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### OUTCOME OF PROCEEDINGS

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From: General Secretariat of the Council  
To: Delegations

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Subject: Special Report No 1/2016 from the European Court of Auditors  
"Is the Commission's system for performance measurement in relation to farmers' incomes well designed and based on sound data?"  
- Non-paper from the Latvian Delegation

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In view of the Special Committee on Agriculture on 26 September 2016, delegations will find in Annex a non-paper from the Latvian Delegation on the subject mentioned above.

**Non-paper****Position of Latvia regarding the ECA Report 1/2016 “Is the Commission’s system for performance measurement in relation to farmers’ incomes well designed and based on sound data?” for examination in the SCA**

Latvia is of the view that this report is linked to some of elements that constitute an important part of the CAP. Given that conclusions and recommendations may lead to proposals to change the systems of data collection and analysis important consideration has to be given to how much administrative burden will it create and what benefits for the well-functioning of the CAP will be generated.

Audit visits were carried out at the EC and in 6 MS (DE, ES, FR, NL, PL, and RO). ECA points out that various statistical systems at the disposal of EC (economic accounts for agriculture (EAAs), the Farm Accountancy Data Network (FADN), farm structural surveys and common monitoring and evaluation system of CAP (CMES)) do not provide an adequate quality of representation of statistical data, and data are incomplete to be able to assess whether objectives of the CAP as " increasing of agricultural productivity" and "achieving an adequate standard of living for the agricultural community" are being achieved.

*“The incomes and standard of living of farmers are a particular focus of the EU’s common agricultural policy. Almost one third of the EU budget is still directly or indirectly dedicated to supporting farmers’ incomes. The Court examined the system which the Commission set up to measure the incomes of farmers and the performance of the EU measures aimed at supporting their income. The Court observed that the system is not sufficiently well designed and that the quantity and quality of statistical data used to analyse farmers’ incomes has significant limitations. The Court recommends that the Commission develop a more comprehensive framework for providing information on the incomes of farmers and enhances the present arrangements for assuring the quality of income data. The Commission should also define from the outset appropriate operational objectives and baselines against which the performance of the EU measures aimed at supporting farmers’ incomes can be compared.”*

Overall, regarding the conclusions and the recommendations of ECA even though we can agree that some shortcomings exist in terms of data collection and analysis, overall assessment needs to be carefully used in the future changes of the legislation on which the system is based, in particular in relation to the timing of such changes and its impact on administrative burden and the cost.

Instructions on the data improvement should definitely be assessed and a balance should be found between resulting benefits and costs of improved data and its efficient real use and impact.

**Therefore we support any additional data collection and analysis obligation only provided that if it is related to the policy change imposed by the co-legislators (changes in the basic acts) in the either the framework of the next foreseen CAP review or the next CAP reform.**

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