



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

The Director-General

Brussels, 31 March 2022

Subject: Observations on the proposal by Poland for a CAP Strategic Plan 2023-2027 - CCI: 2023PL06AFSP001

Your Excellency,

I hereby acknowledge receipt of the proposal for the 2023-2027 CAP Strategic Plan of Poland submitted via SFC2021 on 22 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 Poland 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 Poland 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

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ANNEX

Observations on the CAP Strategic Plan submitted by Poland

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. Poland 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)

Observations with regard to the strategic focus of the Plan

1. The Commission welcomes the Common Agricultural policy Strategic Plan submitted by Poland (hereafter the Plan), the consideration given to its recommendations of 18 December 2020, and the exchanges in the framework of the structured dialogue leading up to its submission. The Commission notes the public debate that has taken place in Poland on the content of the future Plan.
2. The Plan includes an evidence-based identification of the problems and explanation of the choices made. However, for several areas, the intervention logic and links between interventions, result indicators, and specific objectives should be further clarified. The coherence and consistency of the Plan and its strategic focus should be improved so that the most pressing needs are addressed in an appropriate manner and with a sufficient budget, be it under or outside of the Common Agricultural Policy (CAP).
3. 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 Poland 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

4. The Plan contributes only partially to this general objective and the Commission has doubts as to the expected effectiveness of the proposed intervention strategy with regard to farm income, competitiveness, resilience, and the position of farmers in the value chain.
5. The Commission notes the decision of Poland to transfer a third of the second pillar funds to the first pillar in order to strengthen farmers' income through income support tools, including the smallest farms. In contrast, the Plan sets very low targets for instruments that would help address the identified structural deficiencies of the sector such as low competitiveness, fragmentation, large share of non-commercial farms, low organisation, low level of knowledge and modernisation and foster the long-term economic viability of these farms and the whole sector beyond income support. In light of the objective to ensure a resilient agriculture, the Commission welcomes the efforts to address the import dependency in some sectors, such as protein crops, and calls on Poland to improve and expand risk management tools, and to strengthen interventions reducing reliance on energy and mineral fertilisers.
6. The Commission welcomes the targeting of several instruments, including that to direct the complementary redistributive income support to farms below 50 hectares, while capping that support at 30 hectares, and the digressive nature of payments for areas with natural constraints, which are therefore concentrated mostly towards small and medium farms (the main target of the Plan). The Commission also welcomes prioritising young farmers and organic farms in financing investments to increase market orientation and competitiveness (higher aid intensities), smaller

farmers for supply chain interventions, and increased support for environmental and climate investments under financial instruments.

7. Notwithstanding, the Commission considers that several elements of the Plan under this general objective require adjustment:
 - 7.1. The distribution of basic income support should be more balanced. In view of the distribution of income support among different size-classes of farmers as referred to in the assessment of needs, income support interventions should better target those farmers that have the greatest needs (possibly through the use of capping and degressivity of payments). Poland is requested to review the combination of tools and their further targeting to ensure such rebalancing of support, and justify the choices made.
 - 7.2. The strategy fails to demonstrate that investments are targeted to the sectors and areas with greatest needs and development perspectives. The Commission notes that support for investments is relatively low (especially investments in agricultural holdings and processing capacities). Investments can reduce costs, increase productivity and thus farm income. Poland is invited to justify or adapt the targeting of investment support, considering also the needs to improve farms' energy performance and efficiency of the use of fertilizers.
 - 7.3. The assessment of needs identifies the importance of diversifying agricultural supply chains, including short supply chains, in order to enhance the position of farmers in the supply chain. However, the interventions responding to these needs have a limited scope. Poland should target the interventions to all sectors with the greatest needs to ensure a tangible effect on the position of farmers in the value chain.

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

8. The Plan shows partial potential for contributing effectively to this general objective.
9. The Commission has concerns about the Plan's effectiveness in bringing about the changes required to address some needs recognised in the Plan, including with regard to climate change mitigation and adaptation, ammonia emissions, nutrient management, biodiversity, water quantity and quality, renewable energy, and energy efficiency. Further to adjustments requested by this letter, Poland is invited to better demonstrate the Plan's contribution and consistency with the national objectives and targets stemming from the legislation set in Annex XIII of Regulation (EU) 2021/2115 (Strategic Plan Regulation – SPR).
10. Poland 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.
11. Poland is requested to take better account of the the Prioritised Action Framework (PAF) and further align the proposed interventions with it.

12. A number of interventions – including, notably, the eco-schemes for Organic farming, Areas with melliferous plants, Maintenance of agroforestry systems, Maintaining field trees, Biological crop protection, and Plantation of mid-field trees – have a high environmental ambition, but are limited in their coverage.
13. Other interventions contributing to the specific environmental objectives have a broader surface coverage, but either do not go beyond mandatory practices, or raise concerns as regards their articulation with relevant standards of good agricultural and environmental conditions (GAEC), or add only very modest environmental value in comparison to basic good practice in Poland. This includes, notably, the eco-schemes for Winter catch crops/indigestions, Designation of 7 % of arable land on the holding to non-productive areas, and Developing and respecting the fertilisation plan, Mixing manure on arable land within 12 hours of application, and Diversified crop structure.
14. The Commission requests Poland to clarify or amend certain Good agricultural and environmental conditions (GAEC) so they fully comply with the regulatory framework (see detailed comments below). In addition, the Commission sees a high risk of overlap between certain eco-schemes and agri-environment and climate commitments. The articulation between the different instruments must be better outlined in the Plan.
15. A number of investment interventions are included in the environmental ring-fencing, although some seem to have a strong productive bent which seems to take precedence over environmental objectives. Their focus on environmental, climate and animal welfare objectives should be reinforced or they must not be counted for the environmental ring-fencing. Moreover, it is of utmost importance that Poland considers supporting non-productive investments.
16. A substantial number of links between interventions under both pillars, result indicators, and specific objectives established in the Plan do not seem well justified. There is also a considerable number of missing links, in particular between interventions and result indicators. As a consequence, many of the result indicator targets included in the Plan do not present an accurate picture of its priorities and ambitions. With regard to some aspects, this makes the Plan look more ambitious than it actually is. In other cases, the targets underestimate its environmental and climate ambitions.
17. The Commission notes that reducing greenhouse gas emissions (GHG) from agriculture is given highest priority and welcomes the importance attached to this objective. However, the Plan hardly touches upon peatlands and livestock, two significant GHG emissions sources.
18. First, although the function of peatlands as an important carbon sink is mentioned, considering their large proportion in Poland, peatland conservation and restoration is addressed only minimally. Action for the protection and restoration of peatland (e.g. through increasing the coverage of relevant rural development interventions) should be enhanced. This would also contribute to biodiversity conservation and restoration. The application of the GAEC standard linked to the protection of wetland and peatland under conditionality should be advanced to 2024, given that the ongoing mapping of peatland areas is scheduled to be finalised in 2023.

19. Second, the SWOT analysis and needs assessment recognise the role of livestock as a source of non-CO₂ emissions, which are above the EU-average in Poland. Poland should introduce interventions to reduce enteric fermentation, in particular in light of aims to increase livestock numbers.
20. In this context, Poland is strongly encouraged to take into account the future national targets of the Effort Sharing Regulation and the LULUCF Regulation (which are currently under consideration by the co-legislators) in view of the legal requirement to review the plan after their application.
21. The contribution of the Plan to climate change adaptation is limited, besides others with regard to enhancing water retention of the landscape, floods and drought prevention, etc. Poland is invited to strengthen / add adequate climate change adaptation interventions.
22. Poland is requested to address the above issues by revising the content, financial allocations, indicative outputs, and associated result indicator targets of respective interventions and the baselines accordingly.

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

23. Considering the very small part of the overall budget allocated to rural development, the Commission considers that the Plan is not likely to contribute effectively to the strengthening of the socio-economic fabric of rural areas.
24. The Commission takes note that many rural needs will be addressed by other EU instruments such as the Recovery and Resilience Plan (RRP) or the European Regional Development Fund (ERDF) or by national initiatives, but nevertheless is of the opinion that the Plan itself could show more ambition with regard to developing the employment potential of rural areas.
25. As one of only three interventions for specific objective 8, LEADER is expected to cover a whole array of rural needs, ranging from rural business start-ups to agritourism, and short supply chains. Despite its budget, which is beyond the 5% ring-fencing requirement, the instrument alone is unlikely to address sufficiently the need of creation of non-agricultural businesses in rural areas.
26. The strategy for young farmers should ensure that their needs for access to land and capital are properly addressed.
27. Social demands can be better addressed in the Plan. Among others, the Plan identifies as critical the needs to support the reduction of the use of antibiotics in livestock production and improve farm biosecurity, but foreseen interventions are of a very limited scope to address these issues. The Commission therefore requests Poland to strengthen measures to address the use of antimicrobials and propose specific measures to address the need to increase biosecurity in the entire pig sector, in particular in small commercial farms.

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

28. The Commission considers the support planned for knowledge, training, innovation and development of the Agriculture Knowledge and Innovation System (AKIS) insufficient to meet the growing information and training needs of farmers and to improve the capacity of the existing advisory services, public as well as private, to provide innovation support.
29. The Commission encourages Poland to further elaborate on its digitalisation strategy and reflect on how support to digitalisation in farming and rural areas will be addressed comprehensively across the Plan and in synergy with other instruments.

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

30. The Commission thanks Poland for the extensive information regarding its contribution to specific Green Deal targets contained in the Farm to Fork Strategy and the Biodiversity Strategy and for providing various estimates for development of national values to quantify its ambition. Note is taken of the various methodological differences with the data used by the Commission.
31. The Commission underlines the importance of the key Green Deal targets for the purpose of achieving the CAP's specific objectives and makes the following observations in relation to them:
 - **Anti-microbial resistance:** The Commission notes Poland's estimated reduction at the level of 10% and the intention to pursue this target mainly outside of the CAP. Given the very high use of antibiotics in livestock farming in Poland, the Commission strongly encourages Poland to set a higher ambition and to provide further detail on the scope of actions planned outside of the CAP and to consider adjustments at the level of the interventions in the Plan that would support it.
 - **Pesticides:** The Commission welcomes Poland's effort to examine and provide potential reduction estimates for the use and risk (e.g. -20% against baseline 2015-2017 with CAP contribution between 3% and 7.5%) and candidates for substitution (7% to 24% reduction). Note is taken of the various conditions attached. The Commission encourages Poland to expand and strengthen the most relevant interventions of the Plan to secure this direction of change in practice.
 - **Nutrient losses:** The Commission also recognises the efforts made by Poland to provide potential estimates for nutrient balance, as well as for the reduction in the use of mineral and the increased use of organic fertilisers. The Commission notes the starting position of Poland (close to EU average) and an array of actions under the CAP that Poland envisages to this end in addition to certain restrictions under national law. The Commission notes that the estimated balance of nutrients N and P would, however, remain around and above the current average EU level, respectively, while there is a crucial need to lower the nutrient losses, in particular the ones draining in the Baltic Sea. The Commission requests Poland to consider certain adjustments of the Plan to contribute to the common ambition.
 - **Organic farming:** Poland aspires to bring 7% of its agricultural area under organic farming by 2030, which constitutes an increase compared to the 2019

value of 3.49%. However, there is a gap between this aspirational value and the target for organically farmed land that Poland wants to support under the Plan. Poland is also asked to explain how this target and other relevant interventions, notably those focused on the development of the market (e.g. by boosting demand and ensuring consumer trust), investment in organic farms and support for small organic farms, will help achieve the national value. The Commission welcomes the preferential conditions for organic farmers under different interventions in the first and second pillar. The Commission also invites Poland to explore the scope for further increasing the level of ambition and revising the national target upward. As organic farming provides opportunities in particular for small farmers, their involvement in organic farming should be ensured or at least encouraged.

- **High-diversity landscape features:** The Commission notes that Poland envisages dedicating 4% of its agricultural area to these landscape features. Considering the state of biodiversity in Poland, as well as the need to improve biodiversity in Poland and at EU level, the figure strikes the Commission as low and Poland is invited to strengthen its efforts in this direction by relying an ambitious mixture of mandatory and voluntary measures under the Plan. In this context, the Commission would also welcome further details on the agricultural landscape elements mentioned in the submission (field copses, water meshes and others not included in the calculation) and on the remaining 4 million ha of Utilised Agricultural Area (UAA) outside the CAP system further to the information that it already provides certain refuge of biodiversity of varying natural value.
- **Rural broadband:** The Commission notes that Poland envisages to achieve 87% coverage of rural areas by 2025 which is below the EU 100% target. As Poland does not envisage related support through the CAP, the Commission invites Poland to better explain how other instruments will achieve the target.

1 STRATEGIC ASSESSMENT

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

32. Poland should ensure that all income support instruments take into account territorial differences in farm size, profitability, and development. In addition, Poland should explain why degressivity and capping of payments are not part of the strategy.
33. As regards the complementary redistributive income support instrument, Poland should better explain the farm size thresholds used to target support. Poland should justify if the redistributive needs are sufficiently and consistently addressed. Therefore, a quantitative analysis showing the combined effects of all relevant income support tools on income per work unit by physical size (for example using FADN data) should be included in the Plan.
34. Poland should better explain the strategy for supporting small farms, including why the payment scheme for small farmers (Article 28 of the SPR) is not used. Small farms should not be excluded from any relevant interventions.
35. 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), Poland 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).
36. Agricultural risk management tools may address the growing risks that the changing climate represents in agriculture. Poland is invited to consider incentives for farmers to take proactive measures reducing their vulnerability and increasing their adaptive capacity to climate change.

1.1.2 Strategic assessment of Specific Objective 2

37. The budget for the investments proposed under the Plan does not sufficiently address the need to enhance the market orientation and increase farm competitiveness of small and medium farms (the grand majority of farmers). Tailored interventions benefiting from adequate budgets need to address this concern.

1.1.3 Strategic assessment of Specific Objective 3

38. Poland identifies the need to stimulate joint action by farmers through different forms of cooperation and support for short/alternative value chains. It also highlights the weakness of having a low market organisation of farmers and weak bargaining power of sectoral agricultural organisations. To address these needs and weaknesses, Poland should consider other sectoral interventions to plan in addition to the fruits & vegetables (F&V) sector. That will stimulate producers to form producer organisations also via sectoral support channelled through producer organisations, so producers have an incentive to form organisations and seek recognition for these.
39. The budget allocated for the interventions geared to improve the farmer's position in the value chain is not sufficient to reach these objectives.
40. Complementarity between interventions related to a sector should be assessed in a broader, 'strategic' perspective. Accordingly, Poland should better explain how the combination of the relevant interventions (e.g. CIS and sectoral interventions for fruit and vegetables, rural development interventions targeting fruit and vegetables areas, etc.) are to achieve the intended objectives and thus fulfil the need(s) identified for the sector concerned. In this regard, the list of relevant interventions for the sectors concerned should be, where needed, also completed. On one hand, some interventions targeting specific sectors (e.g. CIS for fruit & vegetables) are still to be included. On the other hand, this explanation should also include interventions that particularly benefit a sector without specifically targeting it (e.g. relevant interventions under rural development and eco-scheme).
41. Taking into account that several interventions refer to the protein crops sector, Poland is invited to complete section 3.5.9 on the overview of interventions related to the protein crops sector.
42. Concerning risk management instruments, Poland is invited to clarify if also relevant sectoral interventions are covered by these instruments and to explain this in the description. Poland should also indicate more clearly whether the different instruments mentioned are EU (co-)funded or national. Poland is invited to explain the decision to support insurance premia only in relation to animal production, and mutual funds only in relation to crops.

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

1.2.1 Strategic assessment of Specific Objective 4

43. The Commission considers the Plan's interventions to reduce GHG emissions and adapt to climate change could be considerably enhanced to respond to the needs. It is noted that the Plan offers support to rural business start-ups for renewable energy under LEADER and to on-farm production of energy from biogas.
44. The links with the national plans stemming from Annex XIII to the SPR need to be better addressed. In relation to the Water Framework Directive (2000/60/EC), Poland is invited to clearly refer to its (forthcoming) 3rd River Basin Management

Plan for 2022-2027. Where these aspects are pursued outside of the CAP, more information is necessary to provide the Commission with a reasoned assurance that the need will be met.

45. Poland is requested to establish a target for Result indicator R.14 (Carbon storage in soil and biomass) and link it with relevant interventions in order to better identify the envisaged contribution of the Plan in this important domain.
46. Given that climate adaptation is a critical need, more should be done to strengthen the resilience of the Polish agricultural sector to extreme weather events, in particular drought. Poland should better demonstrate that the expected water needs of the agricultural sector are in line with the water allocation of the River Basin Management Plans and its evolution under climate change conditions. In addition to the planned eco-scheme for water retention, the Plan should be reinforced to stimulate the adaptation of farming practices and crops towards less water consumptive varieties in the affected areas and by upscaling nature-based solutions; an increase of the coverage of the agroforestry intervention would be a step in the right direction.
47. Poland is invited to clarify the contribution of the Plan to the floodplain management and water retention measures for flood and drought prevention which are important with regard to climate adaptation.
48. Investments improving water retention or use (rainwater; meltwater, water recirculation/recirculation) are planned, but more detail is necessary for their appraisal.
49. Poland is invited to explain better how relevant interventions in the Plan address the need to adapt to climate change impacts, such as changing water availability and emerging pests.
50. Poland is invited to provide an estimate of the climate mitigation potential under the concerned interventions.
51. For the description of the project “Investment in enhancing the potential of sustainable water management in rural areas”, Poland should clearly state in how far the suggested measures for water retention are natural water retention measures.
52. The Plan states that the needs in relation to biogas installations are partially covered under Cohesion policy and national funds, but without explanation of how these instruments, including those under the CAP, relate to its biogas production potential expressed in the Polish National Energy and Climate Plan. Poland is invited to provide a target for R.15 (Investments in Renewable Energy) in terms of KW of energy to be produced through the CAP investment. The amount of financial resources dedicated to this topic does not seem adequate to encourage sufficient uptake of biogas plant installation and the limitation of support to three years only (2024-2026) could reduce the uptake. Equally, while the Plan provides for energy efficiency improving investments, it remains rather vague on specifics and does not quantify energy efficiency improvements necessary to assess the value added of this support.

53. Poland should consider increasing the scope of the support for investments in agricultural holdings for energy efficiency improvement and the development of precision farming.
54. The Plan should specify that biomass production for bioenergy supported under the submitted Plan complies with the recast Renewable Energy Directive (RED II) and its sustainability criteria.
55. Knowledge and information of advisors and farmers about all aspects of environmental and climate performance will play a key role in ensuring the future sustainability of agriculture in Poland. While the Plan identifies these needs, the Commission considers the financial resources allocated to interventions under cooperation, knowledge exchanges and advice that address environmental and climate issues not proportionate. Poland is requested to increase them accordingly, to consider how the different CAP tools can be better used to increase farmers' awareness of and participation in coaching, and establish an appropriate target for the relevant result indicator R.28 (Environmental or climate-related performance through knowledge and innovation). The implementation period of these interventions should also be extended.
56. The links between specific objective 4 and the Result indicators should be reviewed. Result indicators R.4, R.6, R.7, and R.26 should not be linked to specific objective 4, while links to Result indicators R.14, R.15, R.22, R.27 and R.29 seem to be missing.

1.2.2 Strategic assessment of Specific Objective 5

57. The Commission welcomes Poland's detailed analysis and other explanations in relation to specific objective 5. What is proposed holds some potential for contributing to this specific objective, subject to certain substantial revisions and provided the mandatory elements are complied with.
58. Practices addressing soil erosion and increasing its organic content should be more ambitious, building on mandatory crop rotation in compliance with GAEC 7. Surface water erosion is a threat to soils especially in the southern part of the country but GAEC 5 - an essential tool with respect to this threat - would be applied in rather limited circumstances (too high a slope, exclusion of permanent crops).
59. Poland should also consider actions to ensure synergy between soil interventions programmed under the Plan and the 'Horizon Europe Mission a 'Soil deal for Europe' to accelerate the testing and deployment of cutting edge solutions through placed-based activities, as well as synergies between the Plan and the Horizon Europe Partnership "Sustainable food systems for people, planet and climate.
60. Ammonia emissions in Poland are still at a significant distance from the legally binding emission reduction commitments (11% above the 2030 emission reduction commitment). To achieve appropriate reductions, Poland should plan along the entire cycle of manure and slurry storage up to its use, providing for investments to e.g. cover slurry storages near the animal rearing installations and support to low-emission animal housing – currently missing in the Plan. Moreover, the conditions attached to voluntary measures should be strengthened.

61. Diffuse pollution from agriculture continues to be an important pressure on water bodies in Poland. 70% of surface water bodies are in less than good ecological status and 59% of surface and 26% of groundwater bodies are in less than good chemical status. Considering the status of surface and groundwater, Poland is encouraged to increase the efficiency in the use of mineral and organic fertilisers and to reduce nutrient losses. The Commission invites Poland to consider reinforcing the proposed interventions to advance in this direction, with a view to reducing diffuse pollution from agriculture to contribute to the achievement of the objectives of the Water Framework Directive (2000/60/EC). In all cases, it should be clear that the supported actions go beyond the requirements under the action programmes developed under the Nitrate Directive.
62. Optimisation in the use of nutrients should be pursued by encouraging a wider adoption of nutrient management plans, such as those linked with the use of the Farm Sustainability Tool (FaST).
63. It is recommended to consider reclaimed water as a useful alternative water supply, to be done in accordance with Regulation (EU) 2020/741 and fully respecting the provisions and objectives of the Water Framework Directive. The Commission plans to publish a guidance document on new Water Reuse Regulation by mid-2022, which will help Poland to prepare for the application.
64. In this context, the Commission notes that the eutrophication of the Baltic Sea due to nutrient loads is not specifically addressed. The Commission requests Poland to explain how its Plan is contributing to actions towards the reduction of eutrophication in line with Poland's commitments under the Baltic Sea Action Plan.
65. Poland is also requested to clarify what is meant by 'water circulation' and whether an increase of the irrigated area is foreseen. In general, in case investments in irrigation are foreseen this should be clearly specified, and there should be clear eligibility requirements to ensure compliance with Article 74 of the SPR and with the WFD.
66. The Commission encourages Poland to explain the links with the Best Available Techniques (BAT) conclusions including BAT-associated emission level (BAT-AEL) notably in the context of reducing emissions of pollutants from installations (e.g. ammonia).
67. The links between specific objective 5 and the Result indicators should be reviewed. Result indicators R.4, R.6, and R.7 should not be linked to specific objective 5, while links to Result indicators R.21, R.25, R.29, and R.30 seem to be missing. Targets for annual indicators should reflect the highest milestone, which does not seem to be the case for R.19, R.22, R.23 and R.24.

1.2.3 Strategic assessment of Specific Objective 6

68. The Commission welcomes Poland's detailed analysis and other explanations in relation to specific objective 6. The Commission considers that the Plan holds some potential for contributing to this specific objective, subject to necessary revisions and provided the mandatory elements be complied with. The Commission welcomes the depth of information about forestry and Poland's effort under the Plan to enhance forest biodiversity of private forests.

69. However, Poland ranks below the EU-average in terms of the overall conservation status of habitats and no grassland habitat type in its continental biogeographical region is in favourable conservation status, according to Habitats Directive Article 17 reporting. The Plan should be strengthened to address these deficiencies.
70. In relation to Natura 2000 areas, the needs stemming from and the Plan's contribution to, the PAF are not clearly identified. In particular, the problem of insufficient and bad conservation status of the most important habitats and species of Community interest concerned by agricultural and forestry activities is not spelled out. Preservation of habitats in rural landscape also appears to be missing. Poland is requested to provide relevant clarifications and to review the coherence between the needs and respective interventions.
71. Poland intends to support 2.13% (the target for result indicator R.34) of its utilised agricultural area for managing landscape features. Together with the landscape features created/protected on arable land under GAEC 8 (including the exemption applicable on areas of smaller farms), this does not appear sufficient given the biodiversity needs. Poland is thus requested to revise relevant interventions and the related result indicator target accordingly.
72. Several valuable actions are envisaged, such as creation of long-term flower belts, investments in landscape features, agroforestry creation and maintenance, or the eco-scheme on 7% landscape features, but their scale is too low to provide a meaningful contribution to biodiversity protection. The interventions should also take account of regional differences in landscape density and diversity and to mitigate the effects of concentration of production. Possible overlaps with baseline and management commitments require further clarification.
73. Poland is encouraged to consider the Guidelines on close to nature forest management and old growth forests currently under preparation, where relevant, and distribute them to beneficiaries and managing authorities once they are adopted and published.
74. Investment support for land consolidation with post-consolidation management to improve the land distribution of farms and contribute to increasing water retention on agricultural land should be designed in a way not to generate conflicts with biodiversity conservation objectives.
75. The links between specific objective 6 and the Result indicators should be reviewed. Result indicators R.26 and R.30 do not seem to be relevant for specific objective 6, while links to Result indicators R.27, R.29 and R.33 seem to be missing. Targets for annual indicators should reflect the highest milestone, which does not seem to be the case for R.31 and R.33.

1.2.4 Green architecture (Article 109(2) of the SPR)

76. As regards a number of GAECs, Poland is requested to review their definitions and starting dates, in order to ensure that they achieve their objectives and to increase their benefits.
77. Generally, the proposed eco-schemes have the potential to deliver added value. However, there are some concerns as regards the descriptions of the interventions, which sometimes lack important elements of information, their articulation with

relevant GAEC requirements, possible overlaps with baseline requirements, limited scope, as well as the planning of unit amounts and variations which, together with a lack of information on methodologies for certified amounts, also implies that the support level cannot be properly assessed.

78. The articulation between and possibilities for combining different eco-schemes, and eco-schemes with rural development interventions should be better clarified to demonstrate that no double funding will take place.
79. As regards certain agri-environment-climate commitments (AEC), insufficient information on the commitments is provided, which is essential to understand the interventions and their fit within the green architecture.
80. The links between relevant interventions, result indicators and specific environmental objectives are not always appropriate. This makes it difficult to determine to what extent certain environmental and climate needs and priorities are addressed. See also the part related to the summary of the key issues.
81. Energy Efficiency and RES interventions are linked to national policies and other programmes, but their overall impact is unclear.

1.2.5 Greater overall contribution (Article 105 of the SPR)

82. While the Commission welcomes that the Plan has some potential to make a greater overall contribution to the environmental specific objectives of the CAP, it has some doubts whether the Plan as submitted is able to deliver on this potential.
83. Conditionality, besides the new elements introduced by the reform, seems largely to rely on the current baseline requirements, with some mandatory measures moved to eco-schemes (catch crop with 240 000 ha compared to some 700 000 ha reported under the current Ecological Focus Areas).
84. As regards proposed Rural Development interventions, requirements and eligibility conditions as well as unit payments or budgets seem to be identical or very similar to current measures. The Commission regrets that, while taking into account the overall reduced yearly EAFRD budget in the period 2023-2027 and the fact that the ring-fencing provisions of Art. 93(1) are complied with, yearly EAFRD spending relevant for environment and climate (excluding ANC funding) will be reduced.
85. The indicative outputs for some interventions with a potential to deliver the most environmental value seem low. Other relevant interventions do not seem to go beyond mandatory practices and/or add only very modest environmental value in comparison to basic good practice. Further details on these points are provided in other sections of this observation letter.
86. To dispel these doubts, Poland is requested to strengthen its description of how the Plan aims at a greater overall contribution to the specific environmental objectives of the CAP. Such a description should be based on sound links between interventions, result indicators, and specific objectives.
87. In addition, the description should be supported with further quantitative evidence (e.g. relevant indicative national targets at impact level and result indicator targets

as well as financial allocations), in particular when comparing what is proposed with the status quo.

88. Moreover, Poland is requested to address the issues identified in the above and other relevant observations by revising the content, financial allocations, indicative outputs, and associated result indicator targets of respective interventions accordingly.

1.2.6 Contribution and consistency with the needs stemming from and long-term national targets set out in or deriving from the legislative instruments referred to in Annex XIII (Article 109(2) of the SPR)

89. The information is very limited. Poland is requested to specifically identify the relevant and concrete needs stemming from the said acts and plans. It should also better demonstrate the Plan's contribution to the fulfilment of the commitments and targets emanating from those acts and plans, making much more use of quantitative information.

1.3 To strengthen the socio-economic fabric of rural areas

1.3.1 Strategic assessment of Specific Objective 7

90. Poland is invited to ensure better consistency between the intervention logic and the generational renewal strategy, especially concerning the explanation how the needs related to access to land and capital are addressed. It should also consolidate the intervention logic by including all relevant interventions (for example investment support with higher rate) and explain/revise the values for indicator R.36 (notably 0 for 2023 and 59 659 for 2024).

1.3.2 Strategic assessment of Specific Objective 8

91. The issues related to the socio-economic fabric of rural areas (beyond the agri-food and forestry sector) do not seem to be sufficiently addressed. Poland is invited to better explain how the needs of rural areas will be addressed with the low budget allocated to rural development (4.7 billion EUR or 21% of the overall budget).
92. Under this specific objective, only three interventions are planned. Their budgets are smaller compared to those allocated to similar measures in the Rural Development Programme 2014-2020, and the results they are expected to achieve are quite modest.
93. LEADER is expected to cover a whole array of rural needs, including rural business start-ups, agritourism, and short supply chains, and contribute to the provision of services. The budget of LEADER, even though increased to 8% of the European Agricultural Fund for Rural Development (EAFRD) funds, is calculated on a considerably reduced base due to the transfer of 29% of EAFRD funding to the European Agricultural Guarantee Fund (EAGF).
94. Many needs related to social inclusion, rural poverty and gender equality are not addressed. The same holds true for collective needs such as transport, local social activities, etc. Capacity building for creating stocks of social capital is also missing.

95. Poland has still a relatively high percentage of (under) employment in agriculture and the creation of non-agricultural businesses in rural areas is critical, as correctly recognised in the Plan. Nevertheless, this need (amongst many others) is only addressed through LEADER. Therefore, Poland is invited to consider supporting business start-up of non-agricultural activities outside LEADER.
96. Poland is invited to confirm that a target for R.42 (social inclusion) will be established once LEADER strategies are known and revise R.37 after the selection of the strategies.
97. The role and importance of forestry related jobs, particularly in more deprived areas could be better highlighted.
98. Information related to renewable energy should be included in SO4, while bio-economy should fall under specific objective SO8. Poland should therefore adapt the needs and interventions accordingly. In particular, the need "CS4 P4 Development of the bio-economy based on non-food uses of agricultural and forestry biomass" currently in SO4 should be moved to SO8. The links between the needs identified and the intervention related to the bio-economy should also be clarified.
99. The Commission encourages Poland to promote gender equality and improve the participation of women in farming, in line with the specific objective of Article 6(1)(h) of the SPR, by justified and proportionate measures. Furthermore, Poland is reminded to ensure a balanced participation in the monitoring committee of equality bodies representing women, youth and the interests of people in disadvantaged situations.

1.3.3 Strategic assessment of Specific Objective 9

100. The Plan acknowledges the need to foster healthy eating habits to address the country's high red meat consumption and the low level of fruit and vegetables consumption. However, it does not place sufficient emphasis on the need to shift to healthy, plant-based sustainable diets. The Commission invites Poland to identify concrete measures to support the achievement of healthier and sustainable diets.
101. As regards food waste, the Commission notes that Poland identified a need but gave it a low priority and indicated it would not be addressed in the Plan. However, since several rural development interventions seems to refer partly to food waste prevention, Poland is invited to clarify this point as well as how the National Waste Prevention Programme is coordinated with the actions under the Plan.
102. The Plan includes positive welfare measures with a wide scope, including support for alternative systems for laying hens, as well as support for a substantial increase of space for sows and fattening pigs. Nevertheless, Poland is requested to further address the tail docking practises in pigs which are forbidden by EU rules (apart from in exceptional circumstances) and to encourage the keeping of animals in non-confined housing system for, calves and sows.
103. Regarding biosecurity, the Commission considers the intervention proposed very limited in scope, as it targets only farmers rearing pigs of native breeds and herd book pure breeds.

104. Polish agriculture ranks among the highest consumers of antimicrobials in livestock (164.4mg/PCU). The Commission notes that the Plan attaches highest priority to the reduction need yet, except some training linked to CAP animal welfare support, will pursue reduction outside the CAP. Notwithstanding, Poland could consider adjusting its CAP Strategic Plan, e.g. by reinforcing the envisaged animal welfare interventions to better address this need. Poland is also invited to use result indicator R.43 on antimicrobial use and to Plan accordingly and specifically at the level of result indicator R.28 on knowledge exchange.
105. The Plan states a relatively low consumption of pesticides. Poland showed a downward trend of Harmonised Risk Indicator 1 (HRI1) in the period 2011/2013-2018. Yet, there has been an increase in use of more hazardous substances, as acknowledged by the Polish analysis.
106. The actions of the Plan would result in a value of 10.6% for Result indicator R.24 (risk and use of pesticides). Of these actions, the Commission identifies three interventions that may play a more significant role in achieving a more sustainable use: integrated production, bio-protection, and organic farming under eco-schemes. However, to bring sufficient benefits, broader coverage would be required. Note is also taken of several other actions planned within the 2nd pillar, such as protection of habitats and species within and outside Natura 2000, but further clarifications are required to ensure they entail relevant commitments. In contrast, catch crops do not appear justified, given a limited period without pesticide application and should not be counted for R.24.
107. Reinforced efforts in this area should be linked and complemented with specific support planned under the advisory services and reflected in the relevant Result indicators.

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

108. Poland is requested to review the low budget attributed to AKIS. The Commission doubts that it will make it possible to cover the intended interventions in a reasonable way. Poland is invited to consider a specific focus on addressing the needs for training and advice of small farms and young farmers, as well as the provision of innovation support for the whole sector.
109. Furthermore, Poland is invited to describe the coordination, governance, and administrative mechanisms envisaged for the AKIS Coordination Body to ensure the involvement of all relevant actors in the development of AKIS in Poland as well as the related coordination and implementation mechanisms. Poland is also invited to clarify which AKIS actions and interventions will contribute to the active integration of researchers in the AKIS actions.
110. It is noted that Poland attaches critical importance to the need to increase broadband coverage and envisages to address it through national funds as well as Cohesion, Recovery and Digital Europe funds, with focuses on rural areas/less developed areas. Nevertheless, Poland is requested to provide further details on:

- a) the demarcation and complementarities between NRP, Cohesion Policy, Digital Europe Programme (DEP), European Funds for Digital Development (FERC), Broadband Fund;
- b) the quality of service of rural 4G mobile, and how/when the target of 5G in all populated areas in 2030, in particular rural populated areas, will be reached outside of the CAP; and
- c) how digitalization will be addressed. This would mean including a dedicated chapter with actions to support the digital transformation of the agricultural sector, digital innovation, including budget for the digital strategy, explaining how the digital divide between small and large farms will be addressed (even if this is tackled outside the CAP) and how other divides (e.g. sectorial, rural, age) will be addressed.
- d) Poland should ensure that these actions include at least one digital innovation hub with agriculture as a field of expertise in Poland. Poland may build on the European Digital Innovation Hubs that will be funded through Digital Europe Programme.

1.5 Simplification for final beneficiaries

111. Poland is requested to indicate whether the single aid application form will be pre-filled with data from the Land Parcel Identification System (LPIS). Additional information is needed on the type of data (other than from the LPIS) that are used to pre-fill the single aid application form and on whether there is an alert system informing the applicants in case a correction is needed in the single application. Furthermore, further details are needed on how beneficiaries will be able to modify or withdraw declarations of agricultural parcels/animals previously applied for, about the possible use of new technology in the control of interventions outside the Integrated Administration and Control System (non-IACS interventions) and about the possibility of using the area monitoring system to deal with cases of force majeure.

1.6 Target plan

112. Poland is requested to provide values for the following missing result indicators by linking them to the relevant interventions and make further corrections in light of the comments made: R.2, R.3, R.11, R.13, R.14, R.15, R.18, R.21, R.28, R.32, R.37, R.40, R.42, R.43, R.28.
113. Indicator R.41 should be changed to R.40 which is entirely related to smart villages. The result of the 639 other rural projects should be measured separately.
114. For annual result indicators, the target value should equal the highest milestone value during the programming period. Thus the target value or the milestones should be corrected for R.5, R.7, R.19, R.22, R.23, R.24, R.31, and R.33.
115. The development of the milestone values of the following result indicators seems surprising and might need revision:
 - R.16 and R.29: the increase stops already in the middle of the programming period;

- R.5, R.19, R.22, and R.30: the highest milestone is at the very beginning of the programming period or in the first years;
- R.5, R.35, and R.38 : the milestone is at its maximum value already in 2023;
- R.36: the target value (90 634) is significantly higher than the planned output for the setting-up of farmers (12 750). This seems to indicate that only 14% of the young farmers setting-up will be granted the setting-up support. In view of the challenges of generational renewal and knowing that farm profitability is one of the main entry barriers, is it realistic to envisage that a very high number of young farmers will set-up without receiving setting-up support?

2 OPERATIONAL ASSESSMENT

2.1 Minimum ring-fencing

116. Article 93 of the SPR - Poland has not taken into account the transfer of the product of reduction to rural development for financial year 2023, and modified the amount for the flexibility transfer for financial year 2023, modification that is not allowed/possible. The inclusion of the product of reduction and the correction of amount transferred to direct payments in 2023 modifies the basis on which to calculate the ring-fencings. With this new basis, and based on data taken from section 5.3, the environmental and climate interventions ring-fenced are EUR 5 million lower than the required 35%.
117. Article 95 of the SPR - Based on data provided in section 5, a higher amount than the minimum set out in Annex XII to the SPR is reserved for young farmers. For each of the two types of intervention contributing to this ring-fencing, the amounts that are necessary to meet the minimum ring-fencing requirements should be clearly indicated in the overview table of the financial plan (section 6.1). This information shall serve as a basis to establish the financial ceilings referred to in Article 95(4) and (5) of the SPR.
118. Article 50(7) of the SPR - Poland should specify that at least 15 % of expenditure of each operational programme covers the interventions linked to environmental (Article 46(e) of the SPR) and climate (Article 46(f) of the SPR) objectives as foreseen in Article 50(7)(a) of the SPR. Similarly, Poland should ensure that at least 2% of expenditure of each operational programme covers the intervention linked to the objective referred to in point (d) (research, development and innovation) of Article 46 (Article 50(7)(c) of the SPR). Poland is invited to encode these ring fencing requirements, where relevant, under Chapter 5.2 Sectoral Interventions Fruit and Vegetables sub-chapter Specific design, requirements and eligibility conditions of the intervention.

2.2 Definitions and minimum requirements

119. The following items require clarification and completion:
- 4.1.1.2.2 Permanent crops: The activities on the crop itself should also be included.
 - 4.1.2.1 Elements of agroforestry systems: The Plan needs to contain elements of agroforestry systems, such as type of trees, their size, number, and distribution in relation to pedoclimatic conditions or management practices. As it is subject to

the measures for establishing new agroforestry, please clarify whether pre-existing and natural agroforestry systems will be accepted and under which conditions.

- 4.1.2.3.2 Definition of Short Rotation Coppice: The Plan needs to contain information on minimum planting density.
- 4.1.3.1 Criteria how to establish the predominance of agricultural activity: The criteria are not explicit, it should be explained how this requirement will be verified
- 4.1.3.2 Criteria to ensure that the land is at the disposal of the farmer: Poland should explain how it will verify that the land is actually and lawfully used by the farmer.
- 4.1.4.1 Active Farmer: (a) 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 farmers; (b) Poland should confirm that the criteria to identify the active farmer do not penalise the farmers who do not perform productive activities.
- 4.1.4.2 Active farmer - negative list: There should be a clarification on which basis the categories indicated do not fulfil the criteria referred to under section 4.1.4.1 and thus have been included in the negative list (the continuation of previous implementation is not a valid justification).
- 4.1.4.3 Active farmer: a justification of the threshold of EUR 5 000, based on qualitative and quantitative information, i.e. number of excluded farms should be added.
- 4.1.5.2. Young farmer: a description of the specific conditions to be met by legal persons and groups of natural persons in order to be considered as head of a holding should be added.

2.2.1 Elements Related to Direct Payments

120. As regards Direct Payments, Poland is invited to explain the rationale behind the value of the planned unit amount and how it contributes to the objective of the intervention.

2.2.2 Technical Assistance

121. As regards technical assistance, Poland is invited to confirm that the costs of the Certification Bodies will not be covered from the technical assistance budget and to specify that the support to the Ministry of Finance, Public Procurement Office and Government Legislation Center will be strictly in relation to the Plan implementation.

2.2.3 CAP Network

122. Section 4.4 the on national network does not contain all necessary details to assess the overall functioning of the network. The following is required: (a) information on activities of the national network as related to involvement of new participants (Pillar 1), monitoring & evaluation activities, cooperation between existing Local Action Groups (LAGs), European Innovation Partnership (EIP) Operational Groups, and other territorial initiatives; (b) a description of the concrete CAP

network activities that will encourage knowledge interaction within AKIS, especially with research, including projects under Horizon Europe; (c) information on the public frame for the establishment of the new national network – Poland is invited to consider a name that explicitly refers to the whole CAP.

2.2.4 Coordination EU Funds

123. Poland is invited to update the information and add relevant details on complementarity, synergy and demarcation between the Plan and other EU funds, especially for needs to be covered outside the Plan to ensure a coherent development of the agricultural sector and rural areas. Other instruments such as the Digital Europe Programme (DEP), Regulation (EU) 2021/694, and Connecting Europe Facility (CEF2), Regulation (EU) 2021/1153, should also be considered. The Plan should also describe the concrete contribution of each of these funds.

2.3 Interventions and Baseline

2.3.1 Conditionality

124. As regards GAEC 1, the area of permanent grassland and therefore the reference ratio is significantly lower than the figures submitted under ‘greening’ during the previous programming period. Poland is requested to correct it or explain the difference.

125. As regards GAEC 2, as the update of the soil database is foreseen until 2023, it is not clear why the implementation cannot take place as from 2024. In addition, Poland is invited to consider applying the ban on ploughing peatlands in Natura 2000 sites as from 2023, as those sites are already well-defined and mapped. The actual requirements to protect the designated areas should be clarified before the application of the GAEC. It appears that this would also include a ban on drainage, but this should be confirmed.

126. As regards GAEC 3, according to Annex I, section 3, subsection 1, point (e)(iii), to Commission Implementing Regulation (EU) 2021/2289 of 21 December 2021, an indication of the conditions for the derogation for plant health reasons should be given if applicable.

127. As regards GAEC 4, Poland is invited to consider a requirement on vegetation cover of buffer strips. Buffer strips permanently covered by vegetation have been shown to slow down the run-off of the water containing organic and mineral components from agricultural inputs facilitating the infiltration into the soil.

128. As regards GAEC 5, the slope threshold of 20% is too high and the Commission requests Poland to revise it downwards to increase the benefit of this GAEC. The GAEC should be applicable to permanent crops. Please clarify the situation for permanent crops and foresee an inclusion as relevant.

129. As regards GAEC 6, a requirement covering only 30% of arable land does not fulfil the GAEC’s objective. The requirements should ensure that bare soil is avoided on all arable land as well as on permanent crops during the most sensitive period. Poland should clarify what “land-less or stripless farming systems” means. It is doubtful if these requirements are sufficient to fulfil the GAEC’s objective. A summary of the type of soil cover required needs to be provided.

130. GAEC 7 provides that Member States should define requirements for crop rotation. Footnote 4 to the SPR cannot be understood as providing for crop diversification as the general rule, let alone for the entire territory. Accordingly, Poland is required to define crop rotation requirements according to Annex III to the SPR. It should clearly distinguish crops and, if relevant, secondary crops (triticum spelta should not be a separate crop).

The proposed exemptions to exclude farms below 10 hectares of arable land would apply to a large area of land given Poland's farm structure. In view of the positive effect of crop rotation for soil quality, Poland is requested to clarify the impact this exemption would have on the GAEC's potential to contribute to the objective and if needed consider lowering the exemption threshold.

In case Poland would make use of the option to define, by exemption, requirements for crop diversification in specific regions on the basis of diversity of farming methods and agro-climatic regions, Poland is requested to provide an explanation of the contribution of the practices and a justification of the choice made in light of the methods applied and the agro-climatic conditions experienced specifically in these regions.

131. As regards GAEC 8, Poland is requested to clarify the following: (a) whether there are criteria for minimum size, (b) the use or not of weighting factors, (c) that no production or gra
132. zing is allowed on buffer strips and field margins declared for the minimum share of arable land devoted to non-productive features. Given the environmental value of hedges, trees (individual, in lines or groups) and small wetlands, Poland is requested to consider their inclusion in the list of features for retention.
133. In light of the structure of farm sizes in Poland, the use of the exemption of holdings up to 10 hectares of arable land risks having a negative impact on the contribution to the GAEC's objective. Poland is invited to re-assess this aspect in order to ensure a greater contribution to the 10% Green Deal target for high diversity landscape features in agricultural land, in accordance with section 2.2.10. of the EU Biodiversity Strategy for 2030 (COM/2020/380 final).
134. As regards GAEC 9, an indication of the criteria used to designate the "environmentally sensitive permanent grassland" is required by Annex I, section, subsection 1, point (e)(ix), to Commission Implementing Regulation (EU) 2021/2289 of 21 December 2021. Considering the importance of this GAEC to protect the pastures of high natural value, Poland is invited to consider a large definition of these areas taking into account the current grassland status.

2.3.2 For direct income support

2.3.2.1 BISS (Articles 21-28 of the SPR, section 5 of the Plan)

135. The unit amount for BISS cannot be justified as being the result from the division of the BISS envelope by the number of estimated eligible hectares. The planned unit amount should primarily be justified on the basis of the analysis of the income needs. Taking into account the number of estimated eligible hectares, the indicative financial allocation for BISS is the result of this exercise, not the starting point.

136. Poland is requested to reconsider the variation of the unit amount provided for BISS. The variation percentages are considered to be 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.

2.3.2.2 CRISS (Article 29 of the SPR, section 5 of the Plan)

137. The preceding observations on the justification of unit amounts are also applicable to CRISS. Poland should also ensure and justify that the maximum threshold defined correspond to the redistribution needs.

2.3.2.3 CISYF (Article 30 of the SPR, section 5 of the Plan)

138. This intervention contributes to generational renewal and to safeguard and create jobs. Poland is therefore invited to link this intervention to Result indicator R.37.

139. Poland is invited to explain the rationale behind the value of the planned unit amount and how it contributes to the objective of the intervention.

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

140. Although the overall approach is positive, the Commission considers that additional explanations of the considerations behind the planned outputs and the support levels would help understand the intervention strategy and ensure an increased environmental ambition. Some of the eco-schemes with the highest environmental ambition have very small planned outputs.

141. Poland is requested to provide relevant clarifications as well as to review the coherence between individual interventions and specific objectives, areas of actions, and needs. Also, the use of Result indicators should be reviewed, including in particular the use of R.12 (climate adaptation) and 14 (carbon sequestration) when relevant.

142. The articulation between and possibilities for combining different eco-schemes, and eco-schemes with rural development interventions in certain cases should be clarified to demonstrate that no double funding will take place.

143. Regarding the payment method and unit amount, Poland is requested to ensure compliance with the legislation, in particular as regards the following aspects, without prejudice to certain comments under particular eco-schemes:

- Where the approach to payment referred to in Article 31(7)(a) is used, better explanations of the support level, as well as for the minimum and maximum unit amount (where applicable), are needed to allow for their assessment.
- Poland proposes a provision according to which, *“if there is a greater interest in eco-schemes, if at least two eco-schemes are implemented on the same area (parcels), the full rate payment will be granted for the eco-scheme at the highest*

rate and the rates for subsequent eco-scheme on the same area will be reduced proportionally". Poland is requested to consider whether such a provision would ensure equal treatment between farmers taking up the same commitment, and whether it risks reducing the uptake of more than one eco-scheme by farmers. It should also be considered whether the issue could not be solved by a simple pro rate reduction of the support rate within an eco-scheme, while respecting the planned minimum unit amount and based on the option for transferring funds between eco-schemes.

- The Plan cannot explicitly foresee payments above or below the planned minimum and maximum unit amount. If no minimum unit amount is planned, the payment should according to Article 102(2), fourth subparagraph, of the SPR not be lower than the planned unit amount except in the situation referred to in the mentioned paragraph. In other words, the statement that the payment may be lower in case of higher uptake does not comply with the legal basis.
 - In certain cases, a budgetary amount is foreseen for transaction cost without including this amount in the unit amount. Transaction costs cannot be planned separately but have to be included in the planned unit amount and paid as a part of that unit amount (and in the certified amount).
144. A brief description of the method for calculating the amount of support and its certification according to Article 82 of the SPR are to be provided in section 7 of each intervention (not only eco-schemes) concerned. An indication as to whether full or partial compensation is granted should also be provided, where relevant.
145. 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.

4.1 — Areas with melliferous plants

146. The Commission appreciates this eco-scheme. It notes that requiring the sowing of a mixture of more than two honey plants would increase its ambition further. However, the scope is limited with a planned output of 3 000 hectares, which raises questions of whether it brings a sufficient contribution to the biodiversity objectives. Poland is invited to consider this within the overall strategy and revise the planned scope upwards.
147. Moreover, Poland is requested to clarify the interaction with GAEC 8 (land lying fallow/with melliferous plants) and whether areas under GAEC 8 will be eligible for this eco-scheme. In this relation, Poland is also requested to improve the explanation of the planned unit amount and in particular to clarify whether the suggested support level assumes that the concerned areas already are non-productive or whether it takes into account a loss of income from production on the areas. With a view to increasing the overall benefits for the environment, the Commission invites Poland to consider excluding the areas under GAEC 8 from this eco-scheme and adjusting the intervention accordingly.

4.11 — Water retention on permanent grassland

148. While periodic flooding can have positive environmental benefits and the approach is positive, the description of design, requirements and eligibility conditions of the

eco-scheme are not clear and should be completed. In particular, there is a need to describe the agricultural practice/commitment, which the farmer should undertake, including whether this is natural flooding, and whether there is a risk of high water/dewatering which would be harmful for the soils. It should be clarified whether the area should be entirely flooded or whether partly flooding can render the area eligible. Moreover, Poland should clarify the justification of the period of 12 days, as high water level are necessary much longer than 12 days yearly in order to avoid GHG emissions from degraded peatlands. It should further be clarified how the criteria will be controlled.

149. It should be clarified how the requirement for simultaneous commitments under other rural development interventions or eco-schemes (extensive use of animal livestock or for organic agriculture) will function. Without prejudice to this clarification, including of the justification, the benefit of these parallel requirement/limitations is questionable.
150. It should be clarified whether there is a risk of overcompensation/double funding or how this is dealt with.
151. Without prejudice to the need for clarification of the intervention, the link to Result indicator R.12 (Climate adaptation) does not seem justified, while a link to R.14 (Carbon sequestration) would seem more relevant. The relevance of the link to R.23 (Water use) and R.31 (Biodiversity) should be demonstrated.
152. The Commission would like to understand the reasoning behind the planned output (360 000 ha) in the context of needs (degraded peatlands in need of rewetting to avoid GHG emissions are estimated at more than 1 million ha), as well as the coherence and feasibility of the obligation for these hectares to be covered by other interventions.

4.12 — Designation of 7 % of the arable area on the holding to non-productive areas

153. Poland is requested to clarify the articulation with GAEC 8. Does the 7% include the 3% under GAEC 8 or does it go beyond? If it includes the 3%, Poland is requested to clarify that the payment is set only based on the efforts which is additional to GAEC 8 and that no payment for respect of the baseline will be made. Result indicator R.34 should only include the actual landscape features, excluding those under GAEC 8.
154. Poland is also requested to provide the conversion and weighting factors mentioned.
155. The annual planned output is 300 000 hectares. The Commission understands that this corresponds to the total arable land of the holdings taking up this intervention, and hence only 7% of this area would actually be non-productive areas (potentially including the part under the GAEC 8, see previous observation). In light of the objective related to biodiversity, this seems too limited and Poland is requested to consider how to improve the contribution in this area. Poland is also invited to consider the inclusion of small wetland, which could bring benefits towards the objective.

4.15 — Organic agriculture

156. Based on the recognised contribution of organic farming, Poland is requested to link Result indicator R.14 (carbon sequestration), R.21 (Water quality), R.43 (AMR) and R.44 (Welfare) with this intervention. In contrast, there are no recognised links with climate adaptation (R.12), which should be removed.
157. The length of commitment and of the period for support for both conversion and maintenance is not provided. Poland should add this information. Poland is also requested to clarify the articulation with the rural development intervention for quality and to explain how no double funding is ensured.

4.16 — Animal welfare

158. Under “Methodology for calculating the planned unit amounts of support”, a number of indicated costs are seemingly routine costs for normal animal husbandry management and probably not relevant for enhanced animal welfare interventions: cost of feed, renovating the herd, cost of medicines and veterinary services and insemination, animal insurance, cost of used water for production, cleaning and disinfection, purchase of ear tags.

4.3 — Winter catch crops/indigestions

159. This eco-scheme triggers concerns of articulation with GAEC 6, 7, and 8. See also the observations to GAEC 6, further to which it follows that (part of) the requirements under this eco-scheme could be part of GAEC 6, and potentially could be part of or help fulfilling GAEC 7, if a secondary crop would be qualifying for fulfilling the crop rotation. It is recognised that an eco-scheme can go beyond GAEC 6, e.g. by imposing the sowing of specific catch crops. However, in this case, it should be clarified that the calculation of cost incurred and income foregone takes GAEC 6 into account.
160. Poland is requested to clarify and/or review and check coherence between specific objectives, action areas and needs selected.
161. While the prohibition on pesticides is pertinent and an important part of the eco-scheme, it is noted that it only applies during the period in which the catch crops are on the area and not during the growing season for the main crop. If this intervention should be counted under Result indicator R.24, additional management requirements to the use of pesticides on the areas during the main growing season should be added. While the link to R.23 (Water balance) should be better demonstrated, the link to R.12 (climate adaptation) is not justified by the description of the intervention). In return, it would be justified to link this intervention to R.14 (Carbon sequestration).

4.4 — Developing and respecting the fertilisation plan

162. The requirements included in this eco-scheme raise serious concerns of respect of the baseline. The Commission questions whether this overlaps with the obligation of the Nitrates Action Program adopted under the Nitrates Directive. The geographical coverage as well as the additionality compared to current obligations for farmers should be clarified, and Poland is invited to extend the requirements to additional practices or adapt the relevant areas or the geographical coverage (as

well as the contribution to the relevant indicators). Poland is also requested to explain the basis and means for the fertilisation plan, e.g. how it would be calculated and controlled. This intervention can be linked with the use of the Farm Sustainability Tool (FaST) and the Plan should contain a description of the plans envisaged to implement the FaST as part of the FAS before 2024.

163. Poland is requested to explain the expected outputs, in particular between the two options, as the planned output for the liming option appears high given that it is not possible more frequently than every fourth year. Based on the planned output, it looks like almost all the hectares supported will be with the liming option. It should be avoided that this eco-scheme is mainly used by farmers in the years where they expect to have to apply the liming; it should be used as a general improvement of nutrient management.
164. The area coverage of this intervention is not fully clear but it can be understood from the intervention requirements that it applies only to arable land and permanent grassland. If this is the case, the intervention cannot be planned using the payment method under Article 31(7)(a), as targeting certain types of production would not be compatible with paragraph 5/6 of Annex 2 of the WTO Agreement on Agriculture, as required by Article 10 and Annex II to the SPR.
165. The eco-scheme should be linked to results indicator R20: precision fertilization also supports ammonia emission reduction. The ammonia emissions aspect should be further explained in the intervention description.

4.5 — *Diversified crop structure*

166. The Commission considers that the requirements of the suggested eco-scheme should be reviewed to increase the ambition, through requirements related to number of crops, the maximum area of the main crop and a minimum area for the smallest crop. Poland is requested to clarify the requirements in relation to the crops counted under “crops with negative impact” as well as the definition of crop. The observation to GAEC 7 should be considered.
167. As this crop diversification eco-scheme is targeted to a specific land category which is arable land and the commitments are of a “productive” nature, it would not be WTO compatible to use the payment method under Article 31(7)(a) of the the SPR. Accordingly, Poland is requested to ensure the WTO compatibility, possibly by changing the type of payment.
168. The description of the eco-scheme does not justify a direct and significant contribution to Result indicator R.31 (Biodiversity).

4.2 — *Extensive use of permanent grassland with livestock stocking*

169. The Commission understands that this eco-scheme has a double aim of decreasing intensity in certain regions, while maintaining the habitats through sufficient maintenance in others. The current broad definition of the eco-scheme, in particular the calculation and setting of one single support level covering the two cases entail a risk of an irrelevant support level, which in turn does not ensure the optimal benefit of the support. Poland is requested to reconsider this structure, for instance through a targeting of different regions with different unit amounts reflecting the needs and situation of those regions (intensive versus lacking maintenance).

170. The requirements could also be reviewed and improved in that context. For instance, it could improve the impact on biodiversity to decrease the maximum livestock density currently set at 2 livestock units per hectare. Additional management criteria in relation to no ploughing, pesticides or nutrients could also be part of a better targeted eco-scheme, responding, e.g., to needs in relation to GHG emissions and pesticides, which would need to be better addressed, or require grazing. Accordingly, Poland could consider linking the intervention to Result indicator R.14 on carbon sequestration.
171. A better targeted approach would also allow to review the level of unit amount and the maximum unit amount proposed, where in particular the latter is much higher than the foreseen unit amount, which raises questions of the relevance of the levels (over-/under-compensation), which have to be clarified.

4.6 — Mixing manure on arable land within 12 hours of application

172. To ensure the environmental benefits and avoid ammonia volatilization (Annex III of the NEC Directive 2284 of 2016), support for a practice to incorporate manure in the soil shall only be granted if the incorporation is made within 4 hours (and not 12 hours) as indicated in Annex III of Directive (EU) 2016/2284.
173. Poland should provide more information with regard to the requirement on areas with different slope. It should also be clarified whether there are requirements to the amounts of manure per hectare and how these are checked.
174. The intervention focuses primarily on the reduction of ammonia emissions for which it is necessary to incorporate in the soil slurry and liquid manure within 4 hours from the application. The same intervention contributes as a side effect to the reduction of GHG emissions. The description of this eco-scheme does not justify a link to R. 12 (climate adaptation).

4.7 — Use of liquid natural fertilisers other than by splashing methods

175. The description of benefits, context and commitments/requirements of this eco-scheme should be improved, including a specification of the low-emission field application techniques, which are required as replacement for the slurry spraying.
176. The planned output is relatively limited and a clarification of which areas are targeted and on how many hectares this method already is applied is necessary to improve the understanding of how this eco-scheme contributes to the overall strategy. Poland is also requested to explain the articulation with eco-scheme 4.6.
177. In light of the limited details on the eco-scheme, it is not demonstrated that the choice to follow the payment approach referred to in Article 31(7)(a) of the SPR is compliant with the relevant WTO requirements for this type of intervention as specified in Article 10 and Annex II to the SPR.
178. The link with Result indicator R.12 (climate adaptation) is not justified.
179. The mention of reduction of GHG emissions is also not appropriate as the content of carbon (CH₄ formation) is very low in slurry.

4.8 — *Simplified cultivation systems*

180. The description should be improved to provide further details, in particular on the requirements such as the exclusion of temporary grassland. Poland is requested to clarify how the obligation to leave the crop residue in the ground goes beyond the baseline, in particular GAEC 6. The link to Result indicators should be reconsidered (adding R.14, while R.12 and R.23 do not appear justified).

4.9 — *Maintaining field trees*

181. The Commission appreciates this eco-scheme. However, the scope (planned output) is limited, which raises questions of whether it brings a sufficient contribution to the objectives selected. Poland is invited to increase the scope of this eco-scheme. Poland is asked to clarify that areas will not be eligible in the year where they receive support for creation, and that only the part of the area where trees actually are planted will be paid for. Beyond the Result indicators already linked to this intervention, R.14 (carbon sequestration), R.19 (soil) and R.22 (nutrient management) would also be justified.

4.10 — *Maintenance of agroforestry systems*

182. The Commission appreciates the approach taken with this eco-scheme. However, the scope (planned output) is limited, which raises questions of whether it brings a sufficient contribution to the objectives selected. Poland is invited to consider this within the overall strategy.
183. Poland is requested to clarify that areas are not eligible for support under this eco-scheme in the year where they are granted support for establishment.
184. Poland is suggested to consider adding links to Result indicators R.14 (carbon sequestration), R.19 (soil) and R.22 (nutrient management).

4.13 — *Producing plants within the system of Integrated Plant Production*

185. Further details are required on the requirements in terms of plant protection products application (risk categories) excluded/banned and whether it is mandatory to follow the determination for fertilisation needs for crops based on the required soil testing.
186. In order to understand the expected benefit of this intervention, it would be useful that Poland share information on the current area coverage of this certification scheme, and the expected impact.
187. It is understood that the eco-scheme only apply on arable land, though this deserves clarification. If this is the case, the intervention cannot be planned using the payment method under Article 31(7)(a) of the SPR as targeting certain types of production would not be compatible with paragraph 5/6 of Annex 2 of the WTO Agreement on Agriculture, as required by Article 10 and Annex II to the SPR .
188. It is not clear how this eco-scheme contributes directly and significantly to Result indicator R.22.

4.14 — *Biological crop protection*

189. Description and requirements lack clarity, for instance whether all chemical pesticides are prohibited, which areas are eligible and how it will be controlled, expected impact and the extent to which such practices are already used.
190. The low level of the planned output (5 000 hectares out of more than 14.5 million hectares of agricultural area) is concerning. Poland is requested to consider how the impact can be increased and whether it is necessarily through an eco-scheme with such a limited scope. Poland should also consider whether setting up an eco-scheme with such a limited planned output respects Article 6(3) of the SPR with regard to reduction of administrative burden and simplification, and whether the contribution to the relevant needs can be met in another way.

2.3.2.5 CIS (Article 32-35 SPR, section 5 of the Plan)

191. Given that Poland attempts to justify its CIS interventions on economic grounds, it must be recalled that this should be primarily based upon a low/negative profitability and/or a declining number of hectares/animals in recent years. Other arguments (e.g. volatile yields/prices/income; increasing input costs) are also useful because they may explain the reasons behind the low/negative profit and/or shrinking production. These arguments in the Plan should also be underpinned with relevant statistical data (preferably in the detailed SWOT). The justification of some interventions (e.g. hemp) should be reinforced accordingly.
192. Concerning the aim of the intervention:
 - Each intervention must be designed and presented in the Plan accordingly, also including those interventions whose difficulty is otherwise considered horizontally justified at EU level (protein crops).
 - Most interventions only aim to give compensation for the sector's difficulty for the duration of the Plan (i.e. safety net against income fluctuation) with no apparent intention to address it in the longer run. The aim should thus be further elaborated and, if needed, certain elements of the support decision (e.g. targeting/eligibility conditions, unit rate modulation) might also have to be re-considered in order to improve competitiveness, quality, and/or sustainability in the longer run.
 - Nevertheless, some interventions already have certain elements that could trigger such longer term improvement (e.g. animal based interventions potentially improving efficiency with inciting growth and renewal of the least efficient smaller herds/flocks; tomato support requiring the use of appropriate agronomic practices to increase yields). In these cases, the explanation should be further clarified/reinforced to enhance focus on how the targeted sectors would benefit from these requirements in the longer run.
193. Concerning targeting/eligibility conditions:
 - The minimum requirements (e.g. minimum number of animals) under the sheep and goat interventions should be explained in light of the difficulty and/or the support's aim.

- Please explain in light of the support needs (difficulty and/or the aim of the support) why targeting, where relevant, focuses only on a specific crops/plants within the sector concerned (e.g. strawberry from fruits).
- Under an intervention financed from the (up to 2%) protein crop top up (Article 96(3) of the SPR), Poland intends to give access to, inter alia, mixtures between protein crops and cereals. It needs to be explained further how Poland will guarantee that such support contributes to alleviating the protein deficit of the EU (e.g. predominance of protein crops in the mixture; requirements with regard to use/processing, etc.) and complies with article 96(3) of the SPR requirements.

194. As regards the unit rate:

- The explanation of how the planned unit rate and its variation was determined in light of the targeted sector's actual support needs, also taking into account potential impact on the single market, should be reinforced. Besides, given the various uncertainties about the sector's support needs, it is actually more realistic to determine the required support as minimum and maximum planned unit amounts, which, in turn, would allow fixing and justifying the planned unit rate and its variation, too.
- Poland indicated no 'minimum amount for the planned unit amount'. To recall, the use of variation is not obligatory, but increases the flexibility for the Member States. Poland may thus consider completing its Plan with minimum variations.

195. In relation to the Water Framework Directive, Poland is invited to clarify, how the different situations of various river basins were taken into account in the assessment and, if needed, in their coupled support decisions in terms of access to support in vulnerable areas, if any. Given that all interventions foresee stable output indicators till 2027 (i.e. no production increase), the focus should rather be on those river basins, where 'good status' has not yet been reached based upon the respective river basin management plan. The most sensitive interventions in terms of pollution are apparently those that target dairy and beef & veal sectors.

196. 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.

2.3.3 *For sectorial interventions*

2.3.3.1 Fruit and vegetables

197. The Commission has noticed that Poland while defining fruit and vegetable interventions has not established the link to the cross-cutting objective in chapter 5.2 Sectoral Interventions. The Commission considers that the link, where relevant, should be established.

198. The Commission has noted that the content of the future operational programmes is limited only to a few types of interventions under Article 47(1)(a) of the SPR. The Commission recommends not to limit the content of operational programmes to a few type of interventions. The Commission considers that the proposed approach does not comply with all requirements and obligations and, in particularly, with the requirements of Article 50(7) of the SPR as this limited approach (no support for

organic production, no actions improving resilience against pests, reducing impact of pesticide use or prevention of climatic events etc.) would put in question the achievement of the ring fencing obligations.

199. Poland should ensure in the Plan that operational programmes should include three or more actions (80% of member of producer organisation rule) linked to the objectives referred to in points (e) and (f) of Article 46 of the SPR (see Article 50(7)(b) of the SPR).
200. Poland should make sure in the Plan that the interventions within the types of interventions referred to in Article 47(2), points (f), (g) and (h) of the SPR, do not exceed one third of the total expenditure under operational programmes (see Article 50(7)(d) of the SPR).
201. The Commission has noted that Poland envisages that only seven operational programmes will be implemented, for example in 2023. The Commission would like to understand the reasons behind this modest approximation and would invite Poland to be more ambitious.
202. The Commission invites Poland to add result indicators R.11 and R.1 for intervention 7.6, as well as indicator R.5 for intervention WITHD(47(2)(f)). The reference to indicator R.11 is mandatory under Article 160 of Regulation (EU) No 1308/2013 and Article 46(b) of the SPR and reference to indicator R.5 is mandatory for all interventions referred to in Article 47(2) of the SPR.
203. Interventions 7.1 and 7.2 are to be linked to indicator R.39 if realized by cooperatives (and potentially indicator R.9 if some investments are realised by the members of the producer organisations). On 7.5, adding a link to indicators R.27 and R.39 would also be justified.
204. The proposed activities under intervention WITHD(47(2)(f)) do not comply with the requirements of Article 52(6)(a) of the SPR and Article 27 of Regulation (EU) 2022/216 and, therefore, are not eligible.
205. Poland is invited to explain how compliance with paragraph 12 of WTO Annex 2 is ensured and to verify and properly describe in the Plan how all additional EU legal 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 addressed.
206. Poland is invited to fill in Table 10 the annual indicative financial allocation per financial year.

2.3.3.2 Apiculture

207. Poland is invited to:
 - Include under section 3.5.2 a description of the reliable method for determining the number of beehives in the territory ready for wintering from 1 September – 31 December as required under Article 37 of Regulation (EU) 2022/126;
 - Improve the description in section 3.5.2 with a more detailed analysis of the sector;

- Outline how the interventions contribute to the relevant specific and sectoral objectives and needs in section 5 and provide a more comprehensive explanation of the intervention and supported actions including eligible expenditure (at least a few examples).
- Revise the amounts due to apiculture organizations to cover their administrative costs incurred during the implementation of interventions (in 6.2, 6.3 and 6.5) in compliance with the provisions of Article 23(2) of Regulation (EU) 2022/126. Kindly clarify what are the services rendered by these associations to their beekeepers in the implementation of the interventions chosen;
- Ensure that support is provided for eligible expenditure in compliance with the provisions of the relevant regulations, in particular those in Regulation (EU) 2022/126 (under 6.5, support for trucks is ineligible as per point 4, Part 1 of Annex II);
- Make an effort to determine planned unit amounts and outputs for the different interventions/actions considered within a type of intervention and explain and justify how these were calculated in consistency with the information provided in section 6. The output units in Table 10 should also be consistent with the description of the Planned Unit amounts in section 9, as well as with those in the sectoral table 6.2 (correct inconsistencies in 6.2, 6.3, 6.4, 6.5 and 6.7)
- Correct the value of indicator R.35, so that only interventions 6.2, 6.3 and 6.4 contribute to it;
- Explain how the interventions respect the relevant provisions of Annex 2 to the WTO Agreement on Agriculture;
- Ensure that the indicative financial allocation for 2023 takes into account any planned expenditure for the implementation of measures under the National Apiculture Programme 2020-2022 during the extension period from 1 August – 31 December 2022;
- Revise the information in Table 5.2.10 and 6.2.2, to include the total public expenditure in the updated SFC tables;
- Ensure that the annual indicative financial allocations under Section 5 of the Plan correspond to the planned amounts in the Financial Overview table under Section 6 of the Plan (currently they do not correspond).
- Provide a clear demarcation with EAFRD funded interventions.

6.1 — Supporting apiculture knowledge.

208. Reference to apiculture year and eligibility of costs incurred during this period are for Poland to determine. However, contrary to the current apiculture programmes, this provision will no longer apply to apiculture interventions under the Plan.

6.2 — Investments, support for the modernisation of apiary farms.

209. Poland is invited to provide a few examples of “beekeeping equipment and machinery”. Under section 9 appears the term technical assistance. Please note that technical assistance should be supported under intervention 6.1.

6.4 — Facilitating migration management and 6.5 — Aid for the recovery and improvement of the useful value of bees

210. Poland is requested to provide some examples of “new machines and equipment used to conduct migratory economy.”
211. This intervention as well as intervention 6.5 do not fall under paragraph 2 of Annex 2 of WTO Agreement (See Annex II of the SPR). It should either be listed as “Amber” or depending on the objectives pursued through this intervention it could also qualify as “Green” box. However this needs to be further explained and justified.

6.6 — Research support

212. Poland is invited to outline the main themes or priority areas for the applied research projects supported and include a description of the eligible expenditure.

2.3.4 For rural development

State aid

213. Poland should ensure that, except in the cases mentioned in the applicable State aid rules, undertakings in difficulty and undertakings that are still subject to a recovery order following a Commission decision ordering the recovery of illegal and incompatible aid are excluded from support. With regard to interventions that will be cleared under the State aid agricultural and forestry Guidelines, Poland is invited to notify to the Commission their plans to grant State aid according to Article 108(3) of the TFEU.
214. Since the Agricultural Block Exemption Regulation (ABER), the General Block Exemption Regulation (GBER) and State aid agricultural and forestry Guidelines are currently under revision, Poland is invited to adjust the existing schemes with the relevant State aid rules once they are adopted.

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

Agri-environment-climate commitments

215. It is not clear from the description how interventions 8.1, 8.2., 8.3., 8.9.1 and 8.9.2. will contribute to better nutrient management and reduced pesticides use, while links to these Result indicators (R.22 and R.24) are established. By contrast, some of these interventions refer to extensive grazing (although not mentioning any livestock density maximum) thus they could contribute directly and significantly to R.14 (Carbon sequestration).
216. Poland should consider whether additional interventions may be needed to address specifically water scarcity (switch to less water-consuming crops) and quality (additional measures reducing use of pesticides and nutrients leakage), stimulating the organic farming sector throughout the whole value chain, and halting and reversing the decline of biodiversity (in line with the Prioritised Action Framework).
217. Given the needs identified in the Prioritised Action Framework with regard to several habitat types and habitats of the species exceed the areas targeted by

relevant AEC commitments, Poland is requested to increase the scope of those AEC commitments and/or indicate how other funds contribute to meeting these needs.

218. With regard to interventions 8.1 and 8.2, Poland is invited to improve the specificity in the interventions to define the management commitments that will help the sites come into favourable conservation status. This level of detail on management requirements per habitat and species is necessary also to ensure the correct result indicators are selected (only those with a direct and significant link) and to understand the calculation of the units costs and overall premia. While the expert can define the prescriptions to be chosen for a specific site, there needs to be a detailed list of the possible commitments worked out in advance with a proposed unit amount included in the intervention description.
219. For Conservation of valuable natural habitats and threatened species outside Natura 2000 sites, Poland is invited to reflect on whether the area covered would allow to adequately address negative trends for habitats and species in decline.
220. In view of the potential competitiveness of corncrake and waders schemes, and since waders are much more seriously threatened than corncrake, it is suggested to limit the availability of the corncrake scheme to Natura 2000 sites designated for corncrake.
221. Payments for AEC commitments are calculated using “average” conditions for particular habitats. The most valuable patches of the habitats are usually the most difficult for mowing and grazing (for example, the most waterlogged parts of peatbogs, grassland on very steep slopes). Therefore, it is suggested Poland should consider introducing an additional premium or correction factors to increase the payment for specific field difficulties (highly watered site, hand mowing, very steep slope), as payments calculated using 'average' conditions for particular habitats may not be sufficient for mobilising farmers to mow/graze such patches, which often have a higher environmental value.

8.1 – Protection of valuable habitats and endangered species in Natura 2000 sites

222. Poland is invited to explain the reason for the substantial variability of annual outputs.
223. Poland is requested to review the commitment listing mandatory requirements for valuable habitats and endangered species. Interventions based on Article 70 of the SPR can only pay for voluntary requirements beyond the baseline. If the intervention envisages compensating for mandatory requirements, an intervention based on Article 72 may rather be the correct instrument.

8.2 – Protection of valuable habitats and endangered species outside Natura 2000 sites

224. Poland is requested to specify how non-Natura land is identified and whether biodiversity needs for such land are defined in some planning document prepared by the nature agency.
225. Poland is requested to describe better specific management commitments and specific practices or restriction on limiting fertilisers and pesticides to determine

whether links to Result indicators R.22 (Nutrient management) and R.24 (Pesticides) are justified.

8.3 – Extensive use of meadows and pastures in Natura 2000 sites

226. Poland is requested to describe the exact commitments farmers will have to implement under this intervention, and to show that, in Natura 2000 sites, these commitments are consistent with and contribute to the Priority Action Framework.
227. Poland is requested to review the relevance of the linked needs to ensure they are only selected when addressed by the intervention.
228. Clarification is also required on how this intervention is different to the eco-scheme on extensive grazing (how double funding would be prevented); more specificity is needed on the specific management commitments to be compensated to allow for understanding the baseline and therefore the calculation of the unit amounts. It should also be indicated if detailed prescriptions exist per site.

8.7 – Perennial or multi-annual flower strips

229. Poland is requested to clarify the specific management requirements and indicate how these are different from those included in conditionality requirements for landscape features on arable land and the Eco-scheme for areas with melliferous plants.
230. Poland is invited to ensure the needs identified are addressed and is requested to provide more specification on the commitments to understand how they go beyond baseline requirements.
231. For the calculation method it is noted that the level of detail in this intervention is at the level needed for the other AECs – it allows to understand what is proposed to be compensated for and why.
232. However, it is not clear from the description of the intervention if the link to R.34 (Landscape elements) is direct and significant.

8.9.1 - 8.9.3 – Commitments implemented under an agri-environment-climate measure of the Rural Development Program 2014-2020

233. Any carry-over of commitments implemented under an agri-environment-climate measure of the Rural Development Program 2014-2020 has to comply with Article 155(3) of the SPR. It is subject to an adjustment of the commitments to the new rules of the corresponding type of intervention, i.e. the adaptation to the new baseline based on conditionality. Poland is requested to provide all necessary information in the respective sections of the intervention.
234. Financial allocations for this intervention are planned as of 2026. For new contracts in 2022, Poland is encouraged to determine shorter durations of commitments according to the provisions of Regulation (EU) 2021/2220 in order to close as many contracts as possible under the current Rural Development Programme (RDP) and to avoid carry-over of measures from the current RDP as of 2026.
235. The Commission notes that there are a lot of similarities between the interventions 9.8.1 and 8.1 as well as between 9.8.2 and 8.2, however it seems they are not

identical. The need to have both interventions in parallel as of 2026 should be carefully reconsidered also in view of simplification.

8.9.3. – Sustainable agriculture

236. Poland is requested to amend the description of the intervention in order to allow an assessment as to how it will contribute to better soil and nutrient management, as it is linked to the relevant result indicators (R.19 and R.22).

Forestry Commitments

237. Poland is requested to specify the threshold for holdings that are requested to present a forest management plans or equivalent instrument.
238. Interventions 8.10 and 8.8 cannot be linked to Result indicator R.23, which refers to commitments on agricultural area, this should be revised.

Genetic Resources

8.4 — Preservation of orchards of traditional varieties of fruit trees

239. It should be ensured that all the result indicators are relevant.
240. It should be explained why the RDP provisions are not included (e.g. minimum stem height of 1.2m).
241. The minimum of 0.1 ha seems inadequate for the intervention to be effective; and needs to be further justified or adapted.
242. It is not clear from the description of the intervention how it will contribute to reduced pesticides use, while a link to this result indicator R.24 (Sustainable and reduced use of pesticides) is established. Poland is invited to amend the description if the link is to be retained.

8.5 — Conservation of plant genetic resources in agriculture

243. This intervention should be classified as IACS as uniform unit amounts and payments per hectare are used.
244. The justification of elements going beyond the baseline indicates the ban on the use of herbicides. This is not reflected in the requirements section.

8.6 — Conservation of endangered animal genetic resources in agriculture

245. The intervention should comply with the provisions of Article 45(1)(a), 2(a) and (4) of Commission Delegated Regulation C(2021) 9115 final; this includes, inter alia, that the endangered status of the breed must be scientifically established, and that the number of breeding females should be stated. While these provisions are mentioned, the text should be more precise:
- In terms of the baseline, Poland could instead explain how the intervention builds on experiences from 2014-2020, and how the support will improve upon the current situation;

- This intervention should be classed as IACS as uniform unit amounts and payments per LU are used;
- O.19 should refer to LU in Table 13, and the calculations changed accordingly.

ANC

246. The old term of reference (LFA) should be updated with the new (Areas with Natural Constraints - ANC), also used during the period 2014-2020.
247. The certification of payment calculation in accordance with Article 82 of the SPR is missing and needs to be provided in the Plan.
248. Poland is required to explain how the intervention complies with the requirements of paragraph 13 of the Annex 2 of the WTO Agreement on Agriculture.
249. The appropriate planned unit amount to be selected is average since the support is subject to degressivity and differentiation of payments. In addition, Poland should indicate the average unit amount value and provide a short explanation and justification for this amount for each planned unit amount.
250. The financial table with output should be updated with the average unit amounts and revised since information is missing.

Natura 2000/WFD Payments

251. Poland is invited to consider programming Natura and WFD payments under this intervention for mandatory requirements established under the relevant planning documents (including the 3rd River Basin Management Plan). This could complement voluntary approaches under other instruments.

2.3.4.2 Investments, including investments in irrigation (Article 73-74 SPR, section 5 SFC)

10.1.1 — Competitiveness-enhancing investments in agricultural holdings (grants)

252. Regarding the proposed eligibilities for “...energy-efficient, low-carbon (including the equipment of these facilities)...” it should be noted that EAFRD support is possible only 24 months from the date they become mandatory.
253. Information about the eligible sectors is not always detailed. Poland should develop and explain the consistency and synergies with the relevant sectoral market measures.
254. A link to R.3 should be added.
255. Poland is invited to set durability requirements for the supported investments.

10.2 — Investments in agricultural holdings in the field of RES and energy efficiency improvement

256. Poland is asked to justify why hydro-power plants are supported under this intervention, taking into account the likelihood of unintended consequences that can negatively affect the natural environment. In the event that such energy

generation is included in the intervention, selection criteria should be included to avoid significant harm to the environment (including from cumulative impact of individual projects).

257. Poland is requested to explain the aid amount set at EUR 508 000, which does not seem sufficient to encourage uptake of biogas plant installation under Area A (Aid intensity up to 65% of eligible costs).
258. Under Planned Unit Amounts, Poland is requested to explain why the actions are limited to 2024-2026 as this could limit the uptake. Additional explanation is also needed regarding costs incurred and income foregone.
259. This intervention will directly contribute to increase of renewable energy production capacity and will contribute to farm modernisation. The respective links to indicators R.15 (Renewable energy) and R.9 (Modernisation) should be added.
260. Poland is requested to clarify explicitly that within NVZs, stricter rules laid down in the Nitrates Action Plan prevail.

10.3 — Investments to prevent the spread of Asian Swine Fever (ASF)

261. Poland is invited to provide further details about eligible operations and describe briefly what goes beyond the conventional farming methods.
262. In order to be effective, support should not cover only big commercial farms and native and pure breeds but should be extended also to small and medium commercial pig farms. Poland is also advised to increase the number of projects to be supported.
263. Eligibility conditions are linked to specific breeds of animals but not to investments in biosecurity. The link between the intervention and the description of the need should be clarified. The link between the intervention and the result indicator should also be clarified.
264. This investment should be linked to indicator R.43 rather than R.5.

10.5 — Development of small farms

265. In the description of potential beneficiaries the reference “...and who carries out an agricultural activity in Poland from which he obtains income from sales of a fixed minimum level” should be better specified.
266. Eligible quality schemes should solely concern agricultural products and foodstuffs, and not agricultural holdings and/or their environmental certification.
267. National quality schemes should be certified and notified.
268. Poland is invited to clarify that the business plan concerns only investments related to operations regarding the production and preparation for sale of farmed agricultural products, agricultural retail, direct sales and direct deliveries, and that the lump sum will only be paid for these investments.

10.6.1 — Development of cooperation within the value chain (subsidy) — on the farm

269. The proposed eligibility conditions are fragmented and difficult to implement on the farm. In addition to on-farm, off-farm non-agricultural activities are also proposed although these have different programming requirements, including output indicators. Other eligible investments such as “...food waste and biogas and other bio components...” might be even green productive.
270. The proposed investments should be clarified or programmed under other more relevant interventions or reviewed under other provisions such as Article 77 of the SPR.
271. This investment should be linked to indicator R.39 (Rural economy) rather than R.10 (Supply chain).

10.6.2 — Development of cooperation within the value chain (Financial Instruments) - on the farm

272. Poland should consider linking the intervention to indicator R.39 (Rural economy) rather than to indicator R.10 (Supply chain).
273. Poland should explain why large enterprises are eligible for financial instruments support and how it will mitigate the risk of creating deadweight.
274. Poland is invited to clarify the state aid instrument. While the comment box indicates that the aid is in line with guidelines for state aid in the agricultural and forestry sectors and in rural areas 2014-2020, the box for *de minimis* aid is marked.

Green, Non-Productive Investments, Irrigation

275. As regards 10.2, investments in farms in RES and energy efficiency. CAP investments are complementary to ESIF and RRF (green hydrogen) ones.
276. Only investments pursuant to Section 1.1.1.1 of the State aid agricultural and forestry Guidelines are considered as relating to an agricultural activity and therefore covered by Article 42 of the TFEU. These include investments linked to the production of biofuels of no more than equivalent to the annual average transport fuel consumption of a farm and energy from renewable sources serving to cover the own farm energy needs. Other investments fall outside the scope of Article 42 of the TFEU and must obtain the state aid clearance.

10.4 — Investments contributing to the protection of the environment and climate: new technologies

277. The eligible type of support is not defined clearly enough; Poland is requested to provide further details.
278. The intervention is linked to environmental objectives and Result indicator R.26, and it is counted towards the 35% EAFRD ring-fencing. However, some investments eligible under this intervention have a strong productive/competitiveness component with unclear environmental/climate benefits (e.g. shelters for animals, anti-hail and anti-frost solutions).

279. Poland is invited to explain how it is assured that “investments for increasing effectiveness of water retention or use” supported under this intervention do not have a negative impact on the environment.
280. Poland is invited to consider prioritising operations aimed at natural (landscape) retention (in soil, small wetlands, vegetation cover, natural water courses) in the areas of precipitation or in their vicinity.
281. Moreover, it is not clear how the joint use of new machinery and equipment purchased (agreement between at least three farmers) will contribute to climate adaptation, which is referred to in the description of the intervention. In view of the description of the intervention, adding a link to Result indicator R.3 (Digitalisation) might be justified.
282. To count towards the environmental ring-fencing and to qualify for a higher support rate of 80% (“green investment”), the investments have to clearly target environmental/climate objectives and go beyond normal standards. This needs to be demonstrated more clearly for some investments.
283. Poland is requested to confirm that the intervention does not include investments in irrigation. The requirements of Article 74 of the SPR need to be respected and reflected in the eligibility conditions. Poland should clarify what is understood by “installations for water efficiency”.
284. The section SCOs, support rates and unit amounts needs further revision.

10.9.1 — Development of precision farming services to protect the environment and climate

285. The intervention is linked to environmental objectives and Result indicator R.27, and it is counted towards the 35% EAFRD ring-fencing. The environmental/climate focus should be more elaborated and justified, as there is a strong productive/competitiveness component in some of the eligible investments. Precision farming investments can be classified as a green investment only under the condition that they are expected to lead to significant environmental/climate benefits. Poland is invited to further elaborate that the eligible investments go beyond normal or mandatory standards and are encouraged to link such investments to specific management commitments.
286. Poland is invited to further elaborate the targeting of the intervention, especially with regard to the eligible beneficiary, support rates and the relevant result indicators.
287. The section on unit amounts needs further revision.

Infrastructure

10.10 — Infrastructure in rural areas and implementation of the smart village concept

288. Regarding investments in individual waste water treatment systems (Area A), Poland is invited to confirm that small-scale projects (PLN 10 million budget) are included, to clarify the demarcation with similar interventions under Cohesion Policy or other national funds, to explain more the eligible criteria for the

prioritization of rural settlements and to include a list of ineligible categories of expenditure.

289. Regarding the implementation of the smart village concept, Poland is invited to provide more information about the preparatory work for the setting-up of smart villages strategies already done at national level, the process for selecting and implementing the relevant projects according to the smart villages strategies, the complementarities with similar activities proposed under LEADER intervention, the type of activities/operations/projects and the expected number of smart villages strategies. Poland is invited to reconsider the budget allocated to Smart Villages and Output Indicator 22, taking into account resources allocated until now to introduce the smart village concept and setting up the strategies.

290. A link to indicator R.40 is missing.

291. This intervention falls outside the scope of Article 42 of the TFEU. Poland should adapt the Strategic Plan accordingly and indicate a State aid clearance instrument

Forestry Investments

10.11 — Afforestation

292. Poland is requested to specify the required scale of the number of trees to be planted and/or maintained per hectare.

293. Links to R.18 and R.27 seem to be missing. A link to R.39 may also be considered.

10.12 – Planting of field trees

294. The Commission welcomes this intervention. As for afforestation, Poland is requested to include more information about the species structure of these field woods including an indication about the required minimum number of trees to be planted.

295. Poland is invited to consider expanding it to permanent bushy thickets (*Prunus spinosa*, *Crataegus spp.* etc.), which would increase its environmental effectiveness.

296. Links to indicators R.16, R.26, and R.32 seem to be missing.

10.13 — Establishment of Agroforestry systems

297. Poland is requested to a) specify what types of agroforestry systems are planned and whether there are requirements for minimum and maximum number of trees to be planted and/or maintained; b) clarify whether an obligatory period for maintaining the result of the intervention is required.

298. Links to indicators R.16, R.26, and R.32 seem to be missing.

10.14 — Enhancing biodiversity of private forests

299. Poland is invited to supplement the conditions with the obligation not to remove old/veteran/valuable trees (incl. deadwood).

300. This intervention should also be linked to Result indicator R.27 (Environmental or climate-related performance through investment in rural areas).
301. Since intervention 10.9.2. — Development of services for agriculture and forestry (Financial Instruments) will support services in agriculture, adding a link to R.18 (Forestry investments) would seem justified.
302. Poland is invited to ensure that the requirements of the Regulation (EU) No 1407/2013 on *de minimis* aid (in particular with regard to Article 4) are met.

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

303. Poland is invited to put more focus on the existing gender gaps in employment, pay, pensions and decision making.
304. The intervention contributes to generational renewal and to safeguard and create jobs. Poland is therefore invited to link this intervention to Result indicator R.37.
305. Poland is invited to clarify why the planned output is so low and why the condition of ownership is relevant in this context, and to explain why a reference to the intervention on small farms is made. Poland is also invited to consider whether an intervention on the business start-up is to be planned under this type of intervention in order to better address the identified needs.

2.3.4.4 Risk Management (Article 76 SPR, section 5 of the Plan)

12.1 — Subsidies for livestock insurance premiums

306. Poland should explain the decision to support only insurance relating to animal production and how the intervention will contribute to SO7. Poland should indicate if single or multi-peril losses will be covered. Poland should also provide more details regarding the methodology for calculation of losses, including the use of indexes if that is foreseen.

12.2 — Mutual funds co-financing

307. Poland should: a) explain the decision to support only mutual funds relating to crops; b) provide more details on the rules for the constitution and management of the mutual fund; c) include information as regards duration and degressivity of support; d) provide more details regarding the methodology for calculation of losses, including the use of indexes if that is foreseen; e) include an explanation and justification of the value of the unit amount.

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

13.5. — Cooperation of the EIP Operational Groups

308. A number of elements in the description of the intervention should be clarified (e.g. scope, communication effects and timing of the calls, difference between the types of operations and the total number of projects to be supported). A possible reduction in the number of operational groups planned in comparison with the current programming period, as well as the high amounts per project should also be explained. Projects stemming from grassroots innovative ideas captured through innovation support often do not need such high budgets.

Leader

309. Poland is invited to review the budget for rural development needs, many of which seem to be covered mainly by LEADER. Poland is asked to clarify how social challenges such as ageing, poverty and the special service needs of vulnerable groups in rural areas will be covered, and how “non-LEADER” areas will be supported and to clarify the contribution to the Long-Term Vision for the EU’s Rural Areas
310. Poland is also invited to explain how the principles of the LEADER method – notably the partnership principle and innovation at local level will be applied by every LAG.
311. A description of the delivery mechanism (functions of Local Action Groups, Paying Agency, Managing Authority) should be added and the description of added value of LEADER, state aid and outputs should be streamlined.

Quality Schemes

312. It appears that the Plan interprets “quality schemes” as solely the organic production. It would be important to distinguish Geographical Indications and mention them explicitly where relevant. Given the Polish agricultural heritage, we invite Poland to include Geographical Indications (PDO – PGI) in the interventions regarding quality schemes.

13.3. — Promotion, information and marketing of food produced under food quality schemes

313. Poland is invited to provide more explanations about the value of unit amount and the possibility to have a maximum unit amount, taking into account the nature of the intervention.
314. For the better efficiency of the intervention, it is welcomed to support & privilege jointly actions carried out by more than one producer group under a quality scheme and based on an integrated campaign plan.
315. The description of the intervention is very detailed concerning the targeted European and national recognised schemes. A reference to the Delegated Regulation (EU) 2022/126 concerning quality schemes, eventual complementarities with any other sectoral (except fruit & vegetables) or other rural development interventions, and the minimum requirements laid down by Article 77 of the SPR such as the maximum period of support, new forms of cooperation including existing ones if starting a new activity, the rate of support of the eligible costs (not exceeding 70%) should be included.
316. This promotion intervention should not be linked to any result indicator (see Article 111 of the SPR).

13.4. — Support of participants in EU and national food quality schemes

317. Poland is invited to clarify the eligibility of membership contributions in case of participation of the beneficiary in a producer group taking into account that there is a targeted Cooperation Intervention for producers groups.

318. Poland is requested to provide more information about the support rate, the type of support and the unit amounts proposed taking into account the different quality schemes, the experience based on the programming period 2014-2020 and the possibility to use SCOs. It is underlined that the maximum unit amount should be defined in the section 13 for clearance reasons.
319. Poland is invited to revise the possibility to grant support to beneficiaries of sub-measure 3.1 “Support for joining quality schemes” of the 2014-2020 RDP, taking into account that the scope of Article 77 of the SPR is to promote new forms of cooperation including existing ones if starting a new activity.
320. Regarding the national recognized quality schemes, a reference to the relevant Delegated Regulation (EU) 2022/126 is necessary.
321. Poland is invited to confirm whether there are other similar activities under sectoral interventions. If it is the case, it is necessary to provide more information about complementarities and mechanisms to avoid overcompensation.

13.7. — Commitments to beneficiaries of sub-measure 3.1 Support for accession to RDP 2014-2020 quality schemes

322. Any carry-over of commitments implemented under the measure 3 of the Rural Development Programme 2014-2020 (Article 16 of Regulation (EU) No 1305/2013) has to comply with Article 155(4) of the SPR. It is subject to an adjustment of the commitments to the new rules of the corresponding type of intervention. Poland is requested to provide all necessary information in the respective sections of the intervention.
323. The carry-over of commitments could be included in the Cooperation Intervention 13.4. — Support of participants in EU and national food quality schemes by adding separate elements in each section, including the financial table.

2.3.4.6. Knowledge Exchange and Advice (Article 78 of the SPR, section 5 of the Plan)

323. The four KNOW interventions should be linked to R.2 indicator. Poland is invited to clarify why advice is limited to once for the whole period, which are the criteria for establishing the list of advisors, for the list of entities offering internships and for belonging to the “Demonstrations Farm Network”. Poland is advised to focus this intervention on demonstrations on genuine farms working under real production conditions, with a view to enhance peer-to-peer effects which help the uptake of the demonstrated practices.
324. Poland should specify concrete measures to address the knowledge gaps of trainers/advisors and farmers in the following areas: soil, water management, afforestation and agroforestry, restoration of hydrogenic environments, natural ecosystems, renewable energy (biogas), resource efficiency, animal welfare, integrated pest management as well as upgrading skills necessary to close the digital divide between smaller and bigger farms.
325. As regards interventions 4.1 and 14.2, Poland is invited to confirm that forestry and agroforestry related knowledge transfer is also covered.

2.3.4.7. Financial Instruments (Article 80 of the SPR, section 4.6 of the Plan)

326. Poland should clarify:

- the end date of the financial instrument under RDP 2014-2020 and the potential start date of the new financial instrument, and where feasible, for the various support interventions through financial instruments;
- whether stand-alone working capital will be supported, either here or in the respective intervention fiches;
- whether the financial instrument under RDP 2014-2020 can be combined with grants under the Plan for the relevant eligible final recipients;
- the amounts on financial instruments in all relevant financial tables; and
- whether the financial instrument will be implemented as from 2024 (in relation to the provided data in the financing table).

327. Poland should define in the interventions the applicable maximum support rates for the Gross Grant Equivalent in line with Article 73 of the SPR and specifically for working capital finance.

328. Poland should fill in the “Out of which for financial instruments” field also in the financial table of intervention 10.1.2.

329. Poland should describe in chapter 7.3 the general principles and specificities for controlling financial instruments (e.g. main derogations, details to be laid down in funding agreement, control at the level of implementing bodies/banks).

3 FINANCIAL OVERVIEW TABLE

330. The flexibility transfer from EAFRD to direct payments for financial year 2023 has to be corrected in line 24 (EUR 330 000 000), and the transfer of the product of the reduction to Rural Development (EUR 14 580 000) should be included in row 26 for financial year 2023.

331. Direct Payments: The total annual amounts of the planned interventions in Section 5 slightly exceed the annual Direct Payments allocations (adjusted Annex V of the SPR).

332. Apiculture: The annual indicative financial allocations under Section 5 of the Plan do not correspond to the planned amounts in the Financial Overview table under Section 6 of the Plan.

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

334. 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 (EC) 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.

335. Poland should fill in rows 42 and 46 with the minimum amounts reserved for young farmers under each pillar to reach the minimum requirements. This information will be used to establish the financial ceilings referred to in Article 95(3) and (4).

336. Is Poland not planning EAFRD allocations for environmental and climate related objectives for financial year 2023?

Financial year 2027: the sum of the 2027 EAFRD allocations foreseen for LEADER, environment and climate and young farmers exceed the EAFRD allocations for that year. This needs to be corrected.

4 CAP PLAN GOVERNANCE, EXCLUDING CONTROLS AND PENALTIES

337. Section 7.1 - Poland is invited to:

- Clarify the composition of the Monitoring Committee and how it will ensure independence from the Managing Authority (it is expected that they are designated as separate bodies);
- Provide a description of the setup 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;
- Provide information regarding the national Managing Authority, and its segregation of duties from the Competent Authority, the relevant coordinating structures for the AKIS, for the CAP Plan Communication officer, as well as the delegated and intermediate bodies where relevant.

338. Section 7.2. Poland is invited to describe the IT systems and databases developed for the extraction, compilation and reporting of data to be used for performance reporting, reconciliation and verification purposes, along with the controls in place to ensure the reliability of the underlying data.

339. Sections 7.3, 7.4 and 7.5. Comments will be delivered by the Commission services in a separate communication.

5 ANNEXES

340. Annex V should indicate the figures relating to the contribution of the EAFRD, its national counterpart and the additional national financing for all activities falling outside the scope of Article 42 of the TFEU.

341. Annex VI: transitional national aid. Poland is invited to provide complete information including the envelopes for tobacco 1 at decimal level to ensure that the maximum envelopes are respected.