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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Outcome of the meeting of CAP Directors (Budapest, 10-12 September 2024) <i>- Information from the Presidency</i>

Delegations will find in the Annex a note from the Presidency on the above-mentioned subject, to be dealt with under "Any other business" at the Council (Agriculture and Fisheries) on 21-22 October 2024.

Meeting of Common Agricultural Policy Directors**10-12 October 2024 - Budapest**

The Hungarian Presidency of the Council of the European Union, similarly to the previous practice, has organized the Meeting of CAP Directors in Budapest from 10 to 12 of October.

The presidency put the focus on the possibilities of simplifying the CAP. At the Informal Meeting of Agriculture Ministers held in Budapest in September, the ministers clearly stated that European farmers are facing difficulties to deal with the challenges affecting the agriculture sector. These challenges include, among others, the complex and strict regulatory environment. Therefore, it is necessary to revise the CAP regulatory framework to reduce the administrative burden for both authorities and farmers. At the Meeting of CAP Directors, delegations agreed that the Member States' managements responsible for operating the agricultural support system have an important role to play in this simplification. The CAP Directors emphasized that the CAP strategic plans should be genuinely strategic, their content should be simplified, and their amendments should be expedited.

During the official programme of the event, the representative of the European Commission summarized the experiences of CAP implementation so far and stated that all Annual Performance Reports (APR) for 2023 were deemed acceptable by the Commission. In the spirit of simplification, the Area Monitoring System is under review to explore the possibility of reducing the number of field checks. During implementation, the right timing of each simplification option is crucial, and the Commission acknowledged the necessity to work in this regard. The general finding was that in all cases realistic, achievable goals should be set with a view to simplification.

During the event, the representatives from Hungary, Austria, and Finland presented the current state of implementation and provided general information on the most important characteristics of agriculture in their country. The representatives of Hungary, Greece, the Netherlands, and France reported on the simplification ideas and experiences that formed the backbone of the meeting. They emphasized that more room for manoeuvre and support should be provided to the member states during the planning period in order to allow them to deal with unforeseen situations. Many participants highlighted that the effects of simplification of the CAP and the *rules* should be carefully assessed, which may significantly influence simplification efforts in the future. Representatives of the Member States agreed that administrative burdens increased enormously during the disbursements of agricultural subsidies.

In parallel discussion groups at the expert level, it was noted that applying the minimum and maximum unit amounts has led to a very complex system that addresses financial aspects but is misleading for farmers. Member States pointed out the difficulties in IT developments as the indicator fiche was changed during the implementation period. Most Member States emphasized the importance of greater flexibility to modify the target values during the programming period. The Member States have mixed experiences regarding the drawing up the first APR.

In addition, several Member States emphasized that:

- In the case of Pillar 1, it would also be necessary to enable the applicability of the amendments as soon as the amendment is submitted.
- In the case of green indicators in both Pillar 1 and 2, double counting of indicators shall be avoided.
- A review of the „no-backsliding” principle for green ring-fencing would be essential. In the new period, new priorities may appear, which may even mean new ring-fencing values.
- The system for accounting for advances must be simplified, especially in the area of accounting for unit amounts. In addition to the evaluation according to the specific objective (SO), the thematic evaluation should also be kept, which could of course be included in the evaluation according to the SO.

- It is important to ensure synergy and avoid overlaps. It would not be necessary to evaluate all SOs if a Member State considers to not or only marginally apply a specific SO. The evaluation should primarily take into account the particularities of Member States.
 - It is necessary to retain the mandatory questions while maintaining the flexibility of the Member States, as their political priorities differ. The main evaluation questions can be determined in advance, but the determination of the detailed questions should always be the responsibility of the Member State.
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