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WORKING PAPER

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WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on Financial Agricultural Questions
N° Cion doc.:	9634/18 + COR 1 + ADD 1
Subject:	Proposal for a Regulation on Financing, management and monitoring of the CAP - Swedish contribution

Following the request from the Presidency on 11 December 2018 (WK 14779/2018 INIT) for drafting suggestions on the above mentioned proposal, delegations will find in Annex the contribution received from the Swedish delegation.

PUBLIC

MEMBER STATE
Sweden

Article/paragraph concerned	Current text <i>(Copy the relevant text from doc. 9634/18)</i>	Possible new text <i>(Indicate your drafting suggestions in "bold" for new text or "strikethrough" for deleted text)</i>	Reason/justification <i>(Explain the reasons / provide justification for the changes you propose)</i>
Article 42(2)	2. Member States shall ensure that the payments under the interventions and measures referred to in Article 63(2) shall be made within the period from 1 December to 30 June of the following calendar year. Notwithstanding the first subparagraph, Member States may: (a) prior to 1 December but not before 16 October, pay advances of up to 50 % for direct payments interventions;	2. Member States shall ensure that the payments under the interventions and measures referred to in Article 63(2) shall be made within the period from 1 December to 30 June of the following calendar year. Notwithstanding the first subparagraph, Member States may: (a) prior to 1 December but not before 16 October, pay advances of up to 70 50 % for direct payments interventions;	The percentage allowed for advance payments should be increased, at least to 70 %. The rules regarding emergencies in point 5 do not provide enough flexibility, since that process takes time and MS may need to act quickly to help farmers.

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	(b) prior to 1 December pay advances of up to 75 % for the support granted under rural development interventions as referred to in Article 63(2).	(b) prior to 1 December pay advances of up to 75 % for the support granted under rural development interventions as referred to in Article 63(2).	
Article 58	The system set up by the Member States in accordance with Article 57(2) shall include systematic checks which shall also target the areas where the risk of errors is the highest. Member States shall ensure a level of checks needed for an effective management of the risks.	The system set up by the Member States in accordance with Article 57(2) shall include systematic checks which shall also target the areas where the risk of errors is the highest. Member States shall ensure a level of checks needed for an a cost-effective management of the risks.	Sweden support the addition of “cost-effective” as proposed by NL (WK 13689/2018 INIT).
Article 68	Member States shall set up and operate an area monitoring system.	Member States shall as from {1 January 202x} at the latest set up and operate an area monitoring system. Member States may use monitoring as a control method. When Member States use the OTSC control method, monitoring	An option to the system being voluntary could be, in accordance with the PRES suggestion, to include a transitional period. This should then

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		can be used to check one or more conditions within an intervention.	also be clarified in article 68. We also propose an addition concerning monitoring as a control method.
86(2)	(PRES suggestion): In the case of non-compliance due to negligence, the percentage of reduction shall be as a general rule 1%, 3% or 5% of the total amount of the payments referred to in paragraph 1 of this Article. Member States may set up an early warning system that applies to individual cases of non-compliance occurring for the first time and which, given their minor severity, extent and permanence, shall not lead to a reduction or exclusion. Where a subsequent check within three consecutive calendar years establishes that	In the case of non-compliance due to negligence, the percentage of reduction shall be as a general rule 1%, 3% or 5% of the total amount of the payments referred to in paragraph 1 of this Article. Member States may set up an early warning system that applies to individual cases of non-compliance occurring for the first time and which, given their minor severity, extent and permanence, shall not lead to a reduction or exclusion. Where a subsequent check within three consecutive calendar years establishes that the non-compliance has not been remedied, the reduction pursuant to the first	Sweden believes it could be clarified what constitutes a direct risk to public or animal health in the third paragraph. If there are SMR:s or GAEC:s where non-compliances automatically is to be considered as a direct risk to public or animal health, it should be clearly stated here. If not, it should be safe for the MS to assume that there are no such limitations

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	the non-compliance has not been remedied, the reduction pursuant to the first subparagraph shall be applied retroactively to amounts resulting from aid applications of the current year. However, cases of non-compliance which constitute a direct risk to public or animal health shall always lead to a reduction or exclusion. Member States may provide mandatory training under the farm advisory system provided for in Section 3 of Chapter I of Title III of Regulation (EU) .../[CAP Strategic Plan Regulation] to the beneficiaries who have received an early warning.	subparagraph shall be applied retroactively to amounts resulting from aid applications of the current year. However, cases of non-compliance which constitute a direct risk to public or animal health shall always lead to a reduction or exclusion. Non-compliances within SMR [...] and GAEC [...] are at all times to be considered a direct risk to public or animal health. Member States may provide mandatory training under the farm advisory system provided for in Section 3 of Chapter I of Title III of Regulation (EU) .../[CAP Strategic Plan Regulation] to the beneficiaries who have received an early warning.	and that it is for the MS to define.

General comments on the presidency drafting suggestions

Article 63.4 c

The reason behind the addition of the pigs directive is unclear. However, as we understood it during the Working Party on December 3, the application is voluntary. It would be good if the presidency could confirm this.

Article 64.1 c

Sweden supports the introduction of a transitional period. Sweden believes it is crucial for member states to have sufficient time to set up the system for monitoring. During the Working Party December 3 some end-dates were discussed, such as 2023 and 2024. Sweden would prefer later rather than sooner so as to facilitate a solid transition to area monitoring. It would also be good if the date set could be adjusted in case of delayed implementation of the new CAP.

Article 66.3

Sweden supports the change from 15 February to 1 March in article 66.3 as well as the other relevant articles.

Articles 74-83

We maintain our view that these articles should be deleted. In the new CAP, these rules would comprise only a few minor schemes and it would be unreasonable to maintain even a slightly simplified version of these rules.

Article 84.3 (d)

It is a bit unclear to Sweden what this suggestion means for the risk analysis. Is it possible that the PRES could provide us with some examples?

Article 85.1 a (new)

The background for this new proposition is unclear. We agree that it is important to discuss this in relation to provisions on small farmers in the strategic plans regulation. Sweden is in general positive to derogations from the conditionality regarding SMR and it could lead to simplifications for small farmers. However, it needs to be further elaborated on as it can increase the risk of non-compliance.

Article 85.2 b)

The PRES mentioned that the proposed amendment to 250 euro is related to art. 54.2 a) ii in the Omnibus regulation. The Omnibus article however, concerns recovering of already paid support amounts whilst article 85.2 b) in the horizontal proposal concerns only the reduction amount for conditionality non-compliances. Could the PRES confirm if they intend for these two principles to be related and perhaps tell us more about how these are connected.

Article 85.3 (c)

Sweden supports the suggestion of including exceptional circumstances.

Article 86.2

Sweden believes that the PRES suggestion to maintain the status quo on calculation of penalties (1, 3, 5 %) is a step in the right direction compared to the commission proposal. Sweden is however also open to an even more flexible approach in which “severity, extent, permanence” as put forth in paragraph 1 would, to a larger extent, form the basis for calculating the penalty in the case of negligence.

Concerning the suggested deletion of “retroactively” in the article, could the PRES confirm that the purpose of this proposed amendment is to prevent the beneficiaries from administrative penalty based on reoccurrence within the EWS? It was somewhat unclear from the presentation on the 3rd of December. There were indications that the proposed amendment only had to do with lowering the administrative burden.