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**NOTE**

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From: Presidency  
To: Council

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Subject: 48th (online) Conference of Directors of EU Paying Agencies, 8-9 October 2020  
-Information from the Presidency

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Delegations will find in annex an information note from the German Presidency on the above-mentioned subject to be dealt with under "Any other business" at the "Agriculture and Fisheries" Council on the 15 - 16 December 2020.

**48th conference of Directors of Directors of EU Paying Agencies, 8th to 9th October 2020,  
Online Conference**

The 48th conference of Directors of EU Paying Agencies was held online from the 8th until 9th of October 2020. All Member States were represented, together with representatives of the Commission services and the Court of Auditors. Representatives from certain candidate states also attended passively.

The conference was organised by the Presidency and was opened by the Minister of Agriculture Ms. Julia Klöckner via video message. The conferences' content focused on the future CAP and its current negotiations. Delegates from EU Commissions DG AGRI, officials from National Paying Agencies and Member of the EU-Parliament Mr. Peter Jahr held presentations. Questionnaire-based results with regard to the prevention of irregularities and fraud as well as on the designing of the CAP Strategic Plan and the future Performance Reporting system were presented and discussed in two workshops. The Italian Delegation presented the challenges and measures taken by their paying agencies because of COVID-19, especially alternative control methods.

The conclusions of the workshops were as follows:

**Workshop 1 (presented by the Croatian Delegation) - Prevention and detection of irregularities and fraud and their impact on the new performance approach**

The Croatian delegation presented an overview of available tools and data as well as new technical developments for the detection of fraud. Different experiences with these tools were discussed. It was concluded that machine learning tools are helpful to improve the detection of fraud. Nevertheless, the main workload remains with the auditors, especially with regard to the preparations of court cases. It was noted that the implementation of **machine learning tools** in the work of some paying agencies takes a large effort. Delegations appreciated this input even it is still too early to evaluate the effectiveness of the tools in relation to the efforts.

Further, the tools **ARACHNE and EDES** were discussed with regard to its effective utilization in the agricultural funds. The COM clarified that EDES is not fit for usage in the agricultural funds in the near future but it rather intends to make the use of ARACHNE compulsory. Views differed with regard to the suitability of the ARACHNE tool and if the effects are worth the efforts of implementing ARACHNE in all member states.

## **Workshop 2 (presented by the Spanish and German delegations) - Designing of the CAP strategic Plan and the future Performance Reporting System**

The state of preparation and planning for the CAP Strategic Plans (CP) in the Member States (MS) was presented. Participants agreed that the collaboration between political and practical level in the MS is important and that European Paying Agencies (PA) should be part of this national process. Therefore, the national government and coordination bodies should be defined immediately.

It was further noted that the checks by the Certification Bodies (CB) in the NDM will change, and might become of higher significance.

The MS will get more flexibility for the planning of their respective intervention logic and their design of unit amounts, but they will have to explain their settings, results and justify their reasons for deviation.

The need for two transitional years with regard to the implementation of the new system was underlined.

Further, participants agreed that the current compliance system could not be applied in parallel to the NDM. CBs need to check whether the MS governance systems work properly and whether the performance reporting is correct.

Networking between paying agencies as well as with the COM should be increased.

## **The core messages of the presentation by Mr. Peter Jahr (MEP) on the state of play of CAP negotiations in the EU Parliament**

A two-year transitional period and further support for current measures had been adopted in the EP-discussions. It was stressed that it is necessary to ensure that the idea of the new delivery model leads to less bureaucracy for the farmer. However, there may be a conflict of objectives between simplification on the one hand and the levels of performance and assurance on the other hand. Politically, the question of how the so-called “eco schemes” should be implemented was discussed controversially in the EP. Further controversial issues were elements of the green architecture and the question whether to integrate the social dimension into CAP. Participants agreed that the timetable was very tough despite a transitional period of two years.

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