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**Brussels, 27 October 2020**

**WK 10645/2020 ADD 13**

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### WORKING PAPER

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### **CONTRIBUTION**

From:	General Secretariat of the Council
To:	Working Party on Financial Agricultural Questions
N° Cion doc.:	9634/18 + ADD 1 + REV 1
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013 - Comments from the Croatian delegation on the drafting suggestion from the Commission

Delegations will find attached comments from the Croatian delegation on the drafting suggestion and explanations from the Commission services related to Articles 57 (Protection of the financial interests of the Union) in the proposed Horizontal Regulation.



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**Directorate for Support in Agriculture and Rural Development**

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Address: Ulica grada Vukovara 78, HR 10000 Zagreb

Zagreb, 23<sup>rd</sup> October 2020

**Subject:** HR comments on document WK 10645/2020 from 6 October 2020 - presentation from the Commission with regard to drafting suggestions related to Article 57 (Protection of the financial interests of the Union) in the HZR proposal

The Croatian delegation is grateful to the Commission services for the explanation of drafting suggestions of possible amendments to the Article 57 of the Horizontal Regulation as presented by the Commission in the AGRIFIN WP meeting on 7<sup>th</sup> October. However, we consider there are some questions and doubts we would like to be clarified.

Following the discussion from the last AGRIFIN meeting we would like to point out that Croatia is one out of nine member states which already use this tool (ARACHNE) within rural development pilot-project. Croatian Paying Agency makes use of this system in some specific measures/operations of rural development, not as a basis for decision making but as a tool that indicates that certain circumstances and facts need to be further verified and possibly determined or confirmed on the basis of relevant documents, reports, registers... Therefore, we would like to be noted that in line with our experience in using this tool, we can declare that we do not oppose the obligation to introduce this tool in controls, but we are of the opinion that the following actions are necessary:

- to determine clearly the usage of the ARACHNE tool in view of its purpose, that is to determine whether the ARACHNE becomes the basis for decisions or only serves as an indicator, i.e. to point out the need for additional checks in the relevant registers, certificates, documents, etc.,
- to ensure legal certainty from the aspect of the implementing body/Paying Agency and the beneficiary,
- for Paying Agencies employees that will carry out those checks to provide detailed and thorough education for effective and correct usage of this tool,
- ensure that ARACHNE, in the case of mandatory usage for checks, would not be an excessive administrative burden for the implementing body or a factor that would somehow burden or confuse aid beneficiaries.