

Annex: List of items considered for inclusion in the simplification package (legislative, non-legislative). Please note that additional secondary legislation or non-legislative items – not listed in this paper - may be necessary for the full implementation of the changes envisaged for the basic acts (Regulation (EU) 2021/2115 and Regulation (EU) 2021/2116).

Item	Measure/proposal	Key impacted groups and effects	Evolution and current elements (compared to the February note to the CAB)
1	Derogation for organic farmers from selected GAECs being parts of organic method. <i>(change to basic act)</i>	Benefits organic farmers and administrations (fewer controls) On-farm simplification and streamlining of requirements	REVISED: Following a request from the Cabinet and technical exchanges, the option of <u>exempting organic farms also from GAEC 4</u> has been added. This entails that organic farmers will be exempted from GAEC 1, 3, 4, 5 and 6 (they are already exempt from GAEC 7).
2	Allowing payments per Livestock Unit and beehives for agri-environment-climate commitments and organic farming (alignment with eco-schemes) <i>(change to basic act)</i>	Benefits livestock or mixed farms. Many farms from those sectors are of smaller and medium size. Streamlining. One-off burden for administrations to redesign CSP. Recurrent for following beehives.	REVISED: Payments per animal for agri-environment-climate and organic farming commitments – in light of requests from MS and following technical exchange with CAB, the option of <u>allowing funding per beehive</u> is now added.
15* (NEW)	Flexibilities in the application of GAEC 1 “Maintenance of permanent grassland” <i>(change to basic act)</i>	Benefits livestock farmers and administrations thanks to greater flexibility. One-off additional burden for administrations if the changes of definitions.	NEW: Following CAB request linked to proposals from Member States, AGRI prepared a set of options, including their pros and cons. AGRI recommended the change of the reconversion obligation buffer (ratio) from 5% to 7% or 10%, and if it becomes necessary, also allow to change PG definition to longer period. In technical meeting of 12 March, it was agreed to <u>allow MS to choose a 7 year period for PG classification and/or [7%] allowed decrease</u> (voluntary approach).

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16* (NEW)	Flexibilities in the application of GAEC 2 “Protection of wetlands and peatlands” <i>(change to basic act)</i>	Benefits farmers in peatland/wetland areas One-off burden for administrations to redesign CSP.	NEW: Due to its sensitivity, level of contribution to the GHG emissions, aspects of stability and timing of implementation, a careful consideration is needed in relation to possible changes. Following CAB request, AGRI prepared a set of options, including their pros and cons, and recommending, if need be, to allow possible payments for the practices, considered currently as ‘baseline’ (not impose). After the technical exchange on 12 March, as requested by CAB, AGRI explored and assessed also the viability of amendments to the text of Article 13 of SPR (conditionality) of a proposed revision by certain MSs to taking account of existing national provisions/ obligations on peatlands and wetlands. It was also explored combining revised text with AGRI recommended option of action under voluntary environment scheme. In conclusion, it is proposed to adjust the legal text by specifying that, <u>when implementing GAEC 2, Member States when defining the standards may rely on their national legislation that is protecting peatlands and wetlands, and allow possible payments of those practices.</u> .
17* (NEW)	GAEC 4. Clarification of water courses <i>(non-legislative)</i>		NEW: After technical exchange with CAB, AGRI examined MS requests in this respect for GAEC 4 to apply along <u>watercourses as defined by the Member State</u> in the

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		Benefits farmers	framework of the WFD. AGRI agreed this could be assessed and be subject of a clarification (while no amendment to the basic act is needed, the option of including a provision is explored if this would be the preferred option of CAB).
18* (NEW)	<p>Removal of two env/clim related articles from CSP Regulation</p> <ul style="list-style-type: none"> - Article 120 (review of CSPs when there is a change in Annex XIII legislation covering env & climate legislation), and - Article 159 (review of Annex XIII by Commission for potential addition of new legal acts in co-decision) <p><i>(change to basic act)</i></p>	Benefits national administrations and the European Commission. It has rather political than practical significance.	<p>NEW:</p> <p>Further to request by CAB, AGRI assessed the proposal of <u>full deletion of both articles</u>. While feasible, given no practical impact, AGRI stresses the reputational risks linked to pursuing this element and advised CAB to be cautious (the impression this could give is breaking the interlinks in general between the CAP and environmental/climate legislation). It is a political choice for the Commissioner to make.</p>
3	<p>Flexibilities under risk management tools</p> <p><i>Changes to basic act:</i></p> <ul style="list-style-type: none"> - for calculation of losses for certain groups/areas in need - allowing selection of farmers based on situation/needs <p><i>Guidance note/interpretation:</i></p> <ul style="list-style-type: none"> - on verification of reasonableness of costs to the level of insurance companies and on the possibility to pay the risk management contribution mentioned under Article 19 SPR 	<p>Benefits farmers in groups in need (young, new entrants, specific crops and areas)</p> <p>Some solutions may be detrimental to general group.</p>	<p>REVISION:</p> <p>On substance no change. The only change compared to the February note concerns the approach to contributions to insurance premia to be paid directly to insurance companies, for which, upon further examination, guidance is sufficient.</p>

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	(insurance premium financed with direct payment) directly to the insurance companies.	Increases flexibility in Plan management for administrations. One-off burden to redesign CSP	
4	Flexibility for Member States by allowing them to create on a voluntary basis a crisis intervention for natural disaster emergencies with up to 2% CAP plan MS envelope <i>(change to basic act)</i>	Benefits any farmer impacted by natural disaster. May be detrimental to some current benefiting farmers. Increases flexibility in Plan management for administrations. Burden to redesign CSP	NO CHANGE: Proposal as per the February note.
19* (NEW)	Young farmers – allowing funding for investments to bring farms up to legal standards <i>(change to basic act)</i>	Benefits young farmers Increases flexibility in Plan management for administrations. One-off burden to redesign CSP	NEW: Following request from CAB, AGRI assessed two potential simplification measures specific for young farmers. Following technical exchanges, it was <u>decided to include the one on investments for young farmers (possibility to finance investments to bring farms up to legal standards)</u> while the second considered option of payments of the complementary income support to legal entities was discarded as too complex to introduce at this stage of CSP implementation and limited to young farmers in only one country (FR).
5	Simplified payment scheme for small farmers <i>Changes to basic act (and secondary legislation):</i>	Benefits small farmers that in many MS may be in the livestock sector.	NO CHANGE: Proposal as per the February note.

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Item	Measure/proposal	Key impacted groups and effects	Evolution and current elements (compared to the February note to the CAB)
	<ul style="list-style-type: none"> - Increasing allowable lump sum in simplified small farmers scheme from € 1250 to max € 2500; which can be supplemented by: - exemption of participating farmers from conditionality ; and/or - allowing these farmers access to eco-schemes 	<p>Detrimental to other farmers benefitting from CAP.</p> <p>Increases flexibility in Plan management for administrations. Reduced controls.</p> <p>One-off burden to redesign CSP</p>	<p>To be noted that, further to discussions between AGRI senior management, to increase the attractiveness of the scheme, it is proposed to <u>exempt farmers participating in this scheme from conditionality and allowing them to access eco-schemes.</u></p>
6	<p>Investments and other small operations:</p> <p><i>Changes to the basic act:</i></p> <ul style="list-style-type: none"> - a new lump sum payment of € 50.000 for the business development of small farms - clarification that SCO pre-established under other EU policies can be used under CAP for the same type of operations <p><i>Guidelines and exchange of best practice:</i></p> <ul style="list-style-type: none"> - general principles on checks and controls and examples on implementation simplification for small operations 	<p>Streamlining support for smaller and medium-sized farms by greater use of simplified payments</p> <p>Increases flexibility in Plan management for administrations.</p> <p>One-off burden to redesign CSP</p>	<p>NO CHANGE</p> <p>Proposal as per the February note.</p>

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20* (NEW)	<p>Financial assistance to Fruit & Vegetables sector: Condition for increasing limits Union financial assistance by 0,5% in relation to the set objectives. <i>(change to basic act)</i></p>	Benefits farmers and national administrations.	<p>NEW: Following assessment of proposals from MS, it is recommended to clarify that <u>planning and implementing types of interventions corresponding to any of the objectives</u> listed in legislation could give rise to additional EU funding. The aim of this provision is to provide an additional financial incentive (the extra increase by 0.5 %) to producer organisations which are targeting through their operational programmes interventions <u>linked to research and innovation, agri-environment-climate, consumption and resilience objectives</u>. As a fallback option, objectives could be grouped in two alternative clusters, one for agri-environmental-climate related objectives and the second for economic and crisis preventions objectives.</p>
7	<p>Financial instruments: <i>Changes to basic act:</i></p> <ul style="list-style-type: none"> - increasing the working capital Gross Grant Equivalent ceiling to € 300.000 to provide for higher liquidity, especially for farms in need - allowing eligibility of VAT in financial instruments - alignment of auditing and sanctions arrangements with financial instruments of other EU shared management funds 	<p>Benefits farmers, particularly young farmers and farms in difficulty.</p> <p>Increases flexibility in Plan management for administrations. One-off burden to redesign CSP</p>	<p>NO CHANGE: Proposal as per the February note. N.B. While the latter point (InvestEU) is still under examination, contacts with BUDG indicate that the proposal may have to be dropped due to limitations in budgetary management.</p>

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	- improved option (timing) for MS to transfer CAP funds to InvestEU for centralised financial instruments		
8	<p>Use of digital tools</p> <p><i>Changes to basic act:</i></p> <p>Digital enhancement for reduced reporting burden and better data use. Designation of data governance bodies in MS and preparation and gradual implementation of a roadmap with a view to achieving and maintaining interoperability and seamless data exchange.</p> <p><i>Secondary legislation:</i></p> <p>- to define the content of the roadmap (template).</p>	<p>Farmers through less reporting and improved decision-making tools.</p> <p>Short term burden for administrations to implement such systems. Long-term savings and better policies.</p>	<p>REVISION:</p> <p>Compared to the approach presented in the February note, adaptations were needed during the legal drafting. The proposal now evolved into preparing and gradually implementing a roadmap on data interoperability.</p> <p>Note that it is also proposed to have a mandatory implementation of these elements for the next CAP post 2027.</p>

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9	<p>Simplification of the IACS quality assessment and its methodology</p> <p>A number of Member States have called for further simplification of the IACS Quality assessment (QA) and the related field visits.</p> <p>The proposed changes are:</p> <p><i>Change to basic act:</i></p> <ul style="list-style-type: none"> - merge the three separate quality assessment legal references for the Land Parcel Identification System, the Geo-Spatial Application and the AMS into a single article, which would allow further simplifying the Union-Level Methodology for IACS QA; - to provide legal clarity that the Area Monitoring System (AMS) can replace the control system for fully monitored interventions (using satellite and AI for interpretation in place of on-site visits). <p><i>Change to secondary legislation:</i></p> <p>to state that Member States must take as basis for their on-the-spot control sample the Quality Assessment sample received from the Commission.</p>	<p>Benefits for farmers resulting from fewer OTSC.</p> <p>Less administrative burden for administrations.</p>	<p>REVISION:</p> <p>These proposals were discussed in the technical meeting with CAB on 12 March.</p> <p>Revision – compared to the February note - concerns the secondary legislation to ensure that single-control-concept works (in place of the previous proposal of changes to take into account the control system results for non-monitored eligibility conditions for the AMS quality assessment)</p> <p>For the one-visit per farm control, see new point 21 below.</p>

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21* (NEW)	<p>Single control per year <i>Change to basic act (Horizontal Regulation Art 60):</i></p> <p>- to state that Member States may ensure that a farmer is not subject to an on-the-spot control for CAP interventions more than once in a calendar year.</p>	<p>Farmers selected for on-the-spot controls.</p> <p>Paying Agencies in Member States (difficulties in arranging such OTSC)</p>	<p>NEW:</p> <p>The single control change is added to the package following CAB request and the technical discussion with the CAB on 12 March, where in particular the impact of this concept on assurance was explained (as set out in Article 59 of HZR and required by the Financial Regulation). Application of this concept raises several concerns and AGRI advised CAB to consider these concerns carefully when taking a decision.</p> <p>Further to CAB’s request, AGRI will include in the HZR and a new provision to IACS secondary legislation which would give MS the possibility to coordinate its control samples for aid applications, payment claims and conditionality in a way that ensures that <u>an applicant is not selected more than once per year</u> (while keeping the risk approach).</p> <p>It also has to be noted that Art 60 already refers to the obligation for MS to take account of the risk so it must be ensured that the new text also refers to risk – the proposed changes risk weakening the governance systems, in particular deterrent effect of controls. It is also very likely, that it will be impossible to properly control farms with multiple payments linked to several eligibility conditions, while small farms can face increased controls.</p>

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			<p>Please note that the ‘single control’ would only concern CAP controls and not e.g. phytosanitary or veterinarian controls so a farmer may still receive several control visits. Thus, it <u>could be considered to put this into the Q4 simplification package.</u></p>
22* (poss. NEW)	<p>Record keeping on plant protection products through the geo-spatial application</p>	<p>Benefits farmers and their reporting requirements.</p>	<p>NEW:</p> <p>CAB asked to consider discontinuing the provision on record keeping of PPP through the geo-spatial application.</p> <p>AGRI is in principle not against reviewing the provision. At this stage, however, it is unclear which provision exactly should be reviewed since a first assessment indicated that the provision is optional for MS. If further work reveals that an obligation can be removed, the change will be included in the package.</p>
10	<p>Methodology for controls of conditionality more flexibility to Member States: - deletion of yearly review of the control system</p>	<p>Benefits for farmers resulting from fewer OTSC.</p>	<p>NO CHANGE:</p> <p>Further to exchanges with CAB, AGRI assessed different proposals from Member States, recommending the initially proposed approach (the February note) for</p>

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	- deletion of application of weighting factors and random component when establishing control sample for OTSC <i>(change to basic legal act)</i>	Less administrative burden for administrations.	<u>adjusting methodology for sample selection (while leaving 1% sample obligation intact).</u>
11	Reduction of industrial hemp control rate – eliminate fixed percentage - more flexibility to MS <i>(secondary legislation)</i>	Benefits farmers (help producers) and administrations.	NO CHANGE: Proposal as per the February note.
12	Discontinuing the Annual Performance Clearance exercise. <i>(change to basic act, follow-up changes to secondary legislation)</i>	Primarily benefits national administrations but positive knock-on effects for farmers.	NO CHANGE: Proposal as per the February note.
13	Annual Performance Report and Biennial Performance Review. <i>At the level of basic act:</i> - extending timing for acceptance of APR and clarification of its links (content) with BPR -clarify the links between the biennial performance review and the APR <i>Secondary legislation:</i> - clarify some actions (timing, process) to be taken within remedial action plans for BPR	Primarily benefits national administrations but positive knock-on effects for farmers.	NO CHANGE: Proposal as per the February note.
14	CAP Plan amendments: <i>At the level of basic act:</i> Aligning rules for amendments of EAGF with those of EAFRD (date of eligibility of expenditure	Primarily benefits national administrations but positive knock-on effects for farmers.	NO CHANGE: Proposal as per the February note.

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	and the date of effect of changes start with submission of amendments) together with an obligation for Member States to consult the monitoring committee to get a realistic planning.		