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**Brussels, 11 November 2020**

**WK 10645/2020 ADD 16**

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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 Romanian delegation on the drafting suggestion from the Commission

Delegations will find attached comments from the Romanian 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.

**RO comments 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. (Working document WK 10645/2020):**

Romania would like to thank the Commission for the explanations provided in document 10645/2020 and for the opportunity to comment on the proposal to amend article 57. First, we would like to mention that Romania fully supports the initiative of the European Commission towards further protecting the financial interests and fighting against fraud and circumvention of rules by providing and enabling access to a data mining and risk-scoring tool that would enhance control mechanisms for shared management funds.

In this regard, the Romanian Paying Agency has expressed its interest in using the Arachne tool, in early 2019 and is currently at the stage of commencing the first training sessions with DG EMPLOYMENT, SOCIAL AFFAIRS AND INCLUSION, Unit F5 – Information Technologies with the Pilot programme. Therefore, we are fully committed to make progress in the right direction as part of the process of enhancing our control system.

However, at this point, we cannot fully support the mandatory use of this mining data tool as proposed by the Commission in art. 57 of Horizontal Regulation, for several reasons. We are of the opinion that it should remain voluntary for the MS to use it. The main reason behind our point of view is the fact that there is not enough feedback, so far, as to its efficiency related to Rural Development Programmes, as this tool had been designed for structural and social funds, where it proved efficient. The feedback so far, in relation to RDP, from MS already using it is not entirely encouraging. In addition, because we are in the early stages in the pilot programme we cannot foresee the complexity and the overall implications. SO far, we can argue that it can imply a certain level of administrative burden. Certain data might be hard to provide such as information regarding contractors and subcontractors, depending on the level of digitalization of each MS IT system and information available. Nevertheless, additional costs to adapt IT systems, different degrees of digitalization in each MS, cost-benefit analysis, timeframe necessary to fully access the tool and implement it in the procedures, should also be taken into consideration. Having regard to the above mentioned, we are of the opinion that, at this stage, it should remain voluntary for the MS to use it. Otherwise, we would at least suggest considering a transitional period or a larger window of time until all MS's concerns, regarding their ability to integrate this tool and efficiently use it without too much administrative burden and costs, are clarified.

We would also like to express our concern regarding the use of the ARACHNE tool as regards the area-based aid schemes. We acknowledge the feasibility of using this tool for non IACS EAFRD measures, but we need certain clarifications regarding the use of ARACHNE or any other data mining tool for direct payments and non-IACS EAGF measures.

We consider that there is necessary to clarify certain aspects such as: what data is to be introduced in the Arachne tool, will this check be part of the compulsory administrative checks to be performed by the Member State, any related costs and the need to introduce this provision in the basic act or the administrative burden this provision brings on the national administrations. Also, we are concerned that the mandatory use of ARCHNE may cause delays in processing of aid applications, depending on the moment the data is requested.