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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	AOB item for the meeting of the "Agriculture and Fisheries" Council on 11-12 December 2025: 58th Conference of Directors of EU Paying Agencies (Copenhagen, 19-21 November 2025) *- Information from the Presidency*

The Danish Presidency of the Council of the European Union, similarly to established practice, organized the Conference of Directors of Paying Agencies in Copenhagen from 19-21 November 2025. Representatives of all the Member States, together with representatives of the European Commission, the Court of Auditors (ECA) and three candidate countries (Albania, Moldova and Türkiye) attended the conference. The Presidency put focus on maximizing opportunities through simplification, AI and how we make green transition meet policy goals.

The conference was opened by the Deputy Director of the Danish Paying Agency emphasizing that simplification of the Common Agricultural Policy (CAP) is a shared European challenge, complicated by its multiple objectives. The Deputy Director outlined three principles for effective simplification: clarity in legislation, balancing burden reduction with fund protection, and ensuring operational feasibility, while highlighting digitalization and Artificial Intelligence (AI) as essential tools for achieving these goals.

The representative of the European Commission presented interoperability and data governance provisions in the CAP-proposals. A 2024 survey shows that 44 percent of farmers experience duplicate reporting, often across multiple systems (IACS, animal registers, environmental databases, tax and statistics). Poor interoperability limits simplification, data reuse and cross-policy analysis.

The ECA presented their key findings and reported an error rate of 2.6 percent in the Multiannual Financial Framework heading "Natural resources and environment." For direct payments (excluding eco-schemes), the error rate remained below the 2% materiality threshold. For all other areas combined (including eco-schemes, rural development, environmental and climate spending), the error level remained material. Given the central role of eco-schemes in achieving environmental and climate goals, ECA recommended that the Commission will support Member States in designing less complex eco-schemes without reducing ambitions, based on shared experience from the period 2023–2027.

During the event representatives from Denmark and Finland presented their views on simplification while representatives from Lithuania and from C-brain (Software Company building platform for public administration) elaborated on the use of AI. The Lithuanian representative presented a three-year innovation contract (2024–26) using enhanced Sentinel-2 imagery and AI tools to improve CAP implementation. The C-brain representative delivered an in-depth and forward-looking keynote on how AI is transforming public administration and why it is becoming indispensable for Paying Agencies.

The plenary sessions were supported by thematic discussions in two workshops:

Workshop 1: The potential use of AI in the administration at Paying Agencies

In this workshop we looked into the exciting possibilities of Artificial Intelligence through three engaging pitches that introduced various aspects of the topic. The pitches regarded 1) how to use AI going from a low-resolution image series to generating high-resolution orthophotos in Portugal, 2) how to use an AI tool for evaluating investment measure projects in Estonia and finally 3) the first experiences with AI processing of consultation responses to environmental assessments in Denmark.

After the pitches, participants were divided into groups to discuss the different themes based on predefined questions. The main conclusions include that:

- Cloud solutions outside the EU poses security risks and raise data-sovereignty concerns.

- Human oversight must remain central in critical decision-making processes.

- Reliable AI requires high-quality input data; poor data risks reinforcing existing errors.

- Trust in AI depends on transparency, governance, and clear responsibilities.

Workshop 2: How may Paying Agencies benefit from suggested simplifications as regards their administration?

In this workshop we explored strategies that Paying Agencies can utilize to streamline their administrative tasks effectively. The workshop began with two insightful pitches that presented key ideas and solutions related to simplification in administrative processes. Pitch 1 looked upon Danish experiences in maintaining a simple implementation of simplified cost options (SCO) and pitch 2 was about delivering a simplified eco-scheme for farmers in Ireland. Following the pitches, participants were divided into groups to discuss and suggest ideas to reduce Paying Agencies' administrative burden.

The main conclusions from the simplification workshop included that:

- Policy design often prevents real simplification; some measures (e.g. degressive payments) increase complexity.

- Simplification is one of the most difficult things we can do, every single detail to make a scheme simpler must be examined. There is always pressure to add more clauses to deal with different cases and that makes things more complicated.

- Interoperability and data sharing are essential for implementing social conditionality effectively.

- Control costs can make simplification economically unattractive; a certain level of risk acceptance is necessary.

- Auditors should be involved earlier in the simplification process to avoid later implementation problems.

- Digitalization levels vary greatly across Member States, creating uneven implementation capacity.

- Several participants noted that simplification efforts frequently result in more complexity in practice.

At the end of the conference the Cypriot delegation announced that the 59th conference of Directors of EU Paying Agencies would take place on 25-27 May 2026. The symbolic gavel was formally passed.

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