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THE EUROPEAN UNION**

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**NOTE**

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From: Lithuanian delegation  
To: Council

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Subject: Conclusions from the 34th Conference of Directors of EU Paying Agencies  
- *Information from the Lithuanian delegation*

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Delegations will find attached a note from the Lithuanian delegation to be dealt with under "Any other business" at the Council (Agriculture and Fisheries) on 17 February 2014.

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**34th conference of EU paying agencies directors, October 23-25, 2013, Vilnius, Lithuania**

The 34th conference of Directors of EU Paying Agencies was held in Vilnius, Lithuania, from 23 to 25 October, 2013. All the Member States were represented, together with representatives of the Commission services, the Court of Auditors and the Conciliation Body. Representatives from Croatia and Turkey also attended.

The conference was organised by the National Paying Agency under the Ministry of Agriculture. The conference was opened by the Minister for Agriculture Mr. Vigilijus Jukna. Key topics of the conference were orientated to the upcoming 2014-2020 period. Presentations were made by the representatives from the EC DG AGRI, NPA, “Learning Network”, “Panta Rhei”. Three workshops, including cost-effectiveness of controls, management declaration and opinion of certification body as well as error rate for direct payments, were held during the conference.

During the plenary sessions of the conference various thought-provoking presentations were delivered touching upon on a wide range of topical issues related to the EU paying agencies.

The conclusions of the three workshops are as follows:

## **Workshop Conclusions**

### **The results of workshop 1 “Cost-effectiveness of controls” moderated by K. Podsedlovkyte**

There was a discussion on the automation level of OTSC in different countries. Everybody agreed that automation is effective, however not all processes have been automated so far. So there is still room for further development in this sphere and measures should be taken to ensure maximum automation. This helps to reduce manual work of inspector – it excludes possibility of human mistakes when entering data and saving time which in some cases is crucial. Therefore, automation of processes eventually leads to cost effectiveness. After the discussion on reasons, figures and facts on **remote sensing**, everybody agreed that remote sensing leads to cost effectiveness. Speaking on the issue of programmes envisaged in the new 2014-2020 period – **greening**, ecological focus areas and possibility to check the requirements by remote control, everybody agreed that so far it would be impossible to check certain requirements by remote control basing on the information available, therefore clear guidelines would be necessary on how to apply remote sensing/OTSC sampling techniques to control implementation of these requirements. Everybody agreed that due to new requirements and basing on the available information, administration costs will rise.

**The results of workshop 2 “Management Declaration and Opinion of the Certification Body”  
moderated by M. Cooper, Director, Co-ordinating body, UK**

The workshop 2 “Management declaration and opinion of the certification body”, covered the issues related to the new regulatory provisions regarding requirements for the management declaration and the opinion of Certifying Body (CB) on Annual accounts, legality and regularity of expenditure and functioning of internal control system in paying agency (PA). Participants shared their views and concerns on difficulties which may cause confrontation between the PA and the CB as regards implementation of new requirements. Despite certain difficulties the benefits are expected to be achieved by reduction on the level of OTSC and a cap on the level of financial corrections.

**The results of workshop 3 “Error rate for direct payments” moderated by M. Brill,**

During the workshop it was agreed that the main reasons of errors in the current period are directly related to the quality of LPIS and to proper implementation of cross compliance. The redistribution of payment entitlements, greening, coupled measures and the definition of active farmers were addressed as the main issues which could lead to an increase of error rate in the new programming period. It was agreed that the main tool for reducing error rate is improving the LPIS / GIS at the early stage of administration of new measures. Also, e-applications and digital solutions (platforms) for farmers to test their compliance with the new requirements before lodging applications could prevent the increase of errors. With this respect information campaigns (including reminders and hotline), trainings, detailed guidelines for farmers and employees, intensive use of Farm Advisory System could provide tangible benefit too. There is a need for clear and consistent rules, for margins of tolerance and for more assistance from DG AGRI during the whole programming period. Finally, it was concluded that the new audits of legality and regularity may help to detect weaknesses in the control systems and to improve the quality of inspectors’ work, however, this would also result in a higher workload for PAs and CBs.