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NOTE

From: General Secretariat of the Council
To: Delegations

Subject: Conclusions of the 40th Conference of Directors of Paying Agencies
(Bratislava, 12–14 October 2016)
- Information from the Slovak delegation

In view of the "Agriculture and Fisheries" Council of 23 January 2017, delegations will find attached a document provided by the Slovak delegation on the above-mentioned subject, that will be presented under "Any other business".

Conclusions of the 40th Conference of Directors of Paying Agencies

The 40th Conference of Directors of Paying Agencies took place in Bratislava from 12 – 14 October 2016.

Agricultural Paying Agency of the Slovak Republic hosted the participants from the Paying Agencies of 28 Member States (MS), Former Yugoslav Republic of Macedonia, Turkey, Serbia and Kosovo*. The conference had been attended by the representatives of the European Commission (DG AGRI) (EC) and the European Court of Auditors (ECA) as well. Invitation was accepted also by the representatives of CEJA, COPA-COGECA, European Parliament and European Commission Anti-Fraud Office (OLAF).

The conference had been aimed on simplification of CAP post 2020/2017 and on anti-fraud and anti-irregularity issues. These central themes reflected the current agenda of DG AGRI, the priorities of the Slovak Presidency and requirements of Paying Agencies (PA).

During the two days of the conference, 3 workshops were organized and 13 presentations were given. The main presented and discussed topics:

- Presentations of EC concerning the Annual Activity Report, simplification in Rural Development - OMNIBUS and non-IACS control rules and overview of the 2015 campaign for direct payments.
- ECA's Annual Report 2015 and ECA's priorities in 2017 as well as the role of the ECA in fight against fraud and irregularities.
- OLAF shared with several cases based on real-life scenarios uncovered by OLAF investigations.

- Best practices of Poland in the field of EU school schemes and crisis measures and German experiences in implementing of investment measures in Bavaria and suggestions for simplifying the administration and control systems.
- Conflict of Interest in EAFRD fraud cases.

The conclusions of the workshops are listed in proposals for EC and Learning Network (LN, network of directors and experts of PA).

Workshop 1: Broadening and deepening administrative mutual assistance and exchange of information between MS on fraud suspected EAFRD cases

Mutual assistance and exchange of information between MS on fraud suspected EAFRD cases is important due to the protection of finances, irregularity and fraud prevention, verification of eligibility of payments and verification of execution of double financing.

Participants of the workshop proposed possible solutions to provide exchange of information and mutual assistance between MS more effective. They have suggested ¹procedures for exchange of information and mutual assistance regarding EAFRD cases.

Proposals for EC for further discussion:

1. As Regulation No 1306/2013, Art. 83 „Mutual assistance“ is laying down provisions for the exchange of information between MS on carrying out the scrutiny controls only within the framework of EAGF cases, the proposals are as follow:
 - Amendment of Regulation no. 1306/2013, Art. 83 „Mutual assistance“ in order to extend legal base for the cases for EAFRD measures, too.
 - Establishing the procedures for mutual assistance between MS.

¹ * This designation is without prejudice to positions on status, and is in line with UNSC 1244 and the ICJ Opinion on the Kosovo Declaration of Independence

2. In Regulation No 1306/2013, Art. 83 „Mutual assistance“ there are missing procedures for exchange of information between MS regarding data protection within MS (EAFRD cases). To ensure effective prevention against fraud it is important to provide exchange of information between MS with respect to protect data of natural and legal entities. Participants of Workshop have recommended to apply this provision as follows:
 - To exchange information between MS on EAFRD cases in accordance with data protection of natural and legal entities as there is a need for more sound legal bases to provide data to other Member State considering the changes in EU and national data protection laws within providing mutual assistance.

Proposals for Learning Network for further discussion:

3. Participants of Workshop have resulted that there are some obstacles within the exchange of information and mutual assistance on EAFRD cases, represented by additional administrative burden, no contact points in MS and different level of understanding (language). Participants proposed:
 - Creation of contact list of contact points in MS within the framework of the Learning Network.

Workshop 2: Simplification of Cross Compliance – increasing control rates/greening

Early Warning System (Cross compliance) and simplification of Greening were as the main topics discussed on the workshop.

Early Warning System

Proposal for LN for further discussion

1. To organize Expert group meeting on “Human Error” Concept.

Proposal for EC for further discussion

2. Harmonization of legislations – contradictory rules for on-the-spot checks Sectoral and CC-Legislation.

Simplification of greening

Participants agreed that greening increases costs of Paying Agencies, but there is space in simplification of processes, reduction of costs and increase the efficiency of control mechanisms.

Proposals for EC for further discussion:

As implementation of processes according to the present legislation is complicated there is still place for further simplification especially in:

1. sanction system
2. modification of thresholds relating to Greening (EC legislation and Guidance documents, Rules for direct payments).

Proposal for LN in case of simplification:

3. Possible reduction of the number of on-the-spot checks (burdens, cost) – further discussion, best practices.

Workshop 3: Management of On-the-spot checks: increasing the efficiency of on-the-spot checks, possibilities of reduction of on-the-spot checks costs, simplification of processes and procedures

There is still place for further simplification of on-the-spot checks legal requirements leading to significant simplification of processes, reduction of costs and increase of the efficiency of control mechanisms;

Proposals for the EC for further discussion:

1. To implement the revision of conditions for reduction/decrease of on-the-spot checks control rate.
2. To implement the revision of validation scheme and to deliver results of validation (validation certificate) to MS in much shorter time.
3. To increase the awareness of SENTINELS DATA (Copernicus services) and its opportunities. As well as, its potential deployment for on-the-spot checks purposes (CwRS, risk analysis, other agendas).
4. To increase the awareness of EGNOS and EDAS (Galileo services) and its opportunities. As well as, its potential deployment for on-the-spot checks purposes.
5. To deepen the mutual cooperation among individual units/bodies and to merge audit missions into „limited amount of visits in MS“ where possible.

The results of the workshops were discussed in a forum discussion with participants from the EC, European Parliament, CEJA, COPA-COGECA, and LN.

The conference brought these general conclusions.

1. To foster cooperation and mutual discussion between the EC, ECA, OLAF and MS on simplification of CAP.
2. Involvement of European farmers representatives at the conference and exchange of information might improve mutual understanding of the implementation of CAP.
3. To increase mutual cooperation and exchange of information between MS on fraud suspected EAFRD cases.
4. Following of MS proposals to elaborate measures for increasing of the efficiency of on-the-spot checks.

Conclusions of the conference will be further elaborated and discussed with the EC and at the LN meeting.
