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From: Presidency  
To: Delegations

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Subject: 49th Conference of Directors of EU Paying Agencies, 9th of June 2021,  
Online Conference organised by the PT Presidency

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With a view to the meeting of the Special Committee on Agriculture on 21 June 2021, delegations will find attached a document provided by the PT Presidency on the above-mentioned subject, which will also be dealt with as an AOB-item at the Agriculture Council on 28 June 2021.

**49<sup>th</sup> Conference of Directors of EU Paying Agencies, 9<sup>th</sup> of June 2021, Online Conference**

The 49<sup>th</sup> Conference of Directors of EU Paying Agencies was held online on the 9<sup>th</sup> of June 2021 with the participation of Member States (MS) delegations, together with representatives of the European Commission (EC) and the European Court of Auditors (ECA).

The Conference was organised by the Portuguese Presidency and was opened by the Minister of Agriculture Ms. Maria do Céu Antunes via VTC. The Conference's content focused on the CAP Reform and its current negotiations as well as on the Conflict of interests. Representatives from DG AGRI, National Paying Agencies and the European Court of Auditors held presentations.

The summary and conclusions of the presentations were as follows:

**Presentation on CAP reform negotiations (presented by Mr. Michael Scannell - EC)**

In the presentation, Mr. Michael Scannell underlined that a lot of work was completed by the three Institutions on CAP reform negotiations and emphasised his desire to see the negotiations concluded during the Portuguese Presidency. The main topics mentioned, still in discussion on the negotiations were the following: Climate ambition together with the Green Deal and the Farm to Fork Strategy, Animal welfare, Eco-schemes, Conditionality and GAECS and Agricultural Reserve.

**Developments as regards assurance and audit including the Annual Activity Report of DG AGRI (presented by Ms. Christina Borchmann - EC)**

During this presentation it was outlined by Ms. Christina Borchmann the following topics: news from the 2020 Annual Activity Report (AAR), 2019 Discharge for the CAP, data mining-tool Arachne and Assurance under COVID-19.

On the AAR 2020, it was found a robust guarantee framework since the CAP error rate for 2020 is for the second time below materiality (1.93%). About the Assurance and Reservations in the context of the AAR 2020, there were 56 reservations (45 in 2019). However, CAP adjusted error rate is below materiality.

On the data-mining tool it was mentioned that CAP negotiations on the use of the ARACHNE tool are ongoing.

In conclusion, DG AGRI will continue with the working methods developed in 2020 and it was highlighted the flexibility shown by the certifications bodies and paying agencies on new methods like remote auditing.

#### **Latest developments as regards IACS (Mr. Pierluigi Londero – EC)**

The presentation was focused in the Area Monitoring System (AMS): legal framework, the primary purpose of the AMS, benefits, potential in various contexts and on an ambitious AMS that supports the efforts of MS in addressing environmental and climate-specific objectives encouraged by the European Green Deal, the Farm to Fork strategy and the European Court of Auditors.

#### **FaST Pilot Project and its relation with de future CAP (Miguel Riesgo Pablo - ES delegation)**

The FaST Pilot Project was presented as well as other three projects for the future CAP in Spain: NIVA, SIEX and SGA. Further, it was noted the main aspects of the FaST project and its use in two regions of Spain: *Andaluzia* and *Castilla y León*.

On the conclusion it was duly noted that there were achieved good results with the FaST pilot project with high potential in making the life easier for farmers by reducing bureaucracy in the future CAP.

#### **Taking stock of recent ECA findings on the CAP on the eve of the awaited reform (Mr. Richard Hardy and Mr. Peter Welch - ECA)**

The most recent European Court of Auditors reports on agriculture and its conclusions were presented: the Annual report on the implementation of the EU budget for the 2019 financial year, Annual report on Performance and the recently published and ongoing Performance audits.

It is foreseen to be published, by the end of 2021, the report on Performance audit on CAP & anti-fraud measures and, in 2022, the report on Performance audit on Conflict of Interest in CAP and Cohesion.

## **Presentation of Guidelines on Conflict of Interest (Mr. Gianluca Frinzi - EC)**

To start the discussion on this subject, the definition on Conflict of Interest in the Financial Regulation (FR2018) was presented. Furthermore, the article 61 of FR2018 Guidelines was explained in detail. The role of the MS was noted: setting up and ensuring the effective functioning of internal control systems in line with FR2018 and specific rules and establishing measures to avoid and mitigate Conflicts of Interest.

## **Application of the Risk Management Approach to Conflict of Interest (Ms. Michelle Harrison - IE delegation)**

The presentation was based on what exactly is a Conflict of Interest, why is it important and the consequences if not managed effectively.

To conclude, the IE delegation addressed that the most efficient ways to diminish situations of Conflict of Interests are: the strong compliance culture, legislative requirements and processes of continuous reviews.

