between GAECs, SMRs and national standards with the intervention and the reference to Regulation (EU) 2018/848.

IRP23 Pasture areas for herbivores

189. Slovenia is requested to provide missing information in sections 5, 7 and 9 and to indicate how the intervention addresses the identified needs and contributes to specific objective 6. It is not clear, what the commitments and the applicable baselines are and what the eligibility conditions target.

IRP34 Conservation of genetic resources

190. Slovenia is requested to complete the description of the intervention most notably with the explanation of its purpose, amounts in section 7 and information relating to state aid assessment. Slovenia is requested to use result indicator R.27 (environmental or climate-related performance through investment in rural areas). Furthermore, Article 45 of Delegated Regulation (EU) 2022/126 needs to be applied. Finally, the planned unit amount should be defined as an average, to tie in with the number of operations, and be more robustly explained.

IRP01 Areas with natural constraints (ANC)

191. In relation to the calculation of the payment, Slovenia is invited to provide clarification as regards:
 - Is there a maximum number of points that a holding can receive?
 - Are the compensation and the range of support limited to all or part of the additional costs and income foregone related to the natural or other area-specific constraints in the area concerned?

- Provide a clarification on the difference between the maximum amount to be paid to a beneficiary and the average unit amounts indicated in section 13 of the intervention.
- Provide a clarification and ensure coherence between the financial data entered in section 12 and 13. The information in section 12 has to explain the average unit amounts in section 13 of the intervention.

IRP20 Natura 2000

192. The description of the intervention is incomplete. Slovenia is requested to provide the missing information, most notably on which restrictions resulting from the implementation of the Birds and Habitats Directive will be compensated, on the payment calculation and the eligible areas.

2.3.4.2. Investments including investments in irrigation (Article 73-74 of the SPR, section 5 of the Plan)

Common elements for investment support

193. Section 4.7.3 of the Plan has to include a list of all ineligible investments in accordance with Article 73(3) of the SPR, set the requirement for a reduction of 10% of energy use for a facility in reference to the applicable standards and provide for the definition of large-scale infrastructure.
194. The provisions according to which additional specific requirements relating to beneficiaries, types of investments and eligibility of costs would be determined in accordance with national rules and the eligibility conditions, which make the support conditional upon national regulations, should be deleted from the Plan. Slovenia should change the Plan to ensure that all general conditions are included in the Plan and that the national rules proceed from the Plan.
195. A targeting of support towards needs is a part of the intervention strategy. Hence, a targeting of geographic areas, sectors, types of farms and a targeting by another relevant parameter, has to be determined in the Plan, based on the SWOT and the needs identified. Slovenia is requested to modify the Plan to ensure that the targeting is established in the Plan.
196. Slovenia should ensure that the planned unit amounts are always robustly explained and that the explanations refer to the amount(s) indicated in Table 13 of the description of interventions they refer to.
197. Several interventions apply thresholds. Slovenia is asked to justify the thresholds included in the Plan based on qualitative and quantitative information in consideration of the needs they address.
198. Slovenia is asked to justify also the eligibility conditions in consideration of the needs they address.
199. Concerning the use of simplified cost options for the non-area based interventions, the Plan should specify the method based on which the unit costs are determined in line with Article 83(2) of the SPR.

200. Principles about selection criteria are occasionally specified. Slovenia is encouraged to define a set of these principles applicable to an intervention in the Plan from the start as this would give a direction on targeting.

201. Slovenia is invited to better explain how the durability of investments is addressed.

IRP02, IRP03, IRP04 and IRP05 Investments for agriculture

202. The interventions, which cover in substance two or three output indicators (O.20 (on farm productive investments), O.22 (off-farm productive investments) and O.24 (infrastructure investment), have to be split to cover only one output indicator for each intervention must cover in substance only one output indicator.

203. The investments in irrigation are included in several interventions, including in one forestry intervention. Slovenia is requested to gather investments in irrigation exclusively in the dedicated interventions for irrigation, which must transpose the requirements of Article 74 of the SPR.

204. The scopes of the interventions cover a large range of activities (e.g. agricultural and non-agricultural activities, bio-economy, cultural heritage, digitalisation and renewable energy) without targeting clearly and comprehensively the problems, the needs, the priorities and the beneficiaries. Slovenia is requested to improve the definition of the need(s), the intervention strategy so that the intervention logic of the interventions can be established.

205. For each intervention, the Plan should specify the sets of eligibility conditions, which are pertinent to the needs identified in the Plan and to related specific objectives (e.g. for investments related to bio-economy, renewable resources and other as appropriate).

206. The scopes of the interventions overlap considerably in respect of beneficiaries as well as in respect of areas of intervention. Slovenia is requested to revise the Plan to undo overlaps within the Plan and to explain the complementarities between the interventions.

207. For collective investments, it is not clear that they promote the economies of scales and that they cover the sectors and geographical areas in need, which both seem to be relevant parameters in the Slovenian context. The Plan should clarify in specific terms the needs related to collective investments and align the intervention logic to that clarification.

208. The Plan should explain how the investments in bio-economy, digitalisation, processing of agricultural products and renewable energies under the Plan are complementary to those under the Cohesion Policy and Recovery and Resilience Plan for Slovenia.

209. Investments, which merely comply with legal requirements, are not eligible unless their objective is to make them comply with new requirements in which case Article 73(5) of the SPR applies. Investments in energy efficiency are listed as an eligible item without a requirement that they have to go above established standards. These investments have to be targeted towards specific objective 5 and with a requirement of going beyond established standards.

210. Directive (EU) 2018/2001, including its sustainability criteria, should be taken into account for investments in producing energy from renewable resources, which have to be targeted towards specific objective 4.
211. Investments for small farms should also be linked to a requirement for a business plan with a contribution towards specific objective 2. The Plan has to be revised to clarify the strategy and intervention logic for small farms.
212. It is not clear how the investment support improves the productivity, enhance market orientation and increase farm competitiveness of the beneficiaries in the longer run. The Plan has to be revised to clarify this aspect.
213. Investments in agro-ameliorations require a better description so that it becomes clear if they are about infrastructure or about on-farm investment, which has consequences for the support rate to be applied. Slovenia is requested to confirm in the Plan if investments in land consolidation are investments in tangible and/or intangible assets.

IRP06, IRP07, IRP08 and IRP09 Investments for forestry

214. For productive investments in forestry other than in infrastructure, Slovenia is invited to include a suitable eligibility condition relating to economic viability and to target support towards the purpose of the interventions.
215. For the intervention on forestry machinery, which includes investments for forest area development, an eligibility condition reflecting Article 73(2), second paragraph of the SPR should be included.
216. For investments in pre-industrial processing, Slovenia is requested to ensure that support for processing investment remains within rural development policy and does not enter the industrial policy level.
217. The need for resilient and biodiverse forests adapted to climate change should be considered in the intervention for forest nurseries.
218. For investments in nursery, section 8, the box “No” is ticked. It is correct if the beneficiaries are producing seedlings to sell them to forestry operators. If the beneficiary is a forest operator, the box “Mixed” must be ticked instead of “No” and the State aid clearance instrument must be indicated.

IRP13 Extension of the irrigation systems

219. This intervention should only cover investments in a net increase of the irrigated area. Investments in modernisation of the irrigation systems have to be programmed separately. The scope of the proposed intervention also requires to split it in two, in line with the relevant output indicators O.20 (on-farm productive investments) and O.22 (infrastructure investment). Slovenia is requested to ensure that investments in irrigation infrastructure do not fall under the definition of large-scale infrastructure and integrate in the Plan the provisions referred to of Article 74(6) and 74(7) of the SPR.

IRP14 Modernisation of the irrigation systems

220. Slovenia is invited to ensure that this intervention only includes investments in improving the existing irrigation systems and that no investment under this intervention will result in a net increase of irrigated area. The investments in the improvement of existing irrigation installations should be linked to specific objective 5. Similar to the extension of irrigation systems, this intervention should also be split into two O.20 (on-farm productive investments) and O.22 (infrastructure investment).
221. The description of the intervention indicates that in case the investment concerns a water body (whose status has not been identified as less than good) “potential water savings of 15%” should be achieved. In cases of a water body whose status is less than good, a percentage of 50% has been defined; it should be noted that for the latter an effective reduction in water use is required, in line with Article 74(4)(b) of the SPR.
222. Slovenia is asked to explain the planned unit amounts, especially the choice of uniform unit amount for collective installations and of average unit amount for individual installations.

IRP15 Restoration of forests after natural disasters

223. Support should be subject to an eligibility condition reflecting Article 73(2), second paragraph of the SPR and the intervention linked to O.23 (off-farm non-productive investments) as owners are not compensated for the losses endured.
224. The sensitivity of spruce monocultures to climate, the objective of increased forest connectivity and the need for forests adapted to climate change should be considered in the Plan.
225. The support should also be linked to R.17 (afforestation and restoration).

IRP16 Investments in adaptation to climate change in permanent crops plantations

226. Slovenia should take into account that this intervention should not count towards the ring-fencing obligation, towards specific objective 4 and R.16 (investments related to climate) given that it contains mainly preventive and restoration activities.
227. The support rate for this measure is a maximum of 65% of eligible costs in case the productive character of the intervention is kept or a maximum of 80% of eligible costs in case the intervention is developed in a green productive investment.

IRP17 Investment in efficient use of nitrogen and IRP21 Investment for management of grassland habitats and sustainable use of plant protection products

228. These interventions account for environmental and climate related ring-fencing under the EARDF. Thus it has to be assured that the eligible investments are directly linked to the relevant indicators with a clear and direct benefit for the environment and climate. To this end, Slovenia is invited to strengthen the targeting, to indicate eligible investments and to clearly describe that the

investments go beyond normal standards and mandatory requirements. IRP21 should be linked to R.26 (investments related to natural resources).

IRP22 Non-productive investment linked to AECC

229. Slovenia should develop a clear targeting of the intervention by including the general requirements and eligible investments in the Plan and ensure that the eligible investments are non-remunerative investments linked to the delivery of purely environmental and climate benefits. Some eligible investments seem to include productive components, linked to the production cycle (sub-intervention A).

IRP25 Investments in non-agricultural activities

230. A wide range of non-agricultural activities, including bio-economy and cultural heritage, without specifying clearly the territorial areas concerned, the needs and the beneficiaries, do not provide enough elements for assessing the intervention. Slovenia is invited to clarify the intervention logic in the Plan and to provide a more comprehensive description in the Plan.

231. Slovenia is invited to better define the principles of selection by types of activities and to justify the different ranges of support (e.g. prioritization of cultural heritage comparing to other types of activities).

IRP29 Animal welfare investments

232. The intervention is linked to R.44 (animal welfare), while it relates also to renewal of buildings and production of energy from the renewable resources, thus links to R.9 and R.15 are also justified. Missing information in sections 5 and 8 of the intervention should also be added.

233. The intervention is linked to the Need 13 “Reducing GHG emissions and ammonia from agriculture”. Slovenia is invited to use the potential embedded in the intervention to generate benefits for both animal welfare and zero pollution by including a requirement for low-emission housing aspects in the eligibility criteria for building/rebuilding of stables. Investments linked to storage of manure should be on the condition of choosing low-emission storage facilities.

2.3.4.3. Installation aid (Article 75 of the SPR, section 5 of the Plan)

IRP24 Installation support for young framers

234. Slovenia is invited to justify why only the owners of farms are targeted as beneficiaries and to provide more specifications on the business Plan in the description of the eligibility conditions.

235. Slovenia is invited to justify the top ups on the basic lump sum in reference to the aims and the needs with which the intervention is linked to.

236. Slovenia is invited to fully link this support to R.37 (jobs) as it contributes to safeguard jobs.

2.3.4.4. Cooperation (Article 77 of the SPR, section 5 of the Plan)

IRP10 Promoting collective forms of cooperation in the agricultural and forestry sectors

237. Slovenia is invited to re-programme “2. Sub-intervention: Support for information and promotion activities for products from quality schemes” as a separate intervention under O.32 (number of supported other cooperation operations) given that the aim of the intervention focuses on creation of economies of scale, economic organisation and efficiency as well as productivity growth and competitiveness.
238. The degressivity of support and the annual maximum amount of support as foreseen under Article 77(8) of the SPR is missing.
239. Slovenia is invited to provide information about the eligible sectors and ensure the consistency with the relevant sectoral interventions.
240. For legal clarity and completeness, the reference to quality schemes should cover “quality schemes recognized under national and Union rules”.
241. It is recommended to list the relevant legislation concerning the recognized Union and national quality schemes.

IRP11 Quality schemes

242. For the national quality scheme ‘Selected Quality’ the Delegated Regulation (EU) 2022/126 should be taken into account. Complementarities with sectoral interventions should be described, including mechanisms/criteria to avoid overlapping, if any.
243. Slovenia is requested to elaborate further the eligibility conditions, the principles with regard to selection criteria and the types of activities supported, taking into account the minimum requirements laid down in the SPR, such as the requirements related to new forms of cooperation, maximum period of support and the percentage of information and promotion actions.
244. Slovenia is invited to clarify the potential beneficiaries as the term ‘legal entities linking at least two newly integrated farms’ is not fully understood.
245. Slovenia should list the relevant legislation concerning the recognized Union and national quality schemes that are eligible.

IRP12 Regional approach for cooperation on local products with a focus on organic products

246. Slovenia should provide more information about the complementarities with other rural development interventions, to further elaborate the principles with regard to the selection criteria and clearly describe the minimum requirements of the cooperation scheme, including new forms of cooperation or, when new activity is started, the existing forms of cooperation.
247. Slovenia should confirm if the beneficiary of the investments is the legal personality of the contractual partnership.

248. Slovenia is asked to clearly describe the preparation phase of the cooperation scheme, by providing distinctly the necessary information for the two phases of the cooperation scheme (e.g. support rate, beneficiaries, outcomes, approval of action plan, principles of selection etc.).
249. Given the description of the measure (LEADER and EIP are not involved), it is difficult to determine how Commission Regulation (EU) No 702/2014 (Agricultural Block Exemption Regulation (ABER)) could be used to get the State aid clearance when needed. Slovenia should give an explanation or tick another box than ABER in section 8 of the intervention.

IRP26 LEADER

250. Slovenia is requested to target LEADER to areas (e.g. to innovation and multiple-partner projects) where, due to its underlying bottom-up and cooperative approach, it can clearly add value compared to a situation in which another approach would be chosen for implementation.
251. Slovenia is strongly advised to limit or even remove basic technical infrastructure from the scope of LEADER and in any case not to rely solely on LEADER approach to provide infrastructure in rural areas.
252. Slovenia is requested:
- To explain in the Plan: how it will be ensured that all local action groups (LAGs) will implement all the LEADER features (especially the principle of inclusive and balanced participation and of innovation in the local context).
 - To clarify in the Plan eligibility criteria for operations and functions of LAGs (and related bodies).
 - To justify/correct average unit amount and output indicators.
 - To address aspects of state aid and aid intensities.
253. The process of the selection of Local Development Strategies needs to be competitive. In this context, Slovenia is requested to consider revising the target R.28 (Leader coverage) set at 100% of rural population to be covered by local development strategies.

IRP31 European Innovation Partnership (EIP) and other cooperation

254. Slovenia should add the dissemination of the results of the innovation project to the national and EU CAP network as an eligibility condition (Article 127 of the SPR).
255. Slovenia should note that operational group innovation projects not always require a researcher for expertise, so it should reflect on the obligation to involve researchers in every project. It would be useful to refer to the interactive innovation model in the selection criteria.
256. The description of the sub-measure supporting “development partnerships of research institutions”, which is only focusing on researchers is not in line with Article 77(5) of the SPR which excludes cooperation support involving solely research bodies. Other actors also need to be involved, for instance advisors, which will be beneficial also for AKIS.

257. In section 8 of the intervention, the instrument to be used to get a State aid clearance must be indicated.

IRP33 Cooperation for protected areas

258. Information about the explicit purpose of the cooperation scheme, the usefulness of collaborative approaches comparing to individual investments support, the two phases of the cooperation (preparation and implementation), the expected number of cooperation schemes, the eligibility conditions and eligible costs, the beneficiaries, the minimum requirements laid down by the Article 77 of the SPR and any requirements derived from Articles 70 or 72 of the SPR, should be clearly defined.

259. Article 77(2) of the SPR lays down that support may only be granted to cooperation involving at least two actors. There is however no clear definition of the contractual partnerships. The intervention description should clearly state who the actors are and what their role in these contractual partnerships would be.

260. The eligibility conditions are defined vaguely, i.e. definition of lead partner, and should be further elaborated with regard to the targeting of support. It should be clearly indicated whether the listed protected areas cover only Natura 2000 sites or protected areas outside Natural 2000 sites as well.

261. It should be clarified whether the measures provided in the non-exhaustive list are mandatory requirements for land owners / managers in the individual protected area under the protected area management plans and Natura 2000 site management programmes, or whether these are voluntary requirements. If the compensation is to be granted to land managers for respecting mandatory requirements in the individual protected area, an intervention under Article 72 of the SPR should rather be programmed. If the listed measures are voluntary for the land managers in the individual protected area, it should be clarified as to why an intervention under Article 70 of the SPR is not considered, and what the value of carrying out such voluntary measures in a project format rather than in the form of an area-based compensation would be.

262. The intervention description should clearly state the duration of the projects.

263. This intervention does not seem to fall within the scope of projects of the EIP operational groups and so the contribution rate of 80% based on Article 91(3)(b) of the SPR does not seem to be justified.

264. It is not clear if forestry areas in parks are a part of the intervention. If it is the case, the Slovenian authorities must tick the box "Mixed" instead of "No" in section 8 if the intervention and indicate the State aid clearance instrument to be used.

2.3.4.5. Knowledge exchange and advice (Article 78 of the SPR, section 5 of the Plan)

IRP30 Inter-generational knowledge transfer and training of advisors.

265. It would be advisable to broaden the action for inter-generational knowledge transfer from one generation to another beyond only the transferor and the transferee as also other expertise is needed to take over a farm.

IRP32 Knowledge exchange and transfer and advice for advisors

266. Relating to knowledge exchange / training priority areas, which are listed in the intervention, Slovenia is requested to ensure the consistency with the Need 34 (Improved knowledge transfer and knowledge exchange). This need seems to be broader than the intervention. Slovenia is thus expected to broaden the intervention instead of narrowing it down to trainings for area-based interventions included in the Plan given that the transition to sustainable agriculture requires considerable efforts in terms of advice and training on sustainable practices.
267. Slovenia should complement information on the prioritisation of topics, earmarking of funds or minimum number of beneficiaries to benefit from knowledge exchange / training for each of the priority areas.
268. Slovenia is invited to consider increasing the number of consultants trained given the number of topics covered and to mention specialist consultants for climate topics.
269. In point 8, the instrument to be used to get a State aid clearance must be indicated.

2.3.4.6. Financial instruments (Article 80 of the SPR, section 4.6 of the Plan)

270. The description in section 4.6 confirms that financial instruments will be used for the setting up of young farmers in the context of specific objective 7 and the generation renewal strategy. However, Slovenia needs to clarify when the financial instrument will be introduced (as from which year) – either in the context of the adoption of the Plan or of a future amendment (to be also clarified which one and when) – and needs to provide additional information in line with paragraph 4.6, 5(c)(i) and paragraph 7.3(b)(ii) of Annex I to Regulation (EU) 2021/2289.
271. It should be noted that the referred ‘reduced interest rate’ is not a financial instrument in itself. Products of financial instruments are loan, guarantee and equity funds. Therefore, it has to be clarified whether a loan fund will also be created or not in addition to the already specified guarantee fund.

3. FINANCIAL OVERVIEW TABLE

272. Slovenia is invited to ensure coherence between data entered in section 5.3 and those in the financial overview table under section 6.1 and to address divergences noted for Article 70 of the SPR.
273. The total amount reserved for eco-schemes under direct payments (line 51 of the financial overview table) is below the minimum requirements (line 47), even when applying the rebate from rural development. The amount for eco-schemes should therefore be increased.
274. Moreover, the Commission takes note that there is no amount foreseen for wine for 2023 in the financing Plan. It should be noted that the possibility to include an amount for wine for 2023 will be made available in the digital system used for the Plan management in the subsequent submissions.
275. It should be noted that the planned amounts for fruit and vegetables sectorial support do not have to be entered in the financial overview table. Therefore, the

amounts entered under row 22 “Types of interventions in other sectors from Direct Payments” should be removed.

276. Slovenia should adapt rows 42 and 46 (see comments under ring-fencing for young farmers).
277. The amount for the rural development interventions and the amount corresponding to 5.94% for technical assistance slightly exceed the maximum EAFRD allocation.
278. It should be noted that in accordance with Article 156 of the SPR, 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 the SPR for that given financial year for that sector.
279. As regards the type of interventions in certain sectors defined in Article 42 of the SPR, expenditure that will be paid in 2023 or in the subsequent financial years relating to measures implemented under Regulation (EU) No 1308/2013 for these same sectors, shall not be entered in the annual indicative financial allocations under section 5 or in the financial overview table under section 6 of the Plan.

4. CAP PLAN GOVERNANCE, EXCLUDING CONTROLS AND PENALTIES

280. In Chapter 7.1 of the Plan Slovenia is invited to i) clarify the composition of the Monitoring Committee, along with how it will ensure its independence from the Managing Authority as it would be expected that they are designated as separate bodies, and ii) provide a description of the set-up of the Competent Authority as well as a description of how it will carry out its ongoing supervision of the work of the Paying Agency and its compliance with the accreditation criteria.
281. Slovenia is reminded to ensure a balanced representation of the relevant bodies in the monitoring committee, concerning women, youth and the interests of people in disadvantaged situations.
282. With regard to sections 7.3 and 7.4 of the Plan comments will be delivered by the Commission services in a separate communication.

5. ANNEXES

283. Relating to Annex I, the Commission takes note of the fact that the strategic environmental assessment (SEA) and ex-ante evaluation are on-going and recalls that Slovenia must provide a summary of the main results explaining how the main results have been addressed or a justification of why they have not been taken into account, as well as a link to the complete ex-ante evaluation report and SEA report.
284. Annex I on the ex-ante evaluation and the SEA, point 2 should include the information on “2. Recommendations of the ex-ante evaluation and SEA and how they have been addressed”. It is understood that this section will be “completed upon receipt of the final report”. In this respect, the Commission would appreciate to receive the detailed information on:
 - i. how the ‘Guidance and recommendations for improving the Strategic Plan 2023-2027’ (section 5.10 of the Environmental Report) have been addressed in

- the Plan, especially for interventions that may have ‘negative impacts’ and ‘impact is unknown/mixed’ as summarised in Table 6 in the Environmental Report. The verification should be done, as a minimum for the following interventions, with more focus on interventions with negative impacts (marked in *italic*): INP3, INP4, INP5, INP6, INP7, *S.12*, *S.17*, S.10, IRP2, IRP4, *IRP5*, IRP6, IRP7, IRP8, IRP9, IRP11, IRP12, IRP13, IRP14, *IRP15*, IRP18, IRP24, IRP26, *IRP27*, IRP31 and IRP30.
- ii. how the opinions expressed within consultations (with authorities and public, including, public concerned and non-governmental organisations) on the Plan and the strategic environmental report have been/will be taken into account. While it is understood that some of the recommendations of the ongoing SEA have been integrated in the Plan during its drafting process, the Commission would need to receive the information about the results of official consultations on the Plan and the SEA. The information could be, for example, presented in a table, if convenient.
285. The above request is also linked to the obligations under Article 9(1)(b) of Directive 2001/42/EC which requires that Member States shall ensure that following the adoption of the Plan, the public and any Member State consulted (if transboundary consultations) will be informed about the decision on the Plan and “a statement summarising how environmental considerations have been integrated into the plan or programme and how the environmental report ..., the opinions expressed ... and the results of consultations have been taken into account ...” will be made available to them. The Commission understands that such statement will be submitted only after the final adoption of the Plan and asks for the replies to the above requests.
286. Annex V should contain data for EAFRD participation, matching funds and additional national aids for all activities falling outside the scope of Article 42 of the TFEU.