Council of the European Union

Brussels, 30 March 2017
(OR. en)

7763/17
ADD 1

AGRI 170
AGRIORG 34
AGRIFIN 33
AGRISTR 30

NOTE

From:	General Secretariat of the Council
To:	Council
No. prev. doc.:	7763/17
Subject:	Simplification of the Common Agricultural Policy - Information by the Danish, Estonian, Finnish, Latvian, Lithuanian and Swedish delegations

Delegations will find in the Annex, an Addendum to the note from the Danish, Estonian, Finnish, Latvian, Lithuanian and Swedish delegations on the above subject to be dealt with under "Any other business" at the Council (Agriculture and Fisheries) on 3 April 2017.

Index

Rural Development Policy 3
Common provisions on the funds 1303/2013 3
Support for Rural Development 1305/2013 5
Delegated Act 807/2014 16
Implementing regulation 808/2014 17
Guidelines for evaluators 19
Guidelines for measures 20
System for Fund Management (SFC system) 20
Horizontal Regulation - 1306/2013 21
Delegated Act 640/2014 31
Implementing regulation 809/2014 42
Commission Guidance Document DSCG/2014/32 46
Direct Payments - 1307/2013 46
Delegated Act –639/2014 50
The Common Market Organization - 1308/2013 51
Implementing act – fruit and vegetables 543/2011 53

Simplification proposals concerning the Common Agricultural Policy from Denmark, Estonia, Latvia, Lithuania, Finland and Sweden

This list of simplification proposals should be seen as a shared starting point for the Member States concerned and they are without prejudice to proposals on other elements that may be put forward together or by the respective delegations. The purpose of this document is to list the proposals that belong to two categories.

1. Amendments simplifying the basic acts that can form part of the discussion on the future Common Agricultural Policy, since the discussions on the Omnibus proposal are already very advanced.

Amendments to the secondary legislation that can be carried out immediately by the Commission and put into effect well before 2020.

	Rural Development Policy		
	Common provisions on the funds 1303/2013		
1	Simplified cost options for Rural Development measures needs further clarification	Simplified cost options are promoted as a measure to simplify administration of project support. However, due to complexity their application invokes a number of risks that are not yet clear, neither from European legal texts, or from newly issued guidelines from the Commission.	Action: it should be clarified how the risks of errors can be mitigated. This should especially be seen in the context of how such options and their application at the level of beneficiaries will be audited in the future by the Commission and the European Court of Auditors. (Commission's Guidance on Simplified Cost Options, EGESIF_14-0017 cf. Art. 67-68 of Regulation (EU) No 1303/2013)

2	Inappropriate requirement of cross-fund annual review meetings	According to the Regulation, annual review meetings for each ESI fund between the Commission and the Member States examining the performance of each program shall take place every year. These meetings may cover more than one programme. The Regulation, however, requires that annual review meetings in 2017 and 2019 should cover all programs in the Member State. This requirement is inappropriate. Annual review meetings should only cover all programs in a Member State if deemed useful	Action: Cross-fund annual meetings should be an option, not a requirement. Amendment to Regulation 1303/2013, Article 51 (2) is amended as follows: 2. The annual review meeting may cover more than one program. ~~In 2017 and 2019, the annual review meeting shall cover all programmes in the Member State and shall also take account of the progress reports submitted by the Member State, in accordance with Article 52, in those years.~~
3	Opinion of the Monitoring Committee in relation to the programme amendments	The task of the Managing Authority of presenting and of the Monitoring Committee of giving an opinion on any amendment of the programme is time consuming and burdensome. It is more appropriate to return to the practice in place during programming period 2007–2013 where only changes of substantial nature were being submitted for the consideration of the Monitoring Committee (at least in case of the EAFRD).	Action: Changing the role of the Monitoring Committee in relation to the programme amendments (Amendments to Regulation 1303/2013, Article 49, paragraph 3 as follows: 3. The monitoring committee shall be consulted and shall, if it considers it to be appropriate, give an opinion on any ~~amendment of~~ **substantial proposal for changes** in the programme proposed by the managing authority.
4	LAG's operational costs	According to R 1303/2013, Article 35 (2) the LAG's operating projects may cover a maximum of 25 % of the total public expenditure. Expenditure means in this context actually paid money. The amount that has been paid out (including reflux), however, is actually known only after 2023 (for the period 2014-2020). Only then can the LAG know how large operating budget they really would have had available. This create a planning uncertainty for the LAG and hence difficulties in retaining skilled staff and offer good working conditions.	

	Support for Rural Development 1305/2013		
5	Quality schemes for agricultural products, and foodstuffs exempt from support	Not only quality schemes where farmers and groups of farmers receive rural development support for participation (Article 16, paragraph 1, of Regulation 1305/2013) should be eligible for support for costs arising from information and promotion activities (paragraph 2 of Article 16). This rule means already established schemes where support for participation (first type of support) is not necessary are exempt from support covering information and promotion activities (second type of support). The fact that a quality scheme has been established by national means, should not be a disadvantage for such a quality scheme and later on exclude the quality scheme from possible support for information and promotion activities.	Action: Eligibility for costs arising from information and promotion activities of quality schemes not receiving support for establishment. Amendment to Regulation No 1305/2013 Paragraph 2 of Article 16: 2. Support under this measure may also cover costs arising from information and promotion activities implemented by groups of producers in the internal market, concerning products covered by either a quality scheme receiving support in accordance with paragraph 1 **or a quality scheme in accordance with the criteria mentioned in paragraph 1 not receiving support.**

6	Support to operational groups under the European Innovation Partnership for agricultural productivity and sustainability (EIP-AGRI) should be voluntary	The Regulation provides a basis for supporting operational groups under the European Innovation Partnership for agricultural productivity and sustainability (EIP-AGRI). This, however, should not be an obligation. The decision on measures and focus areas should be based on the SWOT and the needs analysis as described in the program as it is for the other measures. If the conclusion is that this kind of support is not needed, no such support scheme should be included in the rural development program.	Action: A support scheme to operational groups should be an option not an obligation (Amendment to Regulation 1305/2013, paragraph 2 of Article 55: The EAFRD **may** ~~shall~~ contribute to the aims of the EIP for agricultural productivity and sustainability through support, in accordance with Article 35, of the EIP operational groups referred to in Article 56 and the EIP network referred to in Article 53.
7	Abolish redundant reporting requirement (bi-annual indicator data provision)	In the 2014-2020 programming period new reporting requirements for the Managing Authority have been imposed. No value is added from the new reporting of indicator data to the Commission on committed expenditure twice per year as the same data are already reported in the annual reports submitted by 30 June each year. The requirement should therefore be repealed.	Action: Repeal of redundant reporting requirement (bi-annual indicator data provision) (Amendment to Regulation 1305/2013, in Article 66, in paragraph 1, the following point (b) is deleted: ~~(b) providing the Commission, by 31 January and 31 October in each year of the programme, with relevant indicator data on operations selected for funding, including information on output and financial indicators;)~~

8	Inconsistent distribution of tasks in relation to the ex post evaluation	Member States, except the ex post evaluation of rural development programs which is to be carried out by the Member States. The tasks and roles of the Commission and the Member States should be the same across funds in this regard, and the wording of the Regulation be aligned with that of other funds	Action: Alignment of distribution of tasks – the ex post evaluation of rural development programs should be a task of the Commission (Amendment to Regulation 1305/2013, Article 78 (Ex post evaluation) as follows: **In accordance with Article 57 of Regulation (EU) No 1303/2013, an ex post evaluation report shall be prepared by the Commission in close cooperation with Member States.** ~~In 2024, an ex post evaluation report shall be prepared by the Member States for each of their rural development programmes. That report shall be submitted to the Commission by 31 December 20124~~.
9	Inflexible support instruments	Today, it is not possible to combine compensation from an area based measure with an investment support for activities, which are obligatory for the farmer to fulfil in the nature, environment and climate regulations. Art. 30 (REG 1305/2013) provides basis for granting area based payments to compensate farmers for mandatory requirements linked to the EU Water Framework Directive (WFD), however the Rural Development Regulation does not provide basis for EAFRD-financed investment support linked to mandatory conditions, although linked to WFD-implementation. To ensure a second pillar capable of solving some of the greater environmental and climate challenges and providing farm relevant support measures more flexible support instruments should be introduced in the Rural Development Regulation. It should be possible to compensate the farmer through both area based measures and investment support	Action: More flexible support instruments It is necessary to amend article 17 of REG 1305/2013, with text inserted, asserting that investment expenditures linked to disadvantages because of implementation of Directives (e.g. WFD) shall be eligible for EAFRD support. (Amendment to Regulation 1305/2013, Article 17, 1. Support under this measure shall cover tangible and/or intangible investments which: [...]. **e) are non-productive investments connected to the disadvantages in the agricultural or forestry areas concerned, related to the implementation of Directives 92/43/EEC and Directive 2009/147/EC and the Water Framework Directive as referred to under article 30 (1).** 4. Support under points (c), ~~and~~ (d) **and (e)** of paragraph 1 shall be subject to the support rates laid down in Annex II.

		for activities which are obligatory to fulfil obligations stemmning from the nature, environment and climate regulations. This is especially the case when these obligations derive from the EU Water Framework and Natura 2000 directives and the EU Effort sharing Decision on reduction of greenhouse gases outside the Emission Trading Sectors.	
10	Inflexible support mechanism for AECM	Committing for 5 years is challenging not least for organic farmers, who often convert the entire holding, and must comply with the organic farming principles on the scale of the holding, while facing financial uncertainty due to the inherent price and market volatility of organic food products. In the previous programming period, farmers responded positively to one-year art. 68-measures (article 68, Council regulation 73/2009) implemented in some member states. In some cases, it is advantageous with a one-year commitment. It may include sub measures that are complements e.g. to pastures and hay meadows. The beneficiary will in that case seek support only for the year in which the measure is implemented With the aim at better responding to farmer demands and reducing the administrative burdens (linked to the management of multiannual contracts) Member States should have the option to grant 1-year contracts under AECM. This would give Member States more discretion to	Action: Provide possibilities for Member States in duly justified cases to grant 1-year renewable contracts to first-time applicants under AECM. (Amendment to Regulation 1305/2013, Article 28, 5. Commitments under this measure shall be undertaken for a period of five to seven years. However, **in duly justified cases and** where necessary in order to achieve or maintain the environmental benefits sought, Member States may determine a **shorter or** longer period in their rural development programmes for particular types of commitments, including by means of providing for their annual extension after the termination of the initial period.

		determine the duration of AECM. 1-year contracts provide better scope for sequential adjustment of support levels adapted to their "real time" financial situation, and one-year contract are considerably less administrative burdensome to manage, due to fewer contract adjustments and follow up tasks for the Managing Authorities/ Paying Agencies.	
11	Frequent use of revision clause	Member States are required to activate revision clauses for area related contracts, if amendments are made to relevant minimum requirements or mandatory standards (e.g. on pesticides, fertilizers, cross compliance etc.) (art. 28, 29, 33, 34 and art. 48,1). Member States are required to do so in all cases, regardless of the impact of the amendment on support levels. Adjusting contracts using revision clauses can prove time-consuming and burdensome for the farmers.	Action: Introduction of tolerance levels in the activation of revision clauses Member States should be allowed not to activate the revision clause in case the payment on measure or type of operation continue to cover only the additional costs and income foregone after the amendments made to relevant minimum requirements or mandatory standards. (Amendment to Regulation 1305/2013, Articles 28,3; 29,2; 33,2; 34,2 where the following is added: **The first sentence of this article does not exclude that Member States may determine payments on measure or type of operation.** And amendment of Article 48: A revision clause shall be provided for operations undertaken pursuant to Articles 28, 29, 33 and 34 in order to ensure their adjustment in the case of amendments to the relevant mandatory standards, requirements or obligations referred to in those Articles beyond which the commitments have to go. **However, in duly justified cases Member States may decide not to adjust already undertaken commitments pursuant to operations under to Articles 28, 29, 33 and 34 provided that the payment on measure or sub measure level continue to cover only additional costs and income foregone.**

12	Subsidiarity of the definitions in the pillar I and II	Young farmers support will be provided through Pillar I and Pillar II, where different treatment what is young farmer is used.	In both pillars: - clear and equal rules shall be provided on setting up of the holding – holding could be set up during five years preceding the first submission of SAPS/BPS application; - subsidiarity should be provided with respect to requirement of adequate occupational skills and competence; Rules should be simplified by providing more flexibility to MS to set a unified approach, regarding adequate occupational skills and competence and farm set up process during the five years. Article 2 (n), 19 of R 1305/2013 Article 50 of R 1307/2013

13	Rural Development/State aid	Article 81 of the Rural development regulation (1305/2013) shall be implemented in such a way that no additional submission of the information regarding state aid notification shall be made. Commission should therefore act as “one stop agency” without putting unnecessary bureaucracy to the Member states administrations and therefore delaying the start of measures. Decisions approving the RDP and its amendments therefore shall include the provisions that are necessary for the approval of the state aid since on substance they are negotiated.	Article 81 of R 1305/2013 State aid 1. Save as otherwise provided for in this Title, Articles 107, 108 and 109 TFEU shall apply to support for rural development by Member States. 2. Articles 107, 108 and 109 TFEU shall not apply to payments made by Member States pursuant to, and in conformity with, this Regulation, or to additional national financing referred to in Article 82, within the scope of Article 42 TFEU. **3. Article 108(3) TFEU shall not be applied to the payments made by Member States pursuant to this Regulation or to the additional national payment, referred to in Article 82, and which the provisions of Article 42 TFEU do not apply to.**
14	Baseline of Agri-environment-climate-measure and organic farming controlled through cross compliance (Article 28 (2)-(4) and (6) and article 29)	The concept of a separately controlled baseline for the RDP measures should be deleted for simplification since the system of cross compliance has been designed to meet the need to make sure that relevant mandatory standards and requirements are obeyed. At the moment the link between RDP and the certain requirements of cross compliance causes lot of extra on-the-spot controls. The rule of cross compliance says that 1% of	Amendment to article 28 (2)-(4) and (6): ~~2. Support shall only be granted for commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013, the relevant criteria and minimum activities as established pursuant to points (c)(ii) and (c)(iii) of Article 4(1) of Regulation (EU) No DP/2013, relevant minimum requirements for fertiliser and plant protection products use as well as other relevant mandatory requirements~~

the beneficiaries have to be checked via on-the-spot controls. However, because the certain requirements of cross compliance are in the baseline of rural development - where 5% of the farms have to be checked - 5% of these certain requirements of cross compliance are checked in the controls of rural development. This means unnecessary costs for the administration.

It should be enough that different kinds of obligatory standards and requirements are excluded from RPD funding, and that the cross compliance obligations are controlled with a 1 % sample, and these sanctions are also applied to RDP measures.

~~established by national law. All such requirements shall be identified in the programme.~~

~~3. Agri-environment-climate payments cover only those commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013, the relevant criteria and minimum activities as established pursuant to points (c)(ii) and (c)(iii) of Article 4(1) of Regulation (EU) No 1307/2013, and relevant minimum requirements for fertiliser and plant protection products use as well as other relevant mandatory requirements established by national law. All such mandatory requirements shall be identified in the programme.~~

4…

When calculating the payments referred to in the first sub-paragraph, Member States shall deduct the amount necessary in order to exclude double funding of the practices referred to in Article 43 of Regulation (EU) No 1307/2013.

Member States shall exclude funding of mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013, the relevant criteria and minimum activities as established pursuant to points (c)(ii) and (c)(iii) of Article 4(1) of Regulation (EU) No DP/2013, relevant minimum requirements for fertiliser and plant protection products use as well as other relevant mandatory requirements established by national law. All such requirements shall be identified in the programme.

6. …

When calculating the payments referred to in the first sub-paragraph, Member States shall deduct the amount necessary in order to exclude double funding of the practices referred to in Article 43 of Regulation (EU) No

			1306/2013. **Member States shall exclude funding of mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013, the relevant criteria and minimum activities as established pursuant to points (c)(ii) and (c)(iii) of Article 4(1) of Regulation (EU) No 1307/2013, and relevant minimum requirements for fertiliser and plant protection products use as well as other relevant mandatory requirements established by national law. All such mandatory requirements shall be identified in the programme.** Similar amendments should be made to article 29.
15	Article 33 (2)	The concept of a separately controlled baseline for the RDP measures should be deleted for simplification since the system of cross compliance has been designed to meet the need to make sure that relevant mandatory standards and requirements are obeyed. At the moment the link between RDP and the certain requirements of cross compliance causes lot of extra on-the-spot controls. The rule of cross compliance says that 1% of the beneficiaries have to be checked via on-the-spot controls. However, because the certain requirements of cross compliance are in the baseline of rural development - where 5% of the farms have to be checked - 5% of these certain requirements of cross compliance are checked in the controls of rural development. This means unnecessary costs for the administration. It should be enough that different kinds of obligatory standards and requirements are excluded from RPD funding, and that the cross compliance obligations are controlled with a 1 % sample, and these sanctions are also applied to RDP	~~2. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant mandatory requirements. These relevant requirements shall be identified in the programme.~~

		measures.
16	Avoid lock-in effects of the funds	For the new programming period it should be ensured to avoid that the program structure creates lock-in effects of the funds and give rise to unnecessary administrative burden at all levels. An example is the current measure 7 (article 20, 1305/2013) that has several sub-measures with adjacent goals. These sub-measures should be added together to form only one measure. If it is absolutely necessary to report detailed spending of funds in the annual implementing report one could create pre-defined categories for the actions.

17	Exact aid intensity	In the RDP we have a requirement for exactly 30% co-financing, e.g. from a person taking part of an advisory service that is subsidized by the program. The COM demanded this in the program negotiations. When it comes to broadband, the aid intensity is stated as different possible levels in the program and precisely stated in its action plan instead, but for all other measures there is an exact level stated in the program. In the previous programming period the aid level was stated as 20-80%. The requirement that we have to have an exact level causes a lot of administrative difficulties such as to provide advisory services with as low dead weight as possible and with as much effect as possible.
18	The beneficiaries own work as an actual cost	During the introduction of the RDP 2014-2020, we have lifted that it should be possible, as a complement to the procurement of services, also to compensate the work that the beneficiary does. This is applied in LEADER and EIP, where the beneficiaries own work is compensated by a flat rate and recognized through a project diary, which is used to assess the reasonableness of costs. This is not possible for other measures under the Council Regulation. According to the COM the alternative is to compensate own work as a contribution in-kind. This means, however, that the applicant does not receive compensation in real money. However, there may be measures where it would be appropriate, possible and desirable that the applicant himself

		can be involved in the project and receive compensation for his work. It may be of interest mainly within the measures: Non-productive investments, basic services and cooperation projects. We have noticed in the audits of e.g. non-productive investments (European Court of Auditors report No 20, 2015) that the auditors question the cost effectiveness of certain measures. To carry out investments without compensating the beneficiaries own work means that the cost per hour is usually much higher than if the work is compensated by a flat rate. If own work could be counted as an eligible cost, it would mean that the project would be cheaper, and provided that the quality is the same on the work performed, that the cost efficiency would be higher.	
		Delegated Act 807/2014	
19	More flexibility to replace old commitments	More flexibility is needed to allow new rural development commitments to replace old commitments even if the new commitments in some aspects are less strict. Farmers entering into commitments on newly acquired land must continue to administer existing commitments according to the old contracts. It would be much simpler for a farmer if he could choose to have only one type of commitment and requirement throughout his holding	Action: Amendment of Delegated Act 807/2014, Art. 14.

		Implementing regulation 808/2014	
20	Level of the detail of RDP	Level of detail of RDP vs. Operation programmes is much higher. The volume and the form of information that has been required by the EC for the Rural development programmes has raised to the very high level especially description of measures. Level of the detail in programmes in other ESI funds is considerably lower, allowing greater level of subsidiarity to decide on the details at national level, including the Monitoring committees and subcommittees where EC is present as an observer, and is so now as well as for the past period with overall error rates lower than for EAFRD. Approach in case of RDP is significantly different from that of the other Fund management have given raise to disproportionate administrative burden both for EC services and Managing authorities and soon may have negative consequences, including increased error rates and disability for MS being able to reach the so much necessary targets of the RDP in required time.	RDPs must be a strategic document and only provide basic information to cover the needs and priorities for spend, and simple reporting arrangements for spend and outputs. The detailed measure and sub-measure text should only need to be set out in specific Member State or Managing Authority level guidance. Amendment to Regulation 808/2014 Annex I 8. Description of the measures selected (2) Description by measure including: (a) legal basis. (b) general description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives. (c) scope, maximum level of support, general categories of eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification general categories of eligible costs, general categories eligibility conditions, maximum applicable amounts and support rates and general principles with regard to the setting of selection criteria. Where support is provided to a financial instrument implemented under points (a) and (b) of the first subparagraph of Article 38(4) of Regulation (EU) No 1303/2013, description of the type of financial instrument, general categories of final recipients, general categories of eligible costs, maximum level of support and principles with regard to the setting of selection criteria.

21	Agri-environment-climate: More focused minimum requirement	The requirement of IPM was excluded from cross compliance during the preparation of the basic acts. Therefore, it should also not have been introduced into the minimum requirements of the AEC measure. IPM means careful consideration of all available plant protection methods that discourage the development of populations of harmful organisms and keep the use of plant protection products and other forms of intervention to levels that are economically and ecologically justified and minimize risks to health and the environment. IPM implementation is therefore specific and perhaps different for each situation and each year and will depend greatly on the specific situation on each farm, its environment and economy and the changes in local weather conditions. The fundamental functioning of IPM is based on an ongoing search for the best way to manage plant protection in a sustainable way in different situations, for instance through making use of advice and learning from mistakes. The best solution is not always to be foreseen at the moment when a decision is taken. Also, it is next to impossible for an inspector to retrospectively judge what would have been the correct decision in a certain situation. Applying sanctions in situations of failure or giving sanctions for choices that seemed good when the decision had to be made, but not afterwards due to e.g. weather, makes the normal control system of the CAP unsuitable for this requirement. It should be enough that funding of AECM operations that are part of the IPM is excluded.	9. Agri-environment-climate (Article 28 of Regulation (EU) No 1305/2013) — Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council (1), the relevant criteria and minimum activities established pursuant to Article 4(1)(c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council (2), the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law; — the minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced by Council Directive 91/676/EEC (3) for farms outside nitrate vulnerable zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, ~~general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council (4)~~, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, established by national legislation;

		Guidelines for evaluators	
22	Monitoring and evaluation	According to the basic principles of the Common Monitoring and Evaluation Framework for Rural Development, the Member States must accumulate data necessary for Monitoring and Evaluation, broken down by Focus Areas and Secondary impact evaluation. The Monitoring and Evaluation Framework has become very heavy and complicated and it has created a considerable administrative burden for both the Member States and COM itself as well as it required considerable financial and human resources. In addition to the administrative burden and information scope, it has not yielded any return for the purpose of RDP Monitoring and Evaluation as well as the approach in case of RDP is significantly different from that of the other ESI Fund management.	1. Guidelines for evaluators – in the programming period 2014-2020 to discard the secondary impact evaluation that has been laid down as a requirement "Assessment of RDP results: How to prepare for reporting on Evaluation in 2017, Annex 11 - Fiches for answering Common Evaluation questions for Rural Development Programs 2014-2020 (for example Table 8., page 79) or determine as the choice of a Member States as it creates a disproportionate administrative burden; 2. To revise the basic principles of the Common Monitoring and Evaluation Framework – ensuring consistency with other ESI Funds, to reduce the administrative burden and to ensure RDP Monitoring and Evaluation only at the level of Priorities and not as the breakdown by Focus Areas and Secondary impacts as well as Cross-cutting objectives in addition to that.

	Guidelines for measures	
23	Controls	Review of the approach of DG AGRI as regards checks that have to carried-out verifying the data that other competent authorities that are not accredited paying agencies provide, e.g. control bodies that issue certificates to organic farmers. Revision of the approach will reduce administrative burden for paying agencies
	System for Fund Management (SFC system)	
24	Annual implementation report	Since no proper consultation has been carried out with Member states before designing the new version for AIR, for example AIR2017, number of serious shortcomings should be overcome by technical simplification exercises (e.g. avoidance in duplication of the same information in more than one place; possibility to add not only plane text but also rich text; more user-friendly financial and indicator tables etc.).
25	Implementing of separate sub-measures	Eradication of unnecessary splitting of measures into separate sub-measures, like for ANC and areas with specific constraints, organic farming in transition and regular organic farming even in cases when no differences in conditions exist.

26	Simplification of SFC system	Since no proper consultation has been carried out with Member states before designing the new SFC system, number of serious shortcomings should be overcome by technical simplification exercises (e.g. avoidance in duplication of the same information in more than one place; possibility to add not only plane text but also rich text; more user-friendly financial and indicator tables etc.).	
	Horizontal Regulation - 1306/2013		
27	Risk of delayed payments to farmers where administrative control is finished	The large amount of controls due to new elements in the direct payment regulation (for instance crop diversification, ecological focus areas etc.) and the fact that the control visits may require additional re-visits, makes it difficult to finalise all controls in due time. Today it is a requirement for Member States to have finalised all administrative controls and physical controls before direct payments can be made to any farmer.	Action: Make it possible to make direct payments to farmers not selected for on-the-spot-checks (Amendment to article 75, 2 in Regulation 1306/2013: 2. Payments referred to in the paragraph 1 ~~shall not be made before the verification of eligibility conditions, to be carried out by the Member States pursuant to Article 74, has been finalised.~~ ~~By way of derogation from the first subparagraph, advances for support granted under rural development as referred to in Article 67(2)~~ may be paid after the administrative checks pursuant to Article 59(1) have been finalised.)

28	Todays on-the-spot-checks are not cost effective	Since the implementation of the CAP-reform in 2015, the administrative burden linked to the on-the-spot checks has increased significantly, as all aid conditions must be inspected during an on-the-spot check (OTSC). Most errors noted are small and insignificant and many resources are wasted on the execution of the full inspection. Often, it is also necessary to visit the same farm twice during an OTSC. It would therefore make sense to allow OTSCs to focus mainly on conditions, which in a risk assessment has proven to have a considerable high risk of error rates regarding the payments. In the last couple of years, the field of fisheries has had freedom of choice between a fixed control rate or a targeted control of compliance of rules for specific types of fisheries (Regulation No 1224/2009). In Denmark, the specific control and inspection program is carried out based on an ongoing risk assessment of all fishing vessels, consistently aiming inspections at vessels with the highest risk score. In this way, the inspection resources are applied optimally and the result is a highly cost efficient inspection. Furthermore, transparency and communication about risk score between the authority responsible and the vessels have a preventive effect on rule compliance. Within the Integrated Administration and Control System (IACS) Member States should be given possibility to introduce a similar approach. Hence, controls should be	Action: Set specific goals for the control of high-risk measures, which historically have contributed the most to the error rate of an aid scheme Member States are requested to systematic update their risk management strategy and based on this, calculate benchmarks and define a minimum number of risk-based OTSC per aid scheme. For each claim-year, Member States should make an assessment report, which subsequently form the basis for adjusting the benchmarks included in the risk management strategy. Action: Amendment to Regulation No 1306/2013, Article 59 (2): As regards the on-the-spot checks, the authority responsible shall draw its check sample from the entire population of applicants comprising, where appropriate, a random part in order to obtain a representative error rate and a risk based part, which shall target the areas where the risk of errors is the highest. **The risk-based part of on-the-spot checks may be based on a risk management strategy stating the objectives, priorities, and procedures as well as target benchmarks for inspection activities. Such benchmarks shall be revised periodically.**

targeted beneficiaries, who based on ongoing risk assessments, belong to a high-risk group according to conditions of a specific aid scheme. In order to focus the risk-based OTSC where the risk to the Fund is assessed to be the greatest, beneficiaries should automatically be ranked after a risk-score. The risk score could be made visible for the individual beneficiary, and thereby have a preventive effect on the compliance.

The targeted, risk based OTSC could be supplemented by campaigns, focusing on the most frequent and serious types of errors. An advantage of campaigns is the sole focus on high-risk areas, and by informing the beneficiaries about these in advance contribute to a considerable improvement of the compliance.The technological development is rapid and the amount of satellite pictures available is increasing. This GIS information, together with other information (aid application, information from beneficiaries, etc.) can form a basis for an actual risk assessment of the individual application.

29	Moderation of the present rules in relation not to pursue recovery of irregularities	Today, Member States are forced to use economic means on the recovery of irregularities even though the relevant debtor's ability to pay is marginal. On duly justified grounds, Member States may decide not to pursue recovery of irregularities. A decision to this effect may be taken only if the costs already and likely to be effected total more than the amount to be recovered. In general, this rule implies that the Member States are allowed not to pursue recovery if an individual assessment shows that the debt is lower than the costs of pursuing the debt. In the future Member States should be able to write-off any debt where an individual assessment shows the expected ability of a specific beneficiary to pay his debt is lower than the debt.	Action: If a cost/benefit approach shows that, the debt is higher than the beneficiary's expected ability to pay the debt, then the Member States should be allowed to write-off the debt (Amendment to Regulation 1306/2013 the wording of art. 54(3) should be supplemented by the following text: " **iii) if the Member State, after an individual assessment, can demonstrate that the expected ability of a specific beneficiary to pay his debt is lower than the cost of recovering the debt, the Member States should be allowed to write-off the debt.")**
30	The European Commission and the European Court of Auditors audit missions – introduction of a single audit model	The Commission should reduce controls (audit missions) if they increase controls for the Certifying bodies and in the future base its assessment on the work carried out by the Certifying Bodies in Member States (single audit concept).	

31	Limiting animal-related penalties to animal-related supports and area-related penalties to area-related payments (new para)	The system of cross compliance is not fair and equitable especially for farmers in different production sectors (animal husbandry/crop production). More requirements concern animal production than crop production. The sanctions relating to cross compliance are not proportionate in different production sectors. Farmers feel that it is not fair that a non-compliance of animal-related cross compliance requirement causes penalties to all area-based payments. And vice versa, they feel unfair that a non-compliance of area-based requirement leads to a reduction of the animal related payments. This especially concerns farmers with only few animals but hundreds of hectares and vice versa, farmers with just a few hectares and lot of animals. But not only these farmers who have only few animals/few hectares feel the link between non-compliances and all animal and area-based payments unfair but all the farmers feel so. So this link should be deleted as proposed above taking into account the structure of the direct payments and the various levels of support provided to farmers across sectors.	Action: We ask the Commission to consider if a non-compliance of the animal linked requirement should cause penalty only for animal-related supports in those Member States where these aids are applied. And the area linked requirement should cause penalty only for area payments.

32	No backward correction of payment entitlements	Payment entitlements continue to be an administrative burden both for farmers and national administrations, but can be eased. An example is the requirement that the corresponding payment entitlements shall be withdrawn where it is found that a beneficiary does not comply with the eligibility criteria. This requirement should be abolished. Revoking payment entitlements retroactively, for instance when the maximum eligible area of a reference parcel is corrected backwards in time, constitutes a disproportionate administrative cost.
33	More transparency for better learning	More transparency is needed particularly in the case of: 1) Regular anonymized reports from the Commission regarding reasons for financial corrections. This would be beneficial in order to learn from the mistakes made by other Member States, as well as the interpretations made by the Commission. 2) Shared information about the notifications made by Member States to the Commission. As an example by granting access for Member State authorities to see all the programmes in the SFC therefore contributing to sharing best practices and minimising competition distortive practices.

34	Optional application of payment entitlements	Payment entitlements continue to be an administrative burden both for farmers and national administrations. In the SAPS-model it is possible to operate without entitlements, and this possibility should be opened for all Member States.	Action: New Article 35a: **As derogation to Article 21-35, Member States may decide to grant the basic payment on an annual basis for each eligible hectare declared by the farmer in accordance with point (a) of the first subparagraph of article 72(1) of Regulation (EU) No 1306/2013. It shall be calculated each year by dividing the annual financial envelope established in accordance with Article 22(1) by the total number of eligible hectares declared in the Member State concerned in accordance with point (a) of the first subparagraph of Article 72(1) of Regulation (EU) No 1306/2013.**
35	Simplify requirements regarding one-off compensation for multi-annual commitments.	Multi-annual compensation for environment and climate commitments in agriculture and forestry payed in one single instalment is an improvement in the current legal framework (article 28(6), third subparagraph, and article 34(3), second subparagraph, of Regulation No 1305/2013). The legal provisions, however, have not proven clear enough for this tool to be implemented properly, meaning no real simplification has been obtained for the beneficiaries. For instance, the requirement of annual controls is an obstacle for this.	Action: it should be possible to pay the compensation earlier (i.e. after the administrative controls are completed and after the farmer has made a legal commitment to comply with the scheme). Article 75 (2) of regulation 1306/2013 states that all administrative and physical controls have to be finalized before payments can be made, and should be amended by inserting a new third subparagraph: **Notwithstanding the first and second subparagraphs, support according to article 28(6), third subparagraph and article 34(3), second subparagraph of Council Regulation (EU) no. 1305/2013 may be paid as soon as the commitment to renounce from commercial use of the area in the specific application is legally valid and the administrative controls according to article 59(1) of the specific farm have been finalized.** Action: The permanent change of the area should also be reflected in a decrease of the physical controlrate, and an amendment to a**rticle 32 (3) of Commission Regulation (EU) no. 809/2014 by inserting as a new third subparagraph: For farmers receiving support according to article 28(6),**

			third subparagraph and article 32(3), second subparagraph of Council Regulation (EU) no. 1305/2013, Member States may, after the fifth year of a commitment period decide to check at least 1 % of the applicants, when an easement of permanently extensive farming is registered publicly.
36	New approach to area controls	Small changes in the digitized surface areas are a significant concern for farmers. They often express their concern as regards the legal protection of farmers' rights and interests in this matter. What the farmers are mainly worried about is the constantly changing surface areas of arable parcels and the sanctions and recoveries these may lead to, also retroactively. In cases where the LPIS quality assessment is approved, the procedure should allow with regard to the surface areas in the area-based aid schemes and support measures that the area is controlled only administratively via the LPIS eligible area and via the geo-spatial aid application (GSAA) on an annual basis. The LPIS update is conducted every five years, including rapid field visits on the spot for unclear parcels, to guarantee that a high quality standard is achieved in the LPIS update. Via the GSAA or other means the farmers make their own corrections to the area if the eligible area changes because of building or other reasons. The aim of this proposal is to allocate more of the resources to the good and adequate quality and update of the Land Parcel Identification System as a solid basis for aid	Action: Changing the rules of controls

applications. The resources are being used at this stage of the process, while no on-the-spot checks to control the area are done on an annual basis, between the updates. This also contributes to the aim that aid applications should involve fewer non-compliances and, thus, cause less bureaucracy for the farmer.

37	Payment deadlines	Art. 75(1)(4): according to this provision as from claim year 2018 no advances for all RD payments can´t be made before 16 October. The possibility to continue to pay advances, especially for area based payments to areas facing natural constraints, before 16 October would be very important from the farmer´s cash flow point of view and the current possibility should be continued up to the claim year 2020.	Proposal to amend Article 75(1)(4): Article 75 Payment to beneficiaries 1. The payments under the support schemes and the measures referred to in Article 67(2) shall be made within the period from 1 December to 30 June of the following calendar year. Payments shall be made in a maximum of two instalments within that period. Notwithstanding the first and second subparagraphs, Member States may, prior to 1 December but not before 16 October, pay advances of up to 50 % for direct payments and of up to 75 % for the support granted under rural development as referred to in Article 67(2). With regard to support granted under rural development, as referred to in Article 67(2), this paragraph shall apply in respect of the aid applications or payment claims submitted from claim year ~~2018~~ **2020** except as regards the payment of advances of up to 75 % provided for in the third subparagraph of this paragraph.

38	Cross compliance - Early warning - no retroactivity	Administrative penalties should not be applied retroactively, because the retroactive penalties are complicated both for the farmers and for the administration. Thus, it should be enough to apply a penalty only for the year when the non-compliance was found not to have been remedied.	Action: Article 99(2) second subparagraph should be amended accordingly.
		Delegated Act 640/2014	
39	More proportional greening reductions	The European farmers risk large reductions of the green payment even with minor non-compliance due to the reduction rules for Ecological Focus Areas (EFA) and crops diversification. There is a need for more proportional rules. This also applies to the rule of increased reduction after non-compliance for three years, which should be repealed	Action: Amendment to delegated act No 640/2014. Replace Article 24 with following text: **1. Where the first subparagraph of Article 44(1) of Regulation (EU) No 1307/2013 requires at least two different crops, but the area determined for the main crop covers more than 75%, the area to be used for the calculation of the greening payment in accordance with Article 23 of this Regulation shall be reduced by the area of the main crop in excess of the 75% of the total arable land.** **2. Where the second subparagraph of Article 44(1) of**

Regulation (EU) No 1307/2013 requires at least three crops, but the area determined for the main crop covers more than 75%, the area to be used for the calculation of the greening payment in accordance with Article 23 of this Regulation shall be reduced by the area of the main crop in excess of the 75% of the total arable land.

3. Where the second subparagraph of Article 44(1) of Regulation (EU) No 1307/2013 requires at least three different crops, but the area determined for the two main crops covers more than 95%, the area to be used for the calculation of the greening payment in accordance with Article 23 of this Regulation shall be reduced by 5 times the area of the main crops in excess of the 95% of the total arable land.

3a. Where Article 44(2) of Regulation (EU) No 1307/2013 requires that the main crop on the remaining arable land shall not cover more than 75% of that remaining arable land, but the area determined for the main crop on the remaining arable land covers more than 75 %, the area to be used for the calculation of the greening payment in accordance with Article 23 of this Regulation shall be reduced by the area of the main crop in excess of the 75% referred to above.

Replace Article 26(2) with following text: 2. **If the ecological focus area required exceeds the ecological focus area determined taking account of the weighting of ecological focus areas provided for in Article 46(3) of Regulation (EU) No 1307/2013, the area to be used for the calculation of the greening payment in accordance with Article 23 of this Regulation shall be reduced by 5 times the ecological focus area not found.**

For the purpose of the first subparagraph, the ecological focus area determined shall not exceed the share of the ecological focus areas declared in the total area arable land declared.

Abolish Article 26(3).

40	Human error approach	For minor non-compliances only human error approach and early warning applicable to all schemes and RFV categories without separate re-verification later and without retroactive penalties (urgent need for human error approach for database notifications concerning animal premiums). Clear limits and guidelines from the Commission is needed, so that MS's don't have to fear financial corrections based on commission audits. There is no need for the current strict penalty system in cases where the correct information is in the register, but it is only entered late. For example, if the animal born has to be entered to the database on the 7th day, making the entry on the 8th day should be considered to fall under this category and there should be no reason for the current strict penalty system	Action: Rules concerning human error covering all administrative penalty rules (not only cross compliance) + New point (d) to Article 30(4) of R 640/2014: **d) where the non-compliances found relate to late entries in the register and/or the computerised database for animals, the animals concerned shall be considered as determined.**

41	Animal penalties introduce a de minimis rule	There is no de minimis rule before penalties. More proportionality is needed.	Amendments should be made to apply a de minimis rule on both the slaughter- and on-farm-model. The following describes the on-farm-model. Article 31 of R 640/2014 should be amended: **If the difference between the total number of animals determined and declared is not more than three animals, the animals determined shall be set equal to the animals declared.** **If the difference between the total number of animals determined and declared is more than three animals, but not more than 3%, the payment is made based on the animals determined.** **If the difference between the total number of animals determined and declared is more than 3%, but not more than 10%, the payment is calculated on the basis of the animals determined reduced by 0,75 times the difference found.** **If the difference between the total number of animals determined and declared is more than 10%, the payment is calculated on the basis of the animals determined reduced by 1,50 times the difference found.**

42	More proportionality to the penalties concerning ovine and caprine animals.	The penalty system for ovine and caprine animals is even stricter than the penalty system for bovine animals. There seem to be no tolerances for imposing penalties with regard to two ear tags, the register or computerised register. More proportionality is needed in this penalty system as well.	Action: amendments to article 30(5) of R 640/2014: 5. ~~An ovine or caprine animal present on the holding which has lost one ear tag shall be considered as determined provided that the animal can still be identified by a first means of identification in accordance with Article 4(2)(a) of Regulation (EC) No 21/2004 and provided that all other requirements of the system for the identification and registration of ovine and caprine animals are fulfilled.~~ **Where cases of non-compliances with regard to the system for the identification and registration for ovine or caprine animals are found, the provisions provided in Article 30(4) concerning bovine animals are applied mutatis mutandis.**
43	Cross compliance – Influence of other controls	The present article 38(5) means that the control rate relating to cross compliance requirements is significantly larger than size of the control sample for cross compliance (usually 1 % and in the case of identification and registration 3%). E.g. in certain Member States the control sample for cross compliance relating to animal welfare of calves (SMR 11) (1 %) in 2015 had 135 farms. In addition to these, however, control for SMR 11 under Article 38(5) was made on 141 farms. There is an automatic system in certain Member States for many SMR requirements so that non-compliances found in controls other than those for cross compliance are notified to the competent control authority of cross compliance. Due to	5. For the purposes of this Chapter, non-compliances shall be deemed to be 'determined' if they are established as a consequence of any kind of controls carried out in accordance with **Article 96 of Regulation (EC) 1306/2013.** ~~this Regulation or after having been brought to the attention of the competent control authority or, where applicable, the paying agency, in whatever other way.~~

Article 38(5) this means lots of additional controls for cross compliance requirements. This cannot be the original aim of this Article.

Obviously paragraph 5 also means more penalties for farmers.

The systems for notifying the competent control authorities are different in the different Member States, which means that farmers are treated differently with regard to Article 38(5). Directives concerning cross compliance may also be implemented in slightly different ways, which may lead to unfair treatment of some EU farmers.

Article 38(5) also means a lot of extra work and costs for the administration.

Based on the above, paragraph 5 should be amended so that it only concerns the sample of cross compliance. This and separate sectoral controls of SMRs ensure that the requirements of cross compliance are sufficiently controlled.

44	Cross compliance: Calculation of administrative penalties	The general rule of 3 % is not necessary and it also causes unfair situation because for the most part the reductions have to be 3 %. This is why this general rule should be deleted.	Action: Amendments to article 39 (1): 1. Where a non-compliance determined results from the negligence of the beneficiary, a reduction shall be applied. That reduction shall~~, as a general rule,~~ be **1,** 3 **or 5** % of the total amount resulting from the payments and annual premiums indicated in Article 92 of Regulation (EU) No 1306/2013. **The percentage shall be determined** ~~However, the paying agency may,~~ on the basis of the assessment of the importance of the non-compliance provided by the competent control authority in the evaluation part of the control report taking into account the criteria referred to in Article 38(1) to (4), ~~decide either to reduce that percentage to 1 % or to increase it to 5 % of the total amount referred to in the first subparagraph or, in~~ **In** the cases where provisions relating to the requirement or standard in question leave a margin not to further pursue the non-compliance found or in the cases for which support is granted according to Article 17(5) and (6) of Regulation (EU) No 1305/2013, **it is possible** not to impose any reductions at all.

45	Cross compliance - early warnings and penalties	Administrative penalties should not be applied retroactively because the retroactive penalties are complicated both for the farmers and for the administration. Thus, it should be enough to apply a penalty only for the year when the non-compliance was found not to have been remedied. This penalty should be multiplied by three instead of applying three years of retroactive sanctions.	Action: amendments to article 39 (3): 3.Where a Member State makes use of the option provided for in the second subparagraph of Article 99(2) of Regulation (EU) No 1306/2013 and the beneficiary has not remedied the situation within a deadline set by the competent authority, a reduction of at least 1 % as provided for in paragraph 1 of this Article **multiplied by three** shall be applied ~~retroactively in relation to the year of the initial finding when the early warning system was applied~~, if the non-compliance is found not to have been remedied during a maximum period of three consecutive calendar years calculated from and including that year. The deadline set by the competent authority shall not be later than the end of the year following the one in which the finding was made. A non-compliance which has been remedied by the beneficiary within the deadline set shall not be considered as a non-compliance for the purpose of establishing reoccurrence in accordance with paragraph 4.

46	Intentional non-compliance concerning cc	It is very difficult for the administration to establish if the non-compliance has been committed intentionally or not. This might lead to different interpretations in different cases, which means that farmers are not treated equally. Thus, Article 40 should only be applied concerning the cases meant in the last sentence of Article 39(4). This amendment could be made also because the rules of intentionality in the part of IACS were deleted in the CAP reform (previous Articles 60 and 65(4) of Regulation 1122/2009).	Action: amendments to article 40: **If, based on the last sentence of Article 39(4),** ~~Where~~ the non-compliance determined has been committed intentionally by the beneficiary, the reduction to be applied to the total amount referred to in Article 39(1) shall, as a general rule, be 20 % of that total amount. However, the paying agency may, on the basis of the assessment of the importance of the non-compliance provided by the competent control authority in the evaluation part of the control report taking into account the criteria referred to in Article 38(1) to (4), decide to reduce that percentage to no less than 15 % or to increase that percentage to up to 100 % of that total amount.

47	More proportional penalties without Yellow card	Yellow card is too complicated, but the idea of more proportional penalties is welcomed.	The Yellow card approach should be deleted and instead allow more proportional penalty system to all area related supports, i.e. - if the difference is not more than 3 %, the area paid is the area determined, - if the difference is 3- 10 %, the penalty is based on 0,75 times the difference found (the area paid is calculated on the basis of the area determined reduced by 0,75 times the difference found) - if the difference is more than 10 %, the penalty is based on 1,5 times the difference found (the area paid is calculated on the basis of the area determined reduced by 1,5 times the difference found)
48	Area related schemes - Deduction of future claims	According to Article 19.3 of R 640/2014, deduction should be made of future claims when errors are found. This requirement penalizes the customer disproportionate and should be removed.	

49	Shorten the time for late submission of applications for direct aid	With the declaration for direct payments period of about 80 calendar days, late submission of applications period of 25 days (one third of total period) is disproportionately too long. By decreasing this late submission period – we expect also to decrease the error rate.	Action: Allow Member States to shorten the declaration period of late notifications (Amendment to the delegated Act 640/2014, Article Art. 13(1)): 1. If such delay amounts to more than 25 calendar days **or shorter period, which is to be defined by the Member State (and notified to the Commission before August 1 of the year before the application period starts),** the application or claim shall be considered inadmissible and no aid or support shall be granted to the beneficiary.
	Implementing regulation 809/2014		
50	One control visit for basic payment and greening	It should be possible to carry out only one control visit in relation to basic payment and greening, where everything that can be controlled at the time of inspection is controlled. This would be the same approach already used for inspections concerning Cross Compliance.	Action: Amendment to implementing act No 809/2014, Article 26(4) ~~4. Where certain eligibility criteria, commitments and other obligations can only be checked during a specific time period, the on-the-spot checks may require additional visits at a later date. In such a case, the on-the-spot checks shall be coordinated in such a way to limit the number and the duration of such visits to one beneficiary to the minimum required. Where appropriate, such visits may also be carried out by way of remote sensing in accordance with Article 40. Where additional visits relating to land laying fallow, field margins, buffer strips, strips of eligible hectares along forest edges, catch crops and/or green cover declared as ecological focus area are required, the number of those additional visits shall for 50 % of the cases concern the same beneficiary, selected on a risk based basis, and for the remaining 50 % of the cases different additionally selected beneficiaries.~~

			~~The different additional beneficiaries shall be selected randomly from all beneficiaries having land laying fallow, field margins, buffer strips, strips of eligible hectares along forest edges, catch crops and/or green cover declared as ecological focus area and such visits may be limited to the areas declared as land laying fallow, field margins, buffer strips, strips of eligible hectares along forest edges, catch crops and/or green cover.~~ ~~Where additional visits are required, Article 25 shall apply to each additional visit.~~ **The checks referred to in paragraph 1 shall, as a general rule, be carried out as part of one visit. They shall consist of a verification of the eligibility criteria, commitments and other obligations with which may be checked at the time of that visit. The aim of those checks shall be to detect any possible non-compliance with those eligibility criteria, commitments and other obligations and, in addition, to identify cases to be submitted for further checks.**
51	Control rate for the greening payment should be reduced	In order to reduce administrative burden related to considerably increasing number of controls control rates for the greening measures should be reduced.	Article 31 of R 809/2014 should be amended: 1. For the greening payment, the control sample for on-the-spot checks carried out each year shall cover at least: (a) **3** ~~5~~ % of all beneficiaries required to observe the agricultural practices …; (b) **2** ~~3~~ % of: … all beneficiaries … who are exempted from both the crop diversification and the ecological focus area … ; (c) **3** ~~5~~ % of all beneficiaries required to observe the greening practices and using national or regional environmental certification schemes …; (d) **3** ~~5~~ % of all beneficiaries participating in a regional

			implementation …; (e) **3** ~~5~~ % of the collective implementation …;
52	Better applications and less non-compliances	Guiding alerts, reminders based on the application, geospatial aid application (GSAA) and related cross checks, preliminary checks, possible alerts and reminders based on satellite images -> the aim is that aid applications include fewer non-compliances	Action: Changing the role of application and controls
53	Further harmonization of the ESI Funds regulations	In the current situation not all rules applies for all funds and in addition, there are more rules for the rural development fund than for the other funds. Some examples are the accreditation and control rules and the reporting requirements. Far-reaching requirements of the accreditation regulation in relation to the other ESI Funds is a problem. Based on our multi-fund-CLLD perspective, we are really questioning the whole control regulation 809/2014. Why for example, has the assessment of reasonableness within EAFRD have to be different from the ERDF- and the ESF-funds? Why is it that the regulation is so much more detailed within EAFRD? We get credibility problems against actors who are accustomed to seek support in both the ERDF-program and in the EAFRD-program. They both include EU money, but the requirements are different. The principle should be that we strive to put us on a level that puts customer benefits and simplicity in the center. If a fund has	

		a much more complex set of rules than the other does, we should not implement the most complex framework in all four Funds.	
54	Rural development non-area-support - More proportional and focused control regarding national legislation	The Paying Agency is putting a lot of resources into control of applicants fulfillment of national legislative obligations. There is a need to establish some demarcations in the closer understanding of the term “national legislation” in regulation 809/2014 (art. 48.2) regarding the control with the applicants fulfillment of national legislative obligations. It should be clear that this term does not include all of the national legislation in a member state. According to regulation 1303/2013 (art. 6 and section 12 and 65 to the preamble) the member states should control the applicants fulfillment of “EU-legislation. The regulation does not mention national legislation. According to the treaty (art. 291), the Commissions implementing power are described as “where uniform conditions for implementing legally binding Union acts are needed”. It should also be taken in to consideration that the main purpose of the control is to protect the financial interest of the union. The managing authority therefore should not be obliged to control ex. if the applicant has fulfilled his or her obligations according to national tax-law regarding the received amount of support or obligations according to national working environment-law regarding the completion of the supported project.	Action: Amendment to art. 48 by inserting a new paragraph 3 in delegated act No 809/2014 with following text: **3. Administrative checks with national law only includes legislation with either transboundary effect, economic impact on financial interest of the union or which is decisive for the applicants possibility to go on with a project.** Paragraph 3-5 becomes paragraph 4-6.

		Commission Guidance Document DSCG/2014/32	
55	Optional minimum size of EFA	It is difficult for some Member States to manage areas under greening as small as 0.01 ha correctly. It should be possible for Member States to set a minimum size per greening requirement and per type of EFA in a differentiated way. A minimum size would not have a negative effect on the fund or the purpose of greening (Commissions guidance document DSCG/2014/32, section 2.2.3). DSCG/2014/32	
		Direct Payments - 1307/2013	

56	Abolish requirement to maintain a certain share of a Member States agricultural land as permanent grassland	A requirement to maintain a certain share of a Member States agricultural land as permanent grassland is counterproductive as it gives a strong incentive for farmers to reconvert land with grass cover after a few years to prevent the development of permanent grassland. Also, this requirement seems superfluous because land cultivated with grass may be treated as land cultivated with any other crop, e.g. cereals. Environmental sensitive grasslands are already protected in another provision. Hence, there is no need for additional requirements to maintain cultivated land with a grass crop.	Amendment to Regulation 1307/2013: Article 45(2)-(4), (6)(b) and (6)(c) and (7) is deleted. Amendment to Article 45(5): 5. In order to ensure that the ~~ratio of~~ permanent grassland is maintained, the Commission shall be empowered to adopt delegated acts in accordance with Article 70 laying down detailed rules ~~on maintenance of permanent grassland, including rules~~ on reconversion in the case of non-respect of the obligation in paragraph 1 of this Article.~~, rules applying to Member States for setting up obligations at holding level for maintaining permanent grassland as referred to in paragraphs 2 and 3 and any adjustment of the reference ratio referred to in paragraph 2 that may become necessary.~~
57	Payment entitlements to new farmers should be voluntary	It seems redundant to require Member States to give payment entitlements from a national reserve After the reform all agricultural areas are covered by entitlements. There seems no need to force Member States to give newly established farmers extra payments entitlements. This will only lead to excess of entitlements.	Action: Make it optional for Member States to give payment entitlements to newly established farmers (Amendment to Regulation No 1307/2013, Article 30 (6)). Member States ~~shall~~ **may** use their national or regional reserves to allocate payment entitlements, as a matter of priority, to young farmers and to farmers commencing their agricultural activity.

58	Payment reduction – counting of salaries and taxes to be subtracted should be simplified	Counting of salaries (taxes, social contributions) linked to an agricultural activity actually paid by the farmer is creating excessive burden. It should be allowed to use the share of agricultural receipts in the total income.	Article 11(2) of R 1307/2013 should be amended: 2. Before applying paragraph 1, Member States may subtract the salaries linked to an agricultural activity **actually paid and declared by** the farmer in the previous calendar year, including taxes and social contributions related to employment, from the amount of direct payments to be granted to a farmer pursuant to Chapter 1 of Title III in a given calendar year. **Detailed application provisions should be laid down in the delegated act.**
59	Align the hectare thresholds for greening	The current thresholds for the greening requirements are unfavourable for smaller farms and may increase their costs without any real benefit for the environment. A higher threshold would recognise the diversity that is already delivered by smaller farms. It would better target the measures towards farms and areas were actions for increased biodiversity are more needed. The hectare thresholds for the different greening requirements should be aligned in order to make the requirements easier to understand and apply for farmers	

60	Consider merging the greening rules and cross-compliance	To avoid *several* layers of rules and control systems with similar aim, it could be considered merging the greening conditions and cross-compliance.	
61	Reduction and capping of direct payments	We suggest introducing a possibility for Member States to review their decisions regarding reduction and/or capping of direct payments with the effect from the nearest possible date. Reasoning: possibility to review the above-mentioned decisions is necessary for more efficient implementation of current CAP at national level, taking into account experience gained so far.	Action: Allow Member States to review their decisions regarding reduction and/or capping of direct payments (Amendment to Regulation 1307/2013, Article 11, introducing new paragraph 7): **7. By way of derogation from Paragraph 6, Member States may, by [1 August 2017], review their decision taken in accordance with this Article with the effect from [1 January 2018]. Member States shall notify the Commission of any estimated product of reductions for the subsequent years.**

	Delegated Act –639/2014		
62	Catch crops may be single seed mixture	Abolish requirement that EFA-catch crops have to be established as a mixture. Farmers risk getting their greening payment reduced, as there is a large risk that one crop in a mixture outperform the other. In addition, this requirement increases the control burden for farmers and administration. Similar as for GAEC/SMR landscape features it should be possible to use SMR catch crops as EFA without further requirements.	Action: Amendment to delegated act 639/2014, Article 45: 9. Areas under catch crops or green cover shall include such areas established pursuant to the requirements under SMR 1 as referred to in Annex II to Regulation (EU) No 1306/2013 as well as other areas under catch crops or green cover, on the condition that they were established by sowing ~~a mixture of~~ **catch** crops ~~species~~ or by under-sowing grass in the main crop. Member States shall set up the list ~~of mixtures~~ of crop species to be used and the period for the sowing of catch crops or green cover, and may establish additional conditions notably with regard to production methods. The period to be set by Member States shall not extend after 1 October.
63	Review of the reference ratio of permanent grassland	Obligation to maintain permanent grassland should be adjusted. Due to market constraints of animal products some of animal breeders are forced to change their specialisation towards field crops and thus are forced to convert permanent grassland into arable land. In order to ensure market orientation it should be provided to review reference ratio of permanent grassland.	Article 43(3) of R 639/2014 should be amended: 3. Member States shall adapt the reference ratio if they assess that there is a significant impact on the evolution of the ratio due to, in particular, a change in the area under organic production or a change in the population of participants in the small farmer scheme **or a change in the population of famers of certain sectors due to restructuring**. In such situations, Member States shall inform the Commission without delay of the adaptation made and the justification for that adaptation.

The Common Market Organization - 1308/2013			
64	Modernisation of marketing standards	Transparency with horizontal (food) legislation should be ensured and outdated standards or outdated elements of standards should be repealed	
65	Fruit and vegetables producer organisations (PO) – approval period of the national environmental framework	At present Member States shall submit their proposed environmental framework to the Commission which may require modification of the submission within three months (Art.36 R.1308/2013). This consultation process is too long and might lead to the situation when Member States will have problems with framework's recognition.	Approval period should be reduced (for example, to 1 month).

66	Fruit and vegetables producer organisations (PO) - provisions of target reductions of 15% in environmental framework	Member States must include in the environmental framework the minimum reduction threshold of 15% to be attained for environmental actions at reducing water use, energy use or emission of pollutants. This is very difficult for POs to reach and prove afterwards the 15% reduction of above mentioned pollutants. At the same time, it creates difficulties for the competent authority to check eligibility of these environmental actions/investments. In addition, it should be taken into account that possibilities to name) enough environmental actions, which in the long term might even become as normal production practice, are limited	The 15% condition is not always the key indicator which proves the effectiveness of a particular environmental measure, therefore, these reduction targets need to be reviewed and revised or alternative ways to fund these key measures should be found. As well, the Commission should consider a possibility to provide explanations/interpretations regarding normal production practice and environmental actions, i.e. when the environmental action ends and when the normal production practice starts.

		Implementing act – fruit and vegetables 543/2011		
67	Fruit and vegetables producer organisations (PO) – annual reports, monitoring and evaluation of operational programmas and national strategies	Annual reports: PO and Member States in any given year have to submit/notify an annual report on the implementation of PO`s operational programmes in the previous year (Art.96 – 97, Annex VIII and XIV R.543/2011). The evaluation system is too complicated and incomprehensible. It is imposible to evaluate impact of investments or impact of a particular measure annually. In some cases it is imposible to evaluate impact of investments or impact of a particular measure annually especially when investments in PO are made at the end of year. Monitoring and evaluation of operational programmes and national strategies: Monitoring and evaluation system must be shaped in simple manner, understandable for POs (Art.125-127, Annex VIII R.543/2011). It must be noted that common performance indicators which are used for the monitoring and evaluation, are too complex and not harmonized with each other. Also mid-term evaluation imposes an additional administrative burden, since all information concerned is already reported in annual reports.	Annual reports – it would be necessary: • to have discussion and revision of Annex XIV and particular tables provided by the Commission for submisson of requested infromation; • to delete provisions regarding notification obligations of the annual achievements and results for each operational programme. Impact of implemented operational programme shall be evaluated in longer period and carried out after completing the operational programme. Monitoring and evaluation of operational programmes and national strategies: • It is necessary to simplify Annex VIII and, in particular, to harmonize units of measurements of common baseline indicators set out in table 5 with tables 3 and 4; • Monitoring and evaluation exercise should be based only on simple and basic set of indicators; • In order to reduce administrative burden for POs, the mid-term evaluation of operational programmes should be abolished. Mid-term evaluation puts significant administrative burden on PO, especially in cases when PO has a three year operational programme and it contains measures/investments that are implemented longer than one year.