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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 22-23 June 2026:
59th Conference of Directors of EU Paying Agencies
(Nicosia, 25-27 May 2026)
- Information from the Presidency

The Cyprus Presidency of the Council of the European Union, in cooperation with the Cyprus Agricultural Payments Organisation (CAPO), organised the 59th Conference of Directors of EU Paying Agencies in Cyprus from 25 to 27 May 2026. The Conference was organised in accordance with established practice concerning the Conference of Directors of EU Paying Agencies. This international event gathered nearly 110 participants, including directors of **paying agencies of 27 EU Member States**, representatives of agricultural institutions from three **EU candidate and potential candidate countries** (Albania, Moldova, North Macedonia) as well as representatives of the European Commission, OLAF and the European Court of Auditors.

The Conference was opened by the Commissioner of the Cyprus Agricultural Payments Organisation, Mr. Andreas Kyprianou. In his opening address, he underlined the strategic role of Paying Agencies in ensuring that European agricultural support systems remain effective, transparent, accountable and responsive to the evolving needs of farmers and rural communities. He emphasised that Paying Agencies are increasingly called upon to balance efficiency, compliance, innovation and transparency, while safeguarding trust in the management of European funds. Referring to the challenges facing European agriculture, including climate change, water scarcity, market volatility, generational renewal and digital transformation, he highlighted the importance of cooperation among Member States, knowledge sharing and the exchange of best practices. Particular emphasis was placed on the growing importance of digitalisation, satellite monitoring, data analytics and artificial intelligence in supporting the work of Paying Agencies and strengthening assurance and control systems. Participants were also welcomed by the Director General of the Ministry of Agriculture, Rural Development and Environment, Mr. Andreas Gregoriou, on behalf of the Minister of Agriculture, Rural Development and Environment. The address was delivered by a Senior Agricultural Officer at the Ministry of Agriculture.

The Conference commenced with a presentation by the Danish delegation, providing a summary of the 58th Conference of Directors of EU Paying Agencies. This was followed by a presentation from the European Commission, represented by Ms Marie Bourjou, Director H, at DG AGRI, entitled *“Half-way into the implementation of the CAP Strategic Plans: lessons learned and way forward for the assurance model”*. The European Court of Auditors, represented by Mr Mariusz Pomieski and Mr James McQuade, presented recent publications and ongoing work relating to CAP expenditure. OLAF, represented by Mr. Andrea Bordoni, Acting Head of Unit C.1, delivered a presentation entitled *“From Prevention to Recovery and Sanctions: the Protection of the CAP from Fraud and Irregularities”*.

CAPO presented the Integrated Administration and Control System (IACS) implemented in Cyprus providing an overview of the system's architecture, operational processes and the use of digital technologies supporting the management, monitoring and control of CAP interventions. The Italian delegation delivered a presentation on the European Land Monitoring System within the post-2027 CAP framework. The Conference continued with a presentation by the Learning Network of EU Paying Agencies and Coordinating Bodies, on the state of play of the activities of the Network. The Netherlands representative delivered a presentation entitled “Performance via Compliance – Towards an Efficient Implementation Today and in the Future”. The Cyprus Presidency also presented the importance and role of the Common Agricultural Policy in supporting the development of rural areas in Cyprus and the importance of vine cultivation in Cyprus and the support measures available under the CAP framework. Participants also received feedback from the Panta Rhei network. The Irish delegation, invited participants to the 60th Conference of Directors of EU Paying Agencies, which will be organised under the Irish Presidency of the Council of the European Union.

The plenary discussions were complemented by three parallel thematic workshops covering land at the disposal of the farmer, circumvention and anti-fraud, and on-the-spot checks. Participants exchanged views on the practical implementation of land eligibility requirements, the relationship between circumvention controls and anti-fraud frameworks, and the challenges associated with on-the-spot controls under the current CAP framework. The workshops conclusions highlighted the importance of legal certainty, operational consistency, risk-based approaches, simplification and the continued development of effective assurance and control systems.

Workshops

Workshop 1: Summary of Workshop 1: Land at the Disposal of the Farmer (LaD)

The workshop on Land at the Disposal of the Farmer (LaD) examined the practical implementation of LaD requirements across Member States, based on the pan-European survey conducted ahead of the Conference and the subsequent technical discussions among Paying Agencies. Participants highlighted that administrative LaD checks remain highly heterogeneous across the Union. While most Paying Agencies require farmers to submit a formal declaration confirming disposal of the land, full verification of all declared parcels is rare, with the majority applying partial or risk-based checks due to resource constraints and cadastral fragmentation. Several Member States stressed that direct access to national land/property databases significantly improves verification efficiency, whereas the absence of such access creates substantial administrative burden for both agencies and farmers. Discussions also focused on control sampling methodologies, where most Paying Agencies rely on supplementary samples in addition to mandatory QA samples. A clear trend emerged toward application-level, risk-weighted sampling, reflecting the need to target non-compliance more effectively.

A major theme was the treatment of oral agreements. The workshop noted a strong shift toward strict documentary requirements, with most Member States now demanding written confirmation from landowners. However, participants also recognised the operational challenges this creates, particularly in regions where informal arrangements are common. Several pragmatic alternatives were discussed, including recorded confirmations, structured templates, and proportionate verification approaches. The workshop further addressed the widespread issue of geospatial misalignment between LPIS layers and cadastral boundaries. A large majority of Member States reported persistent discrepancies, leading to overlapping parcels and complex multi-layer checks. Participants agreed that agricultural boundaries should guide practical implementation, while cadastral information should serve as supporting evidence, provided that payments never extend beyond legally defined limits. Finally, the workshop assessed the overall impact of LaD implementation. Many Member States reported a significant increase in administrative burden, particularly those operating cadastral-based LPIS models. The impact on total claimed area varied across countries, with no consistent trend. Participants emphasised that the current LaD framework does not contribute to simplification, and called for a more proportionate, risk-based and technically realistic approach, especially in relation to the Commission's 0.5% acceptable error threshold, which many considered operationally unfeasible without a phased or differentiated model.

Overall, the workshop concluded that while Member States share a strong commitment to ensuring legal certainty and preventing circumvention, technical limitations, cadastral inconsistencies and administrative workload remain major obstacles. Participants expressed the need for greater harmonisation, improved geospatial tools, and pragmatic verification models that safeguard EU funds while reducing unnecessary burden on farmers and Paying Agencies.

Workshop 2: Circumvention Controls and Their Relationship with Anti-Fraud Frameworks

The main conclusions from the workshop included:

- Circumvention controls are increasingly linked to broader anti-fraud objectives and are becoming more closely integrated into wider assurance and control considerations.
- The assessment of intent is increasingly regarded as a connecting element between circumvention controls and fraud-related investigations.
- The distinction between circumvention and fraud remains operationally complex, with different approaches continuing to exist across Member States.
- Shared operational experience and practical exchanges among Member States may provide an effective pathway towards greater convergence and consistency.
- Most circumvention controls already form part of existing Management and Control Systems and serve an important preventive and deterrent function.
- The collection and use of evidence remain critical elements in circumvention cases, particularly where decisions may result in financial corrections, recoveries or subsequent investigations.
- Administrative burden, differing interpretations and the difficulty of demonstrating intent continue to represent significant operational challenges for Paying Agencies.
- Future discussions could further explore the appropriate balance between operational flexibility, legal certainty and the potential integration of circumvention controls within broader anti-fraud systems.

Workshop 3: On-the-Spot Controls

The main conclusions from the workshop included:

- Quality assessment samples are often relatively small and geographically concentrated and may not fully represent the diversity of interventions and farming conditions at national level.
- Additional on-the-spot control samples implemented by Member States improve representativeness and support more reliable estimation of error rates, particularly for non-monitorable eligibility conditions.
- Many Member States select larger control samples than the minimum required in order to compensate for withdrawals and changes in eligibility occurring after sample selection.
- The growing complexity and number of CAP interventions have significantly increased the workload associated with on-the-spot controls, despite recent simplification efforts.
- Several Member States remain reluctant to reduce sample sizes due to concerns regarding audit exposure, financial corrections and assurance requirements.
- The future CAP framework should further promote monitorable interventions and more easily controllable measures in order to reduce the administrative burden associated with traditional on-the-spot controls.
- Timing constraints related to farming practices continue to create challenges for the verification of non-monitorable eligibility conditions.
- Alternative control tools, including pre-checks, geotagged photographs and other forms of digital evidence, may contribute to reducing reliance on traditional field inspections while maintaining adequate levels of assurance.
- Future developments should continue to seek an appropriate balance between simplification, risk-based controls, administrative efficiency and the protection of the financial interests of the European Union.