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NOTE

From: Presidency
To: Council

Subject: Need for rapid and structural responses to the current crisis situation in the agricultural sector
– *Presidency note*

The Annex to this note contains the summary of Member States' suggestions for reducing administrative burden referred to in paragraph 8 of the Presidency note circulated as document 6295/24.

Suggestions for the reduction of administrative burdens for farmers

1. Introduction

In this document several suggestions for the reduction of the administrative burden for farmers in relation to the CAP and other regulations are presented.

The suggestions are based on the inputs from all Member States. The Presidency has selected them based on its assessment against the following criteria: realisable in the short term, directed at reducing the administrative burden mainly for farmers and not requiring an amendment of the basic act¹.

In order to represent the input from all Member States the most relevant suggestions were identified. The list of suggestions is not complete but consists of those mentioned most frequently by the Member States.

2. Proposals in relation to the CAP

2.1 Conditionality

The different proposals indicate that farmers are above all overwhelmed by the complexity of the conditionality, its standards, its restrictions and the accompanying system of control and sanctions.

¹ This could be done through changes in guidelines, secondary legislation or pursuant to art.148 of Regulation 2021/2115

It is requested to allow the Member States to apply each GAEC as described in the regulation in their strategic plans without additional requirements². More simplification and flexibility are needed for the implementation of the GAECs to adjust them to the characteristics in the Member States. Furthermore, the CAP Strategic Plan should only contain a “summary of the on-farm practice” for each GAEC standard.

Proposals per GAEC:

- GAEC2: Allow a derogation from entry into force no later than 1 January 2025, where necessary. This will enable Member States to conduct an in-depth consultation with farmers and all stakeholders, which will make it possible to establish a robust map and promote adherence to this standard.
- GAEC6: GAEC 6 is complex and feeds farmers' frustration around calendar farming. Regional characteristics as well as the objective of the basic act should be taken into account. The imposition of retention periods or explicit dates should be reconsidered.
- GAEC7: The current concept is too complex (e.g. the two level concept with farm-level and parcel-level requirements). Higher flexibility in relation to the principle of crop rotation is needed and more attention needs to be given to regional differences. Allow a more approach towards the obligation to rotate and allow systems based on diversification alone (farm-level requirement).
- GAEC8: a derogation has been provided for 2023 and now also for 2024. This was welcomed by most Member States. In the long term, several Member States expressed a wish to find a structural solution.

² As described in Annex III of Regulation 2021/2115

2.2 IACS interventions

- By the introduction of ecoschemes, the risk of unspent funds is existing in pillar 1 (annual budget), especially when applying more ambitious measures. Therefore, more flexibility for using unspent funds is needed during the financial year. Different solutions are possible: more flexibility between pillars in the same year (allow to move when necessary without a plan modification) or more flexibility between years in pillar 1 and/or more flexibility between the different interventions.
- The conditions in the European regulations to be able to pay for an eco-scheme, according to article 31(7)a of 2021/2115 which is a payment additional to the basic income support, are too strict. When using article 31(7)a, the measure needs to address all types of farmland. Finding measures is therefore very difficult at the moment because the need to address all types of agricultural area, but this type of ecoscheme is very interesting as it can be an important incentive for farmers. Compensation for measures that are only applied to part of the agricultural area is currently only possible in the form of compensation for a maximum of the cost incurred and the income foregone.
- Simplify the implementation of measures with payment based on results. This is provided for by the Regulation, especially for AECM but rarely used by the MS because it is not easy to find an objective indicator which can provide the guarantee of a link between the farmer's practices and the observed/measured result. There is also a lack of good practice examples and guidelines from the Commission.
- The obligation to include the registration of plant protection products in the single application for measures with a sustainable or reduced use is an administrative burden for farmers and the added value is limited as on-the-spot checks are already carried out. It should be up to the Member State to choose the method of control. It is not desirable for the CAP to be stricter than the date of implementation of the regulation(EU) 2023/564 of 10 March 2023 as regards the content and format of the records of plant protection products kept by professional users pursuant to Regulation (EC) No 1107/2009 of the European Parliament and of the Council.

2.3 Social Conditionality

Social conditionality links receiving CAP income support and rural development funding to farmers' respect for the social and labour rights of farm workers enshrined in relevant legislation. In the national legislation, there is already a strict framework based on directives. Therefore, a postponement for implementation in the CAP is asked.

2.4 AMS

- Postpone the deadline (to 2025 instead of 2024) by when the Area Monitoring System (AMS) shall be fully operational (Art. 70 (1) of Regulation (EU) 2021/2116).
- Make the use of geotagged photos optional (Art. 10 (3) of Regulation (EU) 2022/1173). Delete the obligation that at least 70 % of interventions with eligibility criteria that can be monitored only with geotagged photos will be subject to the area monitoring system at the latest before 1 January 2027 (Art. 10 (4) of Regulation (EU) 2022/1173).

2.5 IACS QA

- Limit the scope of the IACS quality assessments (e.g. AMS QA shall only assess the AMS system and its functionalities, AMS QA should be limited to those eligibility conditions that are covered by AMS Art. 5(3) of Regulation (EU) 2022/1172).
- Reduce the number of checks related to the IACS quality assessment as described in the Union Level Methodology (ULM). The ULM should allow optimization of control activities whether they are carried out for the QA or the regular controls.
- Continue discussions on tolerances/acceptance rates in the IACS QA (ULM).

In conclusion, this framework needs to be adapted so that it ultimately results in a significant reduction in the control burden, both for farmers and administration.

2.6 Controls and penalties

- Facilitate the use of high-quality satellite images to reduce the need for on-the-spot checks.
- Rationalise controls under the CAP: allow more possibilities for cumulative controls under different policies, authorize the use of different databases to check information, introduce logical plausibility checks in databases/software with available data.
- Allow Member States to make their own choice on whether they request information from the farmer or work from authentic sources. The information should only be requested if necessary and relevant. Regarding controls there should be freedom in the method used.
- The period of livestock control should be reduced by at least three months (today it is scheduled for the entire calendar year) in order to allow the possibility of advanced payments in shorter times.
- There should be more discretion for Member States on controls and penalties for conditionality and more flexibility as regards the remaining controls and penalties. This could e.g. consist of a warning system.
- Greater focus is needed on risk-based controls and verifications to avoid excessive documentation demands on beneficiaries.
- The possibility to amend the application in order to avoid a sanction, i.e. use Article 7.2 in the implementing act on IACS (EU 2022/1173), also for automatic claim systems for animal-based interventions where 100 % administrative controls are performed, without having to withdraw the claim for all animals.
- Double sanctioning: Farmers feel that they are being sanctioned twice. Breaches of Statutory Management Requirements (SMRs) result in a reduction of support and a fine as a consequence of the enforcement of the legislation in question. This is very strict especially if the non-compliance is due to involuntary errors. The need to discount on the premium if there is already a fine within the enforcement legislation, should be reconsidered.

- Clarification is needed on what exemptions from penalties that can be done justified by exceptional circumstances according to the legislation.

2.7 Payments

- Concerning animal-based interventions, it should be possible to use temporary data on the actual numbers of slaughtering of animals, e.g. in the case of a non-automatic application system. Updating this temporary data to cover the whole year should not be considered as a change of the application, as a change after the advance payment is no longer possible under the current rules. (Commission guidelines, Regulation (EU) 2022/1173 Art. 7 and Art. 10(6)).

2.8 Simplified Cost Options (SCO)

It should be considered to introduce a system in the new Regulations whereby a Member State can ask for ex-ante legal assurance on different forms of financing applied, e.g. simplified cost options (SCO), from the Commission, as is available under other shared management funds. This will encourage Member States to take up the use of SCO. The use of SCO significantly reduces the administrative burden for beneficiaries since the market research phase is carried out by the Managing Authorities, thus ensuring a quicker implementation of projects, quicker disbursement and cleaner mode of implementation freeing a farmer to access their suppliers of choice. SCO have also been proven to lower the error rate substantially, which is an added bonus for all stakeholders.

Simplify the reasonableness of costs, also in the sectoral interventions (e.g. establish updated lump sums in Annex V of Commission IR (EU) 2017/892 for costs of sorting and packaging fruit and vegetables withdrawn from the market and intended for free distribution).

2.9 Investments in irrigation

- Simplify subsidies for measures related to investments in irrigation, by harmonizing the following provisions: EU Regulation 2021/2115, delegated act 2022/126/EU, guidelines for the provision of subsidies in the agricultural and forestry sectors and in rural areas on state subsidies (points 157 and 158).
- Procedure for accessing irrigation investments in fruit and vegetables interventions should be simplified, avoiding reference to documentation proving water savings which are often unavailable or difficult to find.
- The Commission should develop guidelines for the interpretation of eligibility criteria.

2.10 Plant Protection Products

- The obligation to include the registration of plant protection products (PPP's) in the single application for measures with a sustainable or reduced use is an administrative burden for farmers and the added value is limited as on-the-spot checks are already carried out. It should be up to the Member State to choose the method of control.

3. Other proposals

Proposals from Member States suggest that farmers need clear and coherent information and guidance on the requirements and expectations of the EU policies, as well as the opportunities and benefits they offer.

3.1 Soil monitoring

Administrative burden in the elaboration of the soil monitoring law should be limited.

Newly proposed legislative instruments should consider the administrative burden that will be created through their implementation and should attempt to keep such burden at a minimum. For example, the new Soil Monitoring Law proposes the monitoring and mapping of all contaminated soil, which is to be uploaded on a public register. Such obligations should not impose administrative burden on farmers.

3.2 Forestry

- The extensive contents of a "reforestation plan" represent a considerable additional bureaucratic burden for farmers. Therefore, a redimensioning to essential contents must take place. The content of the forest management plan should be reduced to the essentials; in particular, it should not include any content that requires an expensive "study".
- Forest indicators should be revised to minimise the bureaucratic burden and at the same time ensure adequate protection of the objectives.

3.3 Farm Sustainability Data Network (FSDN)

Simplification of FSDN secondary legislation: more realistic parameters should be set out in forthcoming FSDN secondary legislation for the number, relevance and frequency of variables to be collected from participating farms. The proposed list of variables so far from the Commission is seen as long and at times implausible, with no means for Member States to collect or participating farms to submit data of sufficient quality. FSDN participation is voluntary - excessive burden for participating farms will lead to dwindling participation, undermining the entire data network.

3.4 Placing of plant protection products on the market

A reduction in the administrative burden for farmers can be achieved by removing or postponing in the Implementing Regulation 2023/564 regarding the content and format of the records of plant protection products kept by professional users pursuant to Regulation (EC) No 1107/2009.