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NOTE

From: General Secretariat of the Council
To: Delegations

Subject: Post 2020 CAP reform package
Non-paper on the additional data needs for Monitoring and Evaluation
*- Information from the French delegation, on behalf of Austria, Denmark,
France, Germany, Ireland, the Netherlands and Spain*

Delegations will find in Annex a note from the French delegation on the above mentioned subject to be dealt with under "other business" at the meeting of the Special Committee on Agriculture on 15 March 2021.

**Non-paper from Austria, Denmark, France, Ireland, Germany, Spain, and The Netherlands
on the additional data needs for Monitoring and Evaluation**

The CAP's new delivery model shifts the policy focus from compliance to performance.

Member States are in the process of redesigning their IT management systems and building a performance monitoring system for the whole Strategic Plan, aggregating data from three different management systems (IACS, sectoral programs management system, and management software for non-IACS measures). This is an enormous challenge for most of Member States, in particular for regionalized countries.

The European Commission shared on January 21st, 2021 a large list of additional data that would be requested from Member States, in addition to the indicators of Annex I, **30 months later after its proposal for a Strategic plan regulation**. In case this list becomes mandatory, it would entirely change the requirement for Member States and compromise the completion of the IT tool's development before the start of the new programming period. Already, there is a tight timeframe for Member States in order to be ready for January, 1st 2023 with a significant amount of workload. Introducing additional data requirements at this late stage causes uncertainty, administrative burdens, affects the implementation window for Member States and should therefore be avoided at all cost.

This list makes the CAP more complex for the final beneficiaries who will have to fill in additional information in their aid applications (e.g. number of hectares per GAEC) or be subject to additional administrative controls, just for the sake of providing monitoring and evaluation data to the European Commission. Simplification of the CAP is a strong expectation of farmers, citizens and administrations. It is an essential condition for the success of the next reform.

The Commission’s needs regarding evaluation, monitoring, and communication of CAP progress do not justify this excessive administrative burden. The direct benefit that Member States could get from it is not obvious. In addition, Member States have a major role to play in the evaluation of the CAP and this list would lead to a redundancy in monitoring-evaluation’s efforts between Member States and the Commission.

Austria, Denmark, France, Ireland, Germany, Spain, and The Netherlands express their disagreement with the content of the non-paper “Data Needs for Monitoring and Evaluation”. They consider that no additional data should be required from Member States other than the indicators listed in Annex I of the regulation on strategic plans. In addition, Member States should not be required to provide individual data at beneficiary level, but only data at aggregated level for indicators listed in Annex I. To ensure clarity and security for CAP implementation, Austria, Denmark, France, Ireland, Germany, Spain, The Netherlands ask for the modification of the drafting of article 129 of the regulation on strategic plans:

Article 129 General provisions

1. Member States shall provide the Commission with ~~all the necessary~~ available information enabling necessary ~~to enable it to perform the monitoring and evaluation of the CAP~~ to produce the annual performance report, referred to in Article 121, with the exclusion of individual data or payments.

(Suggested modifications are highlighted, on the basis of the Council’s drafting suggestions)

The enclosed annex details the main concerns raised by the non-paper of the Commission.

Annex – main concerns raised by the non-paper “Data Needs for Monitoring and Evaluation” of the Commission

1. Reducing the administrative burden is a cornerstone of the new CAP

To achieve this objective, the Commission's proposal had to meet two essential principles:

- ending the transmission of individual data to the European Commission (no longer a CATS database);
- one single annual performance report (APR), aggregating expenditures for all interventions, outputs and results obtained (as set in Annex I).

The recital (77) of the SPR mentions that “*in accordance with the principle of shared management, Member States should be responsible for the evaluation of their CAP Strategic Plans, whereas the Commission is responsible for the syntheses at Union level of the Member States’ ex-ante and for the Union level ex post evaluations*”.

The next CAP’s impact assessment study has pointed the overlapping of the reporting obligations during the current programming period (page 48): “*with the coexistence of different reporting obligations covering the same or similar information. For example, the data reported to CATS-Combo for audit purposes and data reported in the RD Annual Implementation Report. A future CAP organised under a single CAP Strategic plan and a single set of reporting mechanisms should allow for important simplification in this domain*”.

In contrast, these additional data requested by the Commission is clearly a re-introduction of x-tables, enhanced with performance data (e.g. the disaggregated data needed to calculate output and result indicators by operations/aid applications, the monitoring data requested by EC (Specific objectives, categories, location) by operation/aid application and by beneficiary (age, gender, hectares in organic farming, located in Natura 2000 area, etc.), and aggregated statistics by sector intervention).

As a result, Member States will need to establish two separate reporting systems to prepare the performance report and to submit a second report containing non-paid (determined), disaggregated and uncertified data during the financial year (or later?) in the form of 3 separate data sets:

1. First and second pillar's IACS subsidies: determined aid applications by financial year,
2. Second pillar's non-IACS: operations committed per calendar year,
3. sectoral interventions: committed by financial year, aggregated at program level.

As foreseen by the New delivery model (NDM), only the aggregated data contained in the annual performance report should be transmitted to the Commission and there is no longer a need to transmit individual data. This additional list is therefore not compatible with the NDM. Evaluation and monitoring of strategic plans have to be done solely and exclusively through the outputs, the result indicators and context/impact indicators outlined in Annex I.

2. Overlapping of data collection may lead to confusion and to more EC's audit

The coexistence of two reporting systems would introduce confusion between the annual performance report (APR) and these additional data, with a strong risk of inconsistency and misunderstanding by stakeholders, the European Court of Auditors, external evaluators and DG AGRI auditors.

The certification body will not be able to verify the consistency between the data certified in the APR and this additional monitoring data. Potentially, the coexistence of two irreconcilable sets of data could raise questions about the quality of the performance IT system, which would increase the risk of audits, suspensions of payments and financial corrections. Since 2016, Member states faced a similar experience, when control statistics shifted from being aggregated data to become an extensive dataset at beneficiary level. Although covering a calendar year, the Commission still compares every year these data to the existing x-table data covering the financial year, in order to assess their integrity.

3. Shifting the CAP towards performance and simplification

For the next CAP, paying agencies will have to make significant changes to all the administrative, payment and performance IT systems. In case this list becomes mandatory, they will have to collect additional data from the beneficiary.

Data on the characteristics of the beneficiaries or their farms are not all gathered; they will require an additional declaration from the beneficiary (e.g. hectares in agroforestry, conservation agriculture, etc.). As an example, the paying agency knows the areas financed by the organic farming's intervention; however, IACS does not require a geographical information layer of all 'organic' areas, including non-subsidized areas. A fortiori, for non-IACS aid's applicants (training or investments), it is not required to have a geographical information layer to know their organic farming's areas.

IACS could provide some additional data, by crossing geographical layer, but only through time-consuming and expensive IT development. These computerized crosschecks will not be sufficient to obtain all the data and the beneficiary will have to report additional information. For example, there is no obligation to fill in the GAEC data in the IACS for each farm because there is no automatic control of the GAEC's application, since conditionality is checked during the on-the-spot controls for some farmers only (not for all applicants).