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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 23-24 June 2025: Outcome of the 57 th Conference of Directors of EU Paying Agencies (6-7 May 2025, Warsaw) <i>- Information from the Presidency</i>

On 6–7 May 2025, the **57th Conference of Directors of EU Paying Agencies** took place in Warsaw. The event was organized by the Polish **Agriculture Restructuration and Modernisation Agency (ARMA)** as part of Poland’s Presidency of the Council of the European Union.

This international event gathered nearly 150 participants, including directors of **EU paying agencies**, representatives of agricultural institutions from **EU candidate countries**: Albania, Moldova, North Macedonia, Türkiye, as well as representatives of the European Commission – the **Directorate-General for Agriculture and Rural Development (DG AGRI)** and the **European Anti-Fraud Office (OLAF)**, as well as of the **European Court of Auditors (ECA)**.

The aim of the conference was to exchange experiences among representatives of agricultural paying agencies and to reflect on the evolving role of these agencies in the development of agriculture and rural areas in Poland and Europe.

Key topics discussed included the functioning of EU paying agencies and the implementation of the Common Agricultural Policy (CAP). The event also provided an excellent opportunity to showcase Polish hospitality and enabled participants to gain first-hand insight into Poland’s strong commitment to building a robust, efficient, and transparent Common Agricultural Policy.

Food security remains a key priority in the area of agriculture. Discussions focused on the need to strengthen the competitiveness and resilience of European agriculture while supporting the sustainable development of rural areas. The necessity of simplifying CAP rules, ensuring adequate financing, and taking into account the future enlargement of the EU were also emphasized.

Several key issues were discussed during the conference, including the **Land Parcel Identification System (LPIS)** – particularly the stability and accuracy of its reference data. The structure and scale of annual updates were also reviewed, as was the need to establish a stable framework for eligible areas. During the workshops, experiences were shared regarding the setting of tolerance thresholds in LPIS and debt management.

As part of the proceedings, the operation of the **IRZPlus (The Animal Identification and Registration System)** an application provided by the ARMA for animal keepers to report animal incidents online, was presented as an effective tool for the registration and monitoring of animal movements. This system played a key role in successfully keeping foot-and-mouth disease outside Poland's borders and stands as an example of effective action for food security.

The Polish hosts also presented solutions implemented by ARMA to improve debt management, as well as best practices developed through cooperation with EU Member States on this topic.

Important issues requiring clarification within the framework of the European Commission's guidelines for calculating financial corrections under compliance and the procedures for financial settlement of accounts were discussed. Conversations with EU institution representatives helped identify areas for further discussion.

During the plenary sessions, representatives of the **European Commission's DG AGRI** gave a presentation on best practices for preventing and managing conflicts of interest in and between the CAP and the Cohesion Policy. This was followed by a presentation from **OLAF**, which focused on irregularities related to conflicts of interest as reported in the Irregularity Management System.

The European Court of Auditors presented a session titled "Latest Findings of the European Court of Auditors on the Common Agricultural Policy: EU Expenditure on CAP; Recently Published and Ongoing Performance Audits."

In addition to the plenary sessions, a workshop panels were held, based on questionnaires completed by participants in advance.

Workshop 1: Introduction and definition of the stability threshold for determining the Maximum Eligible Area (MEA) in the Land Parcel Identification System (LPIS) of the Integrated Administration and Control System (IACS).

Workshop 2: Correctness of sanctioning by paying agencies in relation to the identification of artificial conditions in the context of EU and national agricultural legislation, and debt management within paying agencies, considering the tools and practices aimed at preventing financial risk to the EU budget (including, with reference to the Guidelines for calculating financial corrections under compliance and the procedures for financial settlement of accounts).

The post-workshop conclusions and recommendations on the Maximum Eligible Area (MEA) in LPIS within IACS highlighted the need to distinguish between the stability threshold and measurement tolerance. It was recommended that legal provisions be implemented at national level, while technical details should be defined at a lower level.

It was emphasized that the stability threshold and measurement tolerance do not apply to permanent ineligible features.

The results of the survey on the implementation of the tolerance mechanism in Member States (in the context of determining the Maximum Eligible Area) indicate that most countries do not plan to implement this mechanism.

The recommendations confirm that reliance may still be placed on the Joint Research Center's (JRC) 2015 LPIS Update Technical Guidelines and EU Regulation 2022/1172 (Commission Delegated Regulation supplementing Regulation (EU) 2021/2116 of the European Parliament and of the Council with regard to the integrated administration and control system in the common agricultural policy and the application and calculation of administrative penalties for conditionality), which shapes the approach to stability thresholds and tolerance at Member State level. The document also confirms the validity of the adopted solutions regarding the mentioned thresholds, which support maintaining high-quality LPIS systems.

The conclusions and recommendations from the workshop on the proper imposition of sanctions, the legal possibilities of preventing creation of artificial conditions and protecting the financial interests of the EU, and debt management in paying agencies revealed that some Member States have introduced national legal provisions enabling the sanctioning of cases involving artificial conditions.