COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMISSION STAFF WORKING DOCUMENT

Simplification of the CAP: outcome of assessment of 39 simplification suggestions, submitted at the Council (Agriculture/Fisheries) on 24 April 2009 and state of play of other simplification activities

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1. INTRODUCTION

During the April Agriculture Council in Luxemburg, 13 delegations jointly submitted a list of 39 concrete simplification suggestions to the Commission. In its conclusions on the Commission Communication "A simplified CAP for Europe – a success for all" adopted in May, the Council invited the Commission to give its full and immediate consideration to these suggestions with the view to Council returning to this issue in November 2009.

Since April, the services of the Commission have thoroughly assessed these 39 proposals and identified possible solutions to a majority.

This Commission Staff Working Document first concentrates on the assessment of this list. It provides an overview of the evaluation process; outlines the highlights of the outcome and, where appropriate, presents a timeline for the follow-up the Commission's services intend to give. It goes without saying that the results of this process and their implementation through binding acts or proposals are subject to the approval by the Commission on a case by case basis.

Apart from reviewing the proposals, considerable simplification related progress has also been made in other areas. The areas concerned and the nature of the simplification projects involved are summarised in the second part of this document.

2. ASSESSMENT OF THE 39 SIMPLIFICATION SUGGESTIONS - PROCESS AND OUTCOME

2.1. Process

The assessment process was built on two elements; an external part and an internal one.

Within the external component of the process, the Commission's services arranged the meetings listed below to obtain more information on the background and the precise content of the suggestions as well as to discuss certain related aspects.

9 June 2009:	Simplification Experts Group; meeting with Member States' experts.
22 June 2009:	Simplification Advisory Group; meeting with stakeholders.
8 September 2009:	Simplification Experts Group; meeting with Member States' experts.
22 September 2009:	Joint Simplification and Cross-Compliance Experts Group; meeting with Member States' experts.

In the same external context, Member States' experts were asked to complete a survey on the 39 suggestions and to provide supplementary observations on the proposals.

Naturally, some proposals were also discussed with Member States in Management Committees and other expert groups.

Internally, i.e. within DG AGRI, the suggestions were reviewed by a technical task force, which was set up for this specific purpose. The task force grouped together various services of DG AGRI, depending on the subjects covered by the suggestions.

Particular attention has been paid to the following questions:

- Is it the first time the suggestion is brought to the attention of the Commission's services, or is it a recurring topic?

- If the suggestion has been made on a previous occasion, what was the outcome of the evaluation at that time?

- If the suggestion were to be implemented, for whom would it signify a simplification?

These questions are reflected in the fiches which are attached to this document. They set out an evaluation, weighing the advantages and disadvantages of implementing the proposal, and where appropriate, propose a follow-up path.

2.2. General remarks

The Council recognised in May 2009 that CAP simplification creates business conditions in which farmers and other economic operators are less burdened by administrative and compliance costs. A range of the suggestions submitted in April respond to this assertion, whereas other proposals focus on attaining simplifications for national administrations.

At this stage, the Commission's services are not yet in a position to quantify the reduction in administrative burden that could be generated by implementing the suggestions. Future measurement of administrative burden could be used for that purpose. At the same time, only limited quantified information on the possible reduction of administrative burden was made available by Member States' experts.

2.3. Outcome

Before going into detail on the outcome of the assessment, some introductory remarks:

- A positive follow-up can be recommended for the majority of the 39 proposals; in fact some of the proposals have actually already been carried out[1], other suggestions could be put into action in the months to come.

- Where it is not feasible to endorse a suggestion in the format in which it was proposed, efforts were made to find alternative solutions in order to arrive at a simplification with a similar effect.

- For a variety of reasons, not all proposals receive a favourable opinion. For instance, implementing some of the suggestions could undermine the overall effectiveness of the integrated administrative and control system and would risk a significant weakening as regards the financial responsibility of the Commission. Other suggestions were of a political nature and went beyond the scope of this technical simplification exercise.

To summarise the outcome of the assessment of the 39 proposals, the Commission's services have come to the following conclusions:

2.3.1. General Issues and Markets (Fiches 2-11)

The suggestions on general and market issues touched upon a wide variety of topics and for a good number of the proposals in this category, positive action has already been taken.

- For instance, by substantially reducing the number of products for which a licence obligation applies, the administrative burden associated with import licences has been reduced significantly in June 2008 (fiche 6).

- On reporting obligations, the Commission's services are about to complete a system for the electronic transmission of data between national authorities and Commission's services[2]. This will ease the process of submitting information and could, as a second step, result in a streamlining and possible reduction in the number of reporting obligations (fiche 2).

- After careful assessment it became clear that not all suggestions would lead to a simplification. The creation of an additional control system for example (fiche 4), would lead to a situation whereby two parallel controls systems are in place, practically serving the same purpose.

- Moreover, when discussing the background of the proposals at Member State experts' level, it became evident that not all proposals would require a follow-up via legislative proposals. The matter of agri-monetary exchange rate dates (fiche 11) for instance, concerned a request for further clarification of the existing provisions, and is dealt with via an explanatory letter.

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1 The new Regulations replacing Commission Regulations (EC) No 795/2004 and (EC) No 796/2004 will incorporate follow up to suggestions No 19, 24, 26 and 29. Follow up to proposal No 23 will be included in a revised working document.

2 ISAMM: Information System for Agricultural Market Management and Monitoring

2.3.2. Direct Payments (Fiches 25, 27-35)

The Direct Payments legislation has just been reformed and simplified in the Health Check. Introducing substantial changes to this policy area now, even before the outcome of the Health Check has had the time to settle, could risk complicating matters instead of simplifying them. As a result, the assessment process related to direct payments resulted in favourable recommendations for only a limited number of proposals.

- For instance, from 2010 farmers will be in the position to merge fractions of payment entitlements. This will reduce the overall number of fractions of entitlements and streamline the paperwork for the farmers that are concerned (fiche 29).

- A number of proposals related to Direct Payments were of a political nature. Such suggestions require a broad and profound political discussion and it would not be suitable to discuss them in the context of this technical exercise. For instance, the scope of the suggestion to phase out the current system of payment entitlements (fiche 27) clearly goes beyond the focus of the current technical exercise and it would be more appropriate to include this matter in the CAP post 2013 discussion.

2.3.3. Cross-compliance (Fiches 1, 12-21, 23, 24, 26)

About one third of the 39 proposals concerned the matter of cross compliance. Many of these proposals (fiches 15, 19, 24 and 26) can be fully supported by the Commission's services. With regard to others the Commission's services could not always recommend to give a positive response to the "letter" of the proposal. However, for many suggestions alternative solutions could be identified; solutions that would be in line with the "spirit" of a proposal and which would further ease the functioning of the system.

- For example, the Commission's services endorse the idea that those farmers, who participate in a relevant certification scheme, should have a smaller chance of being subject to an on-the-spot check (fiche 1).

- Moreover, the Commission's services see good reasons to support a considerable modification of the rules concerning the follow-up checks related to minor infringements and cases falling under the de-minimis rule. Instead of monitoring 100% of all the farms concerned, only 20% of them would be checked on the basis of a risk analysis (fiches 13 and 14).

- Additionally, with regard to controls, the Commission's services look favourably at the idea that Member States could rely on other effective on-the-spot controls which have been carried out in the context of specific sectoral legislation (fiche 17).

- With regard to the increase of the inspection quota, the Commission's services can support a modification to the system in such a way that the rate of non-compliance which triggers an increase in the inspection rate will be equally based on the results of controls carried out on the basis of the random sample and the risk sample (fiche 23).

2.3.4. Rural Development (Fiches 2, 3, 22, 36-39)

- The Commission's services look favourably on clarifying the control rules for rural development programmes and rendering the control regulation more user-friendly (fiches 3 and 36).

- With regard to the support for farmers using the Farm Advisory Service (FAS), the Commission's services can endorse the suggestion that rules should be clarified in order to allow tailor-made advice to farmers, who can decide themselves on which SMRs or GAECs they need advice (fiche 22).

- As regards the monitoring and evaluation system under Rural Development, the Commission's services are prepared to assist Member States in solving difficulties related to the aggregation of regional data. In this context it is envisaged to reduce the number and the content of reports under strategic monitoring (fiche 2).

2.4. Follow-up

For those suggestions with a positive assessment that have not yet been put into effect, a swift follow-up will be given. The Commission's services are ready, as indicated in the individual fiches, to elaborate the necessary draft acts and proposals in the coming months with a view to submitting them to the Commission's approval. This would allow farmers to benefit from the simplification effects as soon as possible.

3. OTHER SIMPLIFICATION INITIATIVES

In addition to assessing the list of suggestions, Commission's services have continued activities on various other simplification projects during the past months.

These items primarily relate to the Communication of the Commission "a simplified CAP for Europe - a success for all" and the conclusions adopted by the Council. (See paragraph 3.1.)

In addition, Commission's services carried out or are reflecting upon other projects for simplification of the CAP. (See paragraph 3.2.)

Finally, in the context of the Action Programme for Reducing Administrative Burdens in the EU[3], the High Level Group of Independent Stakeholders on Administrative Burdens adopted an opinion on the agricultural sector on 5 March 2009[4]. This opinion includes a number of suggestions on how to further reduce administrative burden on farmers and operators. (See paragraph 3.3)

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3 For more information: COM (2009) 544 final

4 For more information: http://ec.europa.eu/enterprise/policies/better-regulation/administrative-burdens/high-level-group/index_en.htm

3.1. A simplified CAP for Europe – a success for all

3.1.1. Repeal of obsolete Council Acts

In July 2009, the Commission adopted two proposals for Council Regulations[5], which aim to repeal a list of 34 acts that have become redundant. The proposals are currently being discussed by the Council.

Once the Council has adopted these two acts, the removal of related obsolete Commission acts follows as a second step.

3.1.2. The Simplification Action Plan[6]

The rolling Simplification Action Plan, created in 2006, continued rolling. Since March 2009, the number of projects has been increased by 12 projects, and 2 projects have been completed.

Among the projects that will soon be completed is the simplification and harmonisation of the rules on public intervention. This project is of benefit to both operators and national administrations as it presents a single set of clear rules which apply to public intervention in all eligible sectors.

3.1.3. Integration of the provisions of the wine sector in Regulation (EC) No 1234/2007 (Single CMO)

The Single CMO Regulation[7] has been completed by the inclusion of the provisions for the wine sector in May 2009[8].

The completed regulation groups together and replaces all 21 individual common organisations of the market into one single regulation, thereby reducing the number of Articles from around 1080 to around 350 and repealing a total of 86 Council acts.

The Commission's services recognise that a codification of the Regulation would be helpful and render the act more user-friendly. This issue will be dealt with in light of further developments concerning the Lisbon Treaty.

3.1.4. Measurement of administrative burden

The measurement of administrative burden facilitates the debate on simplification. For various measures it provides an order of magnitude of administrative burden and pinpoints the areas with a high level of red tape.

Several exercises for the quantification of administrative burden arising from the CAP are foreseen for the coming years. Measurements may be carried out in various agricultural areas, such as for example direct payments and rural development. The outcome of these measurements can subsequently serve as input in future debates on the CAP and its simplification.

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5 COM (2009) 375 final, 17.7.2009 and COM (2009) 377 final, 22.7.2009

6 See: http://ec.europa.eu/agriculture/simplification/index_en.htm

7 Council Regulation (EC) No 1234/2007, OJ L 299, 16.11.2007, p. 1

8 Council Regulation (EC) No 491/2009, OJ L 154, 17.06.2009, p. 1

3.1.5. Simplification Experts Group

Since the adoption of the Communication[9] "a simplified CAP for Europe - a success for all" in March 2009, the simplification experts group has met twice to further discuss the list of 39 concrete simplification suggestions.

Additionally, due to the technical nature of many of the simplification proposals on cross compliance, a joint meeting with cross-compliance experts was held at the end of September 2009. This meeting encouraged synergy between the two themes and resulted in useful exchanges and clarifications.

Another meeting of the Simplification Experts Group is scheduled for December 2009.

3.1.6. Common starting date, regular revision and language use

In the March Communication, the Commission expressed an interest in possibly addressing the issues of common starting dates, regular revision of legal acts and language use. These matters were discussed during the Simplification Experts Group on 8 September, whereby a number of delegations presented their national experience with these concepts.

3.1.7. Communication of information

The Commission recently simplified and harmonised the legal framework for the communication of information between Member States and Commission's services. The regulation applies to data transmitted in the context of shared management of the CAP for markets and direct payments excluding financial information[10].

3.1.8. ISAMM

A system to facilitate the electronic exchange of information between Commission's services and Member States, ISAMM[11], is undergoing a progressive implementation for which the preparatory phases began in mid-2009.

The system enfolds all notifications from Member States related to the management of the markets. This comprehensive approach generates a clear and structured overview of the exchanges of information that take place, which will allow further streamlining of reporting and reporting obligations on future occasions.

3.1.9. Training programme "Harvest experience"

In the March Communication, the Commission announced a training programme for Commission officials. The preparations for this programme are advancing and the first participants are planned to "hit the road" in 2010.

The Commission's services will soon contact the relevant Member States authorities to discuss and organise further practical arrangements.

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9 COM (2009) 128 final

10 Commission Regulation (EC) No 792/2009, OJ L 228. 1.9.2009, p.3

11 Information System for Agricultural Market Management and Monitoring

3.1.10. Agricultural Product Quality Policy

In May 2009, the Commission adopted its Communication on agricultural product quality policy[12]. The Communication includes several elements that aim to simplify the life of farmers and operators, whilst at the same time offer them tools to better communicate about the qualities of their products to consumers.

The principal simplification elements in the Communication relate to:

- Marketing standards: to introduce a general base standard and increase the use of optional reserved terms.
- Geographical indications: creating a unique register for all geographical indications.
- The development of guidelines for private certification schemes in order to reduce red-tape for farmers.

The Commission's services have begun preparations for stakeholder consultation on the various elements with a view to developing operational guidelines and impact assessments for legislative proposals.

3.2. Other simplification projects

3.2.1. Promotion of agricultural products

The Commission's services are planning to undertake an assessment of the current system and measures aimed at promoting agricultural products. At present, promotion instruments are spread over various sectors and pillars of the CAP. The objective of the assessment is to see whether and where promotional instruments may be harmonised, simplified and less burdensome to use. The outcome of the assessment may feed into the discussion on the CAP post 2013.

3.2.2. Payment deadlines for Rural Development

The Commission's services are in the process of preparing a proposal with the objective of harmonising the provisions on payment deadlines between the first pillar and certain area and animal-related payments under the second pillar. Such a harmonisation would bring clarity to farmers, controllers and national authorities, who no longer have to distinguish between pillars and the various applicable rules.

3.2.3. Cross-compliance – clarification of standards at farm level

Following the report of the Court of Auditors on cross-compliance[13], a full cycle of discussions (5 meetings) with Member States' experts on the review of each SMR and GAEC and how they have been translated into standards at farm level has been organised. During the meetings Member States had the occasion to present their own list of standards.

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12 COM (2009) 234 final

13 Special Report No 8/2008

DGs SANCO and ENV have been closely associated to these discussions and gave presentations on how legal texts apply at farm level. Each specific meeting was devoted to one or several closely related SMRs and the GAEC to allow ample time for discussion and exchange of best practices.

A guidance document is planned to be issued in November 2009. The document comprises a summary of obligations at farm level, as well as a section with a list of points clarified during the expert group meetings. The document may serve as a future reference for national administrations.

3.2.4. Recast of direct payments implementing regulations

Following the Council's Health Check agreement, the implementing provisions for direct payments required updating. The occasion of updating is used to carry out a recast of the three Regulations, which renders them more transparent, easier to read and simpler to navigate.

3.2.5. Implementing regulations on trade issues for processed agricultural products

For similar purposes of clarification and adaptation to actual needs, Commission's services intend to also review the rules concerning trade arrangements which apply to certain processed agricultural products (Non-Annex I goods). While the Council Regulation[14], which lays down the general rules and principles, is going through a codification process, a recast or a replacement could be envisaged for its three implementing regulations[15].

3.3. High Level Group of Independent Stakeholders on Administrative Burdens

3.3.1. Use of information technology by Member States

One of the suggestions to further reduce administrative burden to farmers and operators presented by the High Level Group and included in its opinion on the agricultural sector of March 2009[16], concerns the use of information technology by Member States. The High Level Group reckons for example that Member States could, by introducing an online system for the applications for direct payments as well as an electronic system for the transfer of entitlements, reduce the administrative burden to farmers by around 400 million EUR.

During the Simplification Experts Group on 8 September 2009 these suggestions were presented and discussed in great detail with Member States' experts and a number of delegations presented their national experience with the use of information technology.

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14 Council Regulation (EC) No 3448/1993, OJ L 318, 20.12.1993, p. 18

15 Commission Regulation (EC) No 1488/2001, OJ L 196, 20.7.2001, p. 9; Commission Regulation (EC) No 1043/2005 OJ L 172, 5.7.2005, p. 24; Commission Regulation (EC) No 88/2007 OJ L 21, 30.1.2007, p. 16

16 See:http://ec.europa.eu/enterprise/policies/better-regulation/files/hlg_opinion_agriculture_050309_en.pdf

Equally, the simplification potential of information technology has also been discussed by Directors of Paying Agencies in Bordeaux, during one of their regular meetings.

The Commission's services will soon send out a questionnaire for Member States' experts on that topic. The results generated by the questionnaire may serve as a useful reference for all Member States wanting to obtain further information on this particular subject matter.

3.3.2. Beef labelling

Another suggestion put forward by the High Level Group concerns the repeal of the notification requirement with regard to the use of voluntary labelling indications for beef.

As the traceability of beef products remains guaranteed via the compulsory labelling elements, DG AGRI and DG SANCO are favourable to preparing legislative proposals with a view to implementing this recommendation soon, which would further reduce the administrative burden to operators.

3.3.3. Tolerable risk of error

In December 2008, the Commission adopted a Communication on the concept of tolerable risk of error which included an illustrative case study of the costs and benefits of controlling agri-environmental measures[17]. Tolerable risk is the level of undetected error accepted or tolerated, once inherent risk has been mitigated by cost-effective controls.

The information provided by Member States suggested that in order to reduce the error rate for agri-environmental measures below the 2% materiality threshold presently used by the Court, the controls would have to be increased to a level where their overall costs would amount to almost 30% of total public expenditure concerned, which would not be cost-effective.

Commission's services are presently gathering updated information from the Member States with a view to submitting a concrete proposal for tolerable risk levels for consideration by the Budgetary authority in 2010. This proposal will inform discussion on the proper balance between the costs of controlling rural development measures and the benefits which the controls bring in terms of reducing irregular expenditure in the light of complex eligibility conditions designed to achieve targeted policy objectives.

4. ANNEX

The annex to this document contains a technical fiche per individual proposal for simplification.

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[17] COM(2008) 866 final, Towards a common understanding of the concept of tolerable risk of error

ANNEX

Technical fiches

Proposal 1	
Policy area: Cross Compliance	
Optional for Member states to increase the possibility for using self assurance/certification/standards which is controlled by an independent third party in order to reduce public control. Self assurance is already an integrated part of Regulation 852/2004 (Regulation on the hygiene of foodstuffs). Furthermore, it is possible to reduce public control if an independent third party certifies and performs control. In the common agricultural policy, the Commission has so far rejected the idea of replacing public control with other types of control. For instance, Member States could be given the possibility to choose to replace CC controls of requirements, with the certification schemes used by private industries, e.g. dairies and slaughterhouses (796/2004, article 47).	
ASSESSMENT	**Examined before? ☒ Yes ☐ No**
	If yes, what was the outcome? The issue of using certification systems for cross compliance controls has been extensively discussed with Member States and certification bodies following the Commission's Cross compliance Report (2007). The conclusion of the discussion was that the best way to consider the farmer's participation in certification schemes was by means of risk analysis.
	Simplification for: ☒ National authorities ☒ Farmers ☐ Other
	Evaluation: On the one hand, this proposal could result in a reduction of administrative burden for the national authorities as they would need to check fewer requirements during a control (gain of time and money). At the same time the control burden of certified farmers will be reduced. However, it is expected that more coordination will be needed between the Paying Agency and several (private) control bodies for the purpose of information exchanges.
	COMMISSION's services' position: Member States could be authorised to fix at zero the risk factor related to the Statutory Management Requirements and standards for Good Agricultural and Environmental Condition that are included in and verified by a certification scheme. Subsequently, it would be less probable for a farmer who participates in a certification scheme, to be selected for an on-the-spot check. Member States should however not exclude farmers participating in a certification scheme from the random sample for the sake of monitoring the risk. If in one year, the analysis of the control results shows that there is a significant frequency of non compliance of certified farms in the random sample, then the risk factor related to the requirements covered by the certification scheme should be increased.
Follow-up:	A proposal to amend the implementing rules of Council Regulation (EC) No 73/2009 is foreseen for the beginning of 2010.

Proposal 2	
Policy area: General Issues, Markets and Rural Development	
Under EC agricultural law member states are obliged to submit a large number of reports on various aspects of implementation. While such reporting serves important purposes of transparency and evaluation, reporting duties in both pillars (including cross compliance) have reached critical levels of scale and complexity. They should therefore be reviewed with an eye to simplification. A sufficient transition period should always be provided if existing systems are adapted.	
ASSESSMENT	**Examined before?** ☒ **Yes** ☐ **No**
	If yes, what was the outcome? As concerns agricultural market management, reporting obligations are being reviewed in the context of the development of a new integrated and extended IT system ("Information System for Agricultural Market Management and Monitoring, ISAMM") which will facilitate the development of better streamlined reporting duties.
	Simplification for: ☒ National authorities ☐ Farmers ☐ Other
	Evaluation: By introducing standard procedures in ISAMM, reporting obligations will be better streamlined and thus reduce the administrative burden and avoid as well duplication of notifications. In this context a review of all existing reporting obligations should clarify whether they should be maintained.
	COMMISSION's services' position: Agricultural Markets sector: once ISAMM is fully in production, the operational aspects of notifying and establishing reports will be considerably easier. ISAMM is based on a single horizontal Regulation which establishes uniform rules for information exchange: In terms of Rural Development, Commission's services propose to reduce the number of Member State reports under the strategic monitoring as provided for in Article 13 of Regulation (EC) No 1698/2005 from 3 to 2; one report in 2010 and another report in 2015 (i.e. in connection with the mid-term evaluation and ex-post evaluation respectively) and to reduce the content of the report to a summary of the main achievements on national level. This will also require an amendment of Article 14 of that same Regulation. With regard to control statistics (including cross-compliance), the Commission's services are in favour of harmonising and streamlining to the extent possible, the templates for reporting control statistics by the Member States and facilitate their electronic transmission.
Follow-up:	Horizontal Regulation[18] was published on 1st September 2009. ISAMM: ongoing progressive implementation for which the preparatory phases began in mid-2009. Rural Development: It is envisaged to propose to the Commission a proposal to amend Council Regulation (EC) No 1698/2005 in 2010.

18 Commission Regulation (EC) No 792/2009 of 31 August 2009 laying down detailed rules for the Member States' notification to the Commission of information and documents in implementation of the common organisation of the markets, the direct payments' regime, the promotion of agricultural products and the regimes applicable to the outermost regions and the smaller Aegean islands

Proposal 3	
Policy area: General Issues, Markets and Rural Development	
Integrate Regulations no. 796/2004 and no. 1975/2006 into one. At present two regulations deal with more or less the same matter. Yet differences exist in the details, for example in definitions. The aim of the IACS is to function as a single automatic system. It is more efficient to lay down the corresponding rules in one regulation.	
ASSESSMENT	**Examined before?** ☐ **Yes** ☒ **No**
	If yes, what was the outcome?
	Simplification for: ☒ National authorities ☐ Farmers ☐ Other
	Evaluation: Only one part of Regulation 1975/2006 on administration and control rules for rural development concerns IACS related measures. The other part concerns other rural development specific measures. Merging Regulations no. 796/2004 and no. 1975/2006 into one Regulation would very likely lead to the creation of a separate regulation on rural development specific measures. Moreover, cross-references to Regulation No 796/2004 are usually made mutatis mutandis, which would require derogations for rural development in the consolidated version, for example with regard to administrative and on-the-spot checks.
	COMMISSION's services' position: In the current context, with various Council acts which provide for substantially different aid schemes, merging these two Commission implementing regulations would not contribute to further simplification. Instead, Regulation (EC) No 1975/2006 could be updated and clarified. For further details, see fiche 36. Finally, the proposal could be further reviewed in the context of the CAP post 2013 debate.

Proposal 4	
Policy area: General Issues and Markets	
Possibility to use non-IACS approach for small aid schemes: Small support schemes (e.g. school fruit scheme, hemp) for which number of potential beneficiaries is very limited, Member states and authorities could be given possibility to use approach simpler than full Integrated Administration and Control System, i.e. spreadsheet without introduction of fully integrated and specific software based solutions, therefore finding better balance between costs of the system and amounts of aid in charge (Council Regulation (EC) No 73/2009 Article 14).	
ASSESSMENT	**Examined before?** ☐ **Yes** ☒ **No**
	If yes, what was the outcome?
	Simplification for: ☒ National authorities ☐ Farmers ☐ Other
	Evaluation: Even if a small aid scheme in the area of direct payments would not be covered by IACS rules for aid applications, there would still be a need for controls and payments. For those aspects, farmers would have to provide the necessary information. Further, creating a separate control system would annul the benefit of the small aid scheme already being included in the integrated system. This is crucial when it comes to modulation, complying with financial ceilings or possible reductions following non-compliances with cross-compliance requirements.
	COMMISSION's services' position: This proposal would result in two parallel control systems, IACS and an alternative system. Also, as the number of beneficiaries of a scheme may vary from one year to another, it is possible that a certain scheme would be covered by IACS in one year and a following year by an alternative system. All in all, with a view to simplification, it is more suitable to also include small support schemes in IACS so that a harmonised approach can be followed.

Proposal 5	
Policy area: General Issues and Markets	
The possibility of using electronic evidence such as usable container tracking is already partially accepted for remote refund zones. This possibility could be extended to be generally applicable. An alternative form of electronic evidence of arrival should be accepted in the form of electronic customs documents – without a requirement that the documents are signed and stamped by customs before they are approved in the EU (Commission Regulation (EC) No 800/1999 – now recast as Commission Regulation (EC) No 612/2009 of 7 July 2009).	
ASSESSMENT	**Examined before? ☒ Yes ☐ No**
	If yes, what was the outcome? The first element of the proposal concerns container tracking for all types of transport; this issue has been reviewed previously and was on the basis of the available information not acceptable. The second element of the proposal concerns electronic third country's customs import documents and it is currently under review.
	Simplification for: ☒ National authorities ☐ Farmers ☒ Other, namely operators
	Evaluation: As for tracking and tracing of containers, this is already possible for overseas transport and currently applied in two Member States, as the practical aspects of such transport give reasonable assurance that the exported products reached their destinations. So far the Commission services lack reliable information that a similar assurance can be given in the case of transport via road or rail. The Commission services are however always attentive to the simplification potential of new technologies, in particular IT, and will therefore be ready to examine any new evidence on their applicability in the context of reliable proofs of arrival. If container tracking could be widely implemented it would be a simplification for those operators who would make use of the system and fulfill all the conditions. Both national administrations and operators however, would need to actively engage in setting up (and the financing)of a system and the infrastructure. The issue of third country's electronic customs declarations is of a very technical nature. Of the utmost importance is to ensure that only reliable documents are used as justification of payments from the Community budget. These alternative proofs may generate their own administrative burden, whilst on the other hand, their use could speed up the payment of differentiated export refunds.
	COMMISSION's services' position: The Commission's services would like to invite Member States to share their experiences with tracking and tracing systems for container transport with a view to continuing the reflection process on this issue, notably in the light of new technological developments. The Commission's services will discuss the topic of electronic customs import declarations in third countries with the Member States in the framework of the relevant Management Committee.
Follow-up:	The issue has been discussed in the context of the Management Committee in the course of 2009. The discussions are ongoing.

Proposal 6	
Policy area: General Issues and Markets	
There is no justification for the requirement for import licenses for products where there are no special import agreements and arrangements. This licensing requirement could be abolished. As late as 2nd half of 2008 there was a very substantial simplification in this area, but there are still licensing requirements for a number of products such as olive oil, rice, cereals and sugar. (Commission Regulation (EC) No 1291/1999).	
ASSESSMENT	**Examined before?** ☒ **Yes** ☐ **No**
	If yes, what was the outcome? After reviewing the requirements for licenses, the Commission substantially simplified the licensing system in June 2008. As a result**,** the number of products for which a licence is required has been considerably reduced. Where before around 500 products were subject to a licensing obligation for imports, from 1 July 2008 onwards that number is only 65. The High level Group of Independent Stakeholders on Administrative Burdens ("Stoiber Group") is of the opinion that as a result of this measure, administrative burden associated with licences, has already been reduced with around 50%.
	Simplification for: ☒ National authorities ☐ Farmers ☒ Other: operators
	Evaluation: In general, the principle of limiting the license requirement to the minimum is already followed. Licence requirements are only kept in cases when it is justified, in particular by a specific sensitivity of the market which requires a full and reliable monitoring system or for the purpose of managing import duties.
	COMMISSION's services' position: The Commission's services have achieved an extensive simplification of this area. As there is an element of administrative burden associated with the use of licenses, the Commission will continuously review whether the justification and purpose for maintaining the existing licenses remain valid.
Follow-up:	License requirements are under constant review.

Proposal 7	
Policy area: General Issues and Markets	
Additional pre-emptive guidance from the Commission on acceptable risk analysis procedures to be employed by Member States. Currently such guidance is provided largely ex post at the time of conduct of audits by the Commission services.	
ASSESSMENT	**Examined before?** ☐ **Yes** ☒ **No**
	If yes, what was the outcome?
	Simplification for: ☒ National authorities ☐ Farmers ☐ Other
	Evaluation: Setting up a system of risk management initially requires a certain start-up investment as special knowledge is required. Once the system of risk management is fully operational, the level of administrative burden is similar to the level under traditional systems, but the effectiveness of controls is much higher. Risk analysis is a system in which control bodies assess in advance risks in a rational and objective manner; the controls should be tailored to these expected risks. Risk management systems encourage authorities to target controls with optimal efficiency and to give confidence to the Community institutions that budget expenditure is controlled to the highest standards. A risk management system requires detailed knowledge of the control system and of the traffic being assessed, both of which are elements that under the principle of shared management of the budget are at the competence of the Member States. Finally, in the context of shared management, the risk analysis factors have been deleted from Community legislation in 2007 with the objective of allowing Member States to fine-tune their risk-analysis and to improve its effectiveness.
	COMMISSION's services' position: The Commission's services cannot provide additional pre-emptive guidance on acceptable risk analysis procedures due to the differences between the Member States which need to be taken into account in the design of these procedures. Therefore, this task should be left to the Member States. However, the Commission is open to facilitating an exchange of views between Member States on this topic, and indeed has done so in the past by including a specific point dedicated to such exchange of views in the agenda of one of the relevant Committees.
Follow-up:	Commission's services are open to facilitate an exchange of views and best practices between Member States, notably including such exchange as a point on the agenda of the relevant Management Committees.

Proposal 8	
Policy area: General Issues and Markets	
The 20% deduction as meant in article 32(2) of regulation (EC) 1290/2005 should apply to **all** receipts in a reference period from reclamations and/or recovery receipts due to irregularities as meant in article 32(1) of Regulation (EG) 1290/2005.	
ASSESSMENT	**Examined before?** ☐ **Yes** ☒ **No**
	If yes, what was the outcome?
	Simplification for: ☒ National authorities ☐ Farmers ☐ Other
	Evaluation: Pursuant to Article 32(2) of Regulation (EC) No 1290/2005, Member States may retain 20% of the receipts of the recovered sums when crediting these sums to the Community budget, except in cases of irregularity or negligence attributable to the MS. Retaining of 20% also includes the interest generated on the recovered sums as clarified in a working document of the Commission services.
	COMMISSION's services' position: Cases of irregularity or negligence attributable to the Member State are excluded from the 20% deduction since it would lead to a situation in which Member State authorities could commit an error and retain 20% of the receipts of the recovered sums. The 20% rule has already been extended in order to include interest. Extending the application of this rule, even to cases of irregularity or negligence attributable to the Member States is contrary to the principle of sound financial management and would complicate rather than simplify matters.

Proposal 9	
Policy area: General Issues and Markets: dried fodder sector	
Allow an annual check instead of regular additional checks. Change Article 27 of Regulation 382/2005 to: 1. The competent authorities shall undertake regular additional checks on suppliers of raw materials and on operators to whom dried fodder has been supplied. The costs of the controls as required by Article 27 are no longer proportional to the total amount of aid granted. Moreover, the risk of non-compliance is very low. The Article 27 checks are to be done to make sure the goods reach their final state. In the case of dried fodder, there's no financial incentive to change to another destination than fodder.	
ASSESSMENT	**Examined before? ☐ Yes ☒ No**
	If yes, what was the outcome?
	Simplification for: ☒ National authorities ☒ Farmers ☐ Other
	Evaluation: The aim of the controls is not to make sure that goods reach their final state, but the verification of the coherence between the supported quantities and the stocks of operators to whom the dried fodder has been supplied. A single annual verification (probably at the end of the campaign) will not generate an adequate level of information on the stocks.
	COMMISSION's services' position: The specific coupled support scheme for dried fodder will expire in 2012. With the integration of the scheme into the decoupled Single Payment Scheme, the specific controls for dried fodder will no longer be required.
Follow-up:	The specific coupled support scheme for dried fodder, with its controls, will end in 2012.

Proposal 10	
Policy area: General Issues and Markets: promotion	
Eligibility conditions could be made simpler concerning support for product promotion (for example, a possibility could be considered to make the program assessment time shorter in the European Commission so that the program do not lose its topicality before it is implemented); (Commission Regulation (EC) No 501/2008 Article 11).	
ASSESSMENT	**Examined before? ☐ Yes ☒ No**
	If yes, what was the outcome?
	Simplification for: ☒ National authorities ☐ Farmers ☐ Other
	Evaluation: At present, the selection proceedings last four months and include: examining of the draft programmes, providing a letter with observations two months after reception of the programme, response time for Member States, consultation with various services and a discussion and approval in the Management Committee. In addition, Member State authorities have a period of 3 months to sign contracts. Finally, guidance is provided by the Commission's services via the means of guidelines published on the internet or during bilateral meetings and seminars.
	COMMISSION's services' position: It would require a profound change in policy to make the program assessment shorter and decentralise the eligibility conditions to the Member States. Over the past couple of years, more than half of the proposals received from Member States turned out to be insufficient and have been rejected. The time used for assessing draft programmes could possibly be reduced if the share of inadequate programmes submitted to the Commission's services would be lower. Nevertheless, Commission's services are planning to undertake an assessment of the current system in order to achieve a harmonisation and simplification of promotional instruments which would be less burdensome to use.
Follow-up:	Preparations for the assessment process of the current policy for promotion are foreseen to start in 2010 The outcome of the assessment may be part of the debate on the CAP post 2013.

Proposal 11	
Policy area: General Issues and Markets	
Alignment of exchange rate dates in the agri-monetary regime: introduction of simplified conditions and terminology for agro-monetary regime (Commission Regulation (EC) No 1913/2006). Due to differences in holidays and difficulties arising thereof, practice currently used in securities could be applied for export refunds as well, i.e. we propose to delete Article 11 paragraph (a) of Commission Regulation No 1913/2006. In addition there is a need for clear terminology, therefore language in Article 10 and Article 11 of Commission Regulation No 1913/2006 shall be clarified accordingly: a) in Article 10 it is necessary to define what is understood by "date on which the security lodged" - to avoid misinterpretation it would be useful to state that it is the date when security is provided (lodged) for assuring fulfilment of particular obligations (attached to the particular market measure); b) in Article 11 it is useful to clarify that the most recent rate set by ECB has to be used notwithstanding to any national holidays.	
ASSESSMENT	**Examined before?** ☐ **Yes** ☒ **No**
	If yes, what was the outcome?
	Simplification for: ☐ National authorities ☐ Farmers ☐ Other ☒ Not applicable
	Evaluation: This proposal primarily concerns a request for clarification of the existing provisions rather than a suggestion for simplification
	COMMISSION's services' position: The Commission's services will further clarify by letter the existing provisions. Where appropriate, such clarification could also be given in the context of the management committee.
Follow-up:	Letter to be sent in 4th quarter of 2009.

Proposal 12	
Policy area: Cross-compliance	
To significantly reduce and if possible abolish yearly CC controls of the requirements per Statutory Management Requirements (SMR) or part of SMR in case there have been no, or only very few infringements of these requirements in recent years. Alternatively the requirements could be "sleeping" and triggered for CC control, only when a similar requirement in the specific sector regulation is being infringed (73/2009, article 4 and 796/2004, article 47), as is the case for animal diseases which are not encountered in certain Member States.	
	Examined before? ☒ **Yes** ☐ **No**
A S S E S S	**If yes, what was the outcome?** Depending on the way the Member States select their control sample, they can already on the basis of a risk analysis reduce the number of CC controls on the requirements per SMR or part of SMR were there have been no or only few infringements. The principle is that no SMR may be a priori ignored in the risk analysis. Nevertheless when carrying out an appropriate risk analysis, those farmers which have to respect SMRs with a low risk (and have been attributed a low risk factor in the risk analysis) have a lower probability to be selected for on the spot controls.
S	**Simplification for**: ☒ National authorities ☒ Farmers ☐ Other
M E N	**Evaluation:** The reduction of yearly cross compliance controls for requirements in case where there have not been or only few infringements in recent years, will reduce the administrative burden for the national authorities as well as for farmers as the control visits will be shorter.
T	**COMMISSION's services' position**: One of the main principles of cross compliance is that all requirements should be checked. The Commission's services therefore see no basis to accept the abolition of controls of certain cross-compliance requirements. By means of a properly set up and carried out risk analysis, Member States can focus controls on those SMRs which have a higher risk and therewith reduce controls on those SMRs which have a lower risk probability.

Proposal 13 + 14	
Policy area: Cross-compliance	
Proposal 13: To abolish the requirement for follow-up checks in relation to small infringements (triviality limit). Today there is a stronger follow up on minor infringements than on ordinary infringements (73/2009, article 24). **Proposal 14**: All of the follow-up controls concerning the cases of reduction or exclusion amounting to EUR 100 or less (de minimis rule) or concerning the cases of minor infringements shall be included in the minimum control rate referred to in paragraph 1 of article 44 of regulation 796/2004.	
ASSESSMENT	**Examined before? ☒ Yes ☐ No**
	If yes, what was the outcome? These points were discussed following the adoption of the 2007 report on cross-compliance. At the time the proposals could not be retained.
	Simplification for: ☒ National authorities ☒ Farmers ☐ Other
	Evaluation: With regard to follow up checks in relation to both minor infringements and the de-minimis-rule the Council Regulation specifies that: 1) Member States must take the action required to ensure that the farmer remedies the non compliance determined; 2) Follow up controls should not be taken into account when establishing the minimum control rate. Accepting the proposals would lead to a lower number of controls. As the follow up controls are only partial controls (only the requirement in breach is checked), the number of complete on the spot checks would even be lower than the minimum control rate of 1%. Compared to the current situation where the follow up checks are not included in the minimum control rate, the proposal would reduce the number of checks to be performed by the national authorities.
	COMMISSION's services' position: With regard to the follow up of minor infringements and the de-minimis rule, the competent authority could every year establish the population of farmers which received a 'warning letter ' the year before and who did not remedy immediately on the spot. Of these farmers, only 20% would be checked on the basis of a risk analysis. This control rate would be increased in case a high rate of non-compliances is determined. These controls would be in addition to the controls carried out in the context of the regular 1% minimum control rate.
Follow-up:	It is envisaged to propose to the Commission a proposal to amend Council Regulations (EC) No 73/2009 and (EC) No 1698/2005 in 2010, possibly followed by subsequent amendments of the implementing rules of these Regulations.

Proposal 15	
Policy area: Cross-compliance	
Only clear and precise requirements understandable for farmers and control authorities should be used as a requirement and form the basis for CC controls (73/2009, annex 2 and 3).	
ASSESSMENT	**Examined before?** ☒ **Yes** ☐ **No**
	If yes, what was the outcome? In the framework of the Health Check an analysis has been made of Annex 2 of R. 73/2009 and some requirements, that were not directly applicable to farmers, have been deleted from that annex.
	Simplification for: ☒ National authorities ☒ Farmers ☐ Other
	Evaluation: The exact cross-compliance requirements are to be defined and established by Member States' authorities.
	COMMISSION's services' position: During the past couple of months, the Commission has held a number of meetings with Member States at expert level, to further clarify the rules for cross compliance at farm level. During these meetings, DG SANCO and DG ENV and DG AGRI gave presentations on the SMRs and GAEC and Member States exchanged their views and experiences.
Follow-up:	A guidance document will be issued in November 2009.

Proposal 16	
Policy area: Cross-compliance	
To abolish or make it optional to use statutory management requirements which could not be straightforwardly controlled, for example, requirements for animal welfare (Council Regulation (EC) No 73/2009 Annex II).	
ASSESSMENT	**Examined before? ☒ Yes ☐ No**
	If yes, what was the outcome? The proposal was discussed in the context of the Health Check and was not retained.
	Simplification for: ☒ National authorities ☒ Farmers ☐ Other
	Evaluation: This proposal introduces the notion that part of the existing EU legislation can not be controlled. This view is not shared by the Commission Services.
	COMMISSION's services' position: As expressed with regard to proposal 15, the Commission's services are in the process of further clarifying the cross-compliance rules at farm level.
Follow-up:	A guidance document will be issued in November 2009.

Proposal 17	
Policy area: Cross-compliance	
To give Member States possibility to make use of the specific sector controls that stem from the different sectors where the rules under cross compliance originates. The aim would be to abolish the rules for specific controls for cross compliance (CC), if there is a specific sector control, which covers all relevant requirements (R.796/2004, article 44).	
ASSESSMENT	**Examined before?** ☒ **Yes** ☐ **No**
	If yes, what was the outcome? As Member States may already establish as competent control authority for cross compliance the control body that is carrying out specific controls, the proposed arrangement can be applied under the current legislation on cross compliance. However, once the MS have established the competent control authorities it might be difficult (within the MS) to change this.
	Simplification for: ☒ National authorities ☒ Farmers ☐ Other
	Evaluation: The proposal implies that there would no longer be checks by both the authorities relevant for cross compliance and the authorities responsible for specific sector checks. This would thus reduce the overall number of checks and reduce the burden for both national authorities and farmers. In order to make the proposal work effectively, it would be required that control bodies report all their findings to the Paying Agency and that the activities of the Paying Agency and the specialised control bodies are closely coordinated.
	COMMISSION's services' position: The Commission's services will further examine the following option: Member States could be given the option to make use of on-the-spot controls, which have not been carried out by specialised control bodies or Paying Agencies officially designated under cross compliance but by control bodies pursuant to sector specific legislation (e.g. The Official Food and Feed Control programme). However, it should be ensured that: 1) the scope of these controls covers all aspects of the relevant requirements or standards as defined under cross compliance; 2) the population covered by these controls would represent at least 1% of the beneficiaries of aid to which the SMR applies and; 3) the effectiveness of the controls is at least equal to the effectiveness of the controls carried out by a designated cross compliance control body. The sector specific control bodies would have to report to the Paying Agency in such a way that it would permit the application of reductions, in the same manner as normal cross-compliance checks would.
Follow-up:	A proposal to amend the implementing rules of Council Regulation (EC) No 73/2009 is foreseen for the beginning of 2010.

Proposal 18	
Policy area: Cross-compliance	
To make use of the principle regarding controls already used in the IACS-control, where only 50 % of the fields are inspected. The CC checks could be based on a selection of requirements based on a risk analysis. If no infringements in the CC controls of the first 50% of the requirements are found, the remaining requirements should not be checked, and the whole CC control should be regarded as OK (R.796/2004, article 47).	
ASSESSMENT	**Examined before?** ☒ **Yes** ☐ **No**
	If yes, what was the outcome? When the cross-compliance report was discussed in 2007, this idea was raised. It was not accepted at the time for the reasons set out below.
	Simplification for: ☒ National authorities ☒ Farmers ☐ Other
	Evaluation: This proposal would seriously decrease the effectiveness of the control system and could lead to considerable differences between Member States in their control practices. In addition, there is no comparison between the rules for sampling the parcels that are to be checked and the SMRs that are to be checked.
	COMMISSION's services' position: One of the main principles underlying the IACS is that when a farm is selected for an on the spot control, the farm shall be checked for all obligations for which it was selected. This approach is of significant importance to the effectiveness of cross-compliance controls and should therefore not be abandoned. Article 47(4) of Commission Regulation (EC) 796/2004 already provides Member States with the possibility to use objective control indicators specific to certain requirements and standards. The effectiveness of the control of requirements and standards concerned shall be at least equal to on-the-spot checks performed without the use of indicators.

Proposal 19	
Policy area: Cross-compliance	
Based on the infringements the year before, the control frequency might have to be increased the following year, however the increased control frequency should only relate to the specific requirement and not to the whole SMR (R. 796/2004, article 44).	
ASSESSMENT	**Examined before?** ☒ **Yes** ☐ **No**
	If yes, what was the outcome? This has been discussed at a previous revision of R. 796/2004. Until 2008 the Regulation required the MS to increase the number of on the spot checks in a whole area of cross compliance when the number of non compliances in that area had been increased significantly. From 2008 onwards, the MS is required to increase the number of on the spot checks in relation to an act or standard if the on the spot checks have revealed a significant degree of non compliances with the given act or standard.
	Simplification for: ☐ National authorities ☒ Farmers ☐ Other
	Evaluation: The proposal would reduce the control intensity as the additional controls only relate to the specific requirement and not the whole SMR. It is however doubtful that the administrative burden for control authorities will reduce significantly.
	COMMISSION's services' position: MS can be allowed to focus, on an optional basis, during the additional checks (above the minimum control rate of 1%) on the most frequently infringed requirements. However, the trigger for the increase of the on the spot should remain related to non compliances established within an act or standard.
Follow-up:	It has been proposed to amend the implementing rules of Council Regulation (EC) No 73/2009 accordingly with effect from 1 January 2010.

Proposal 20	
Policy area: Cross-compliance	
There has been a tendency for the number of CC requirements to increase steadily. This has reduced the acceptance of the whole concept among farmers and has created considerable burdens for national administrations. In the future, if requirements are added to address new challenges, a corresponding number of requirements could be taken out from the existing ones ("one in, one out").	
ASSESSMENT	**Examined before? ☒ Yes ☐ No**
	If yes, what was the outcome? This approach was expressed in the Council conclusions on the 2007 report on cross compliance and taken into account in the Health Check. Where some GAEC standards were added to address new concerns, a number of SMRs has been withdrawn and certain GAEC standards were made optional.
	Simplification for: ☒ National authorities ☒ Farmers ☐ Other
	Evaluation: Cross-compliance and its requirements aim to contribute to making farming more sustainable and making the CAP more compatible with expectations of consumers and taxpayers. To respond to changes in these expectations, requirements may be taken out or be introduced.
	COMMISSION's services' position: As shown in the Health Check, the Commission's services are in agreement with the suggested approach. The "one in-one out" rule however should be seen as a guiding principle, not as a pure mathematical rule.
Follow-up:	This concept is applied constantly, however not as an arithmetical rule but with the spirit of the "cost/benefit" approach.

Proposal 21	
Policy area: Cross compliance	
To make optional those statutory management requirements, which concern only small amount of farmers in particular MS or to make possible to use very simple control system for such requirements (Council Regulation (EC) No 73/2009 Annex II).	
ASSESSMENT	**Examined before?** ☒ **Yes** ☐ **No**
	If yes, what was the outcome? This proposal was previously discussed during the Health Check and it was decided to not take it into account.
	Simplification for: ☒ National authorities ☐ Farmers ☐ Other
	Evaluation: In order to avoid two parallel systems, all SMRs that are compulsory pursuant to sectoral law, keep the same status under cross compliance. Member States are however in the position to limit the number of controls of the SMRs that are only relevant for a small group of farmers. They can do so via the set up of the control system, for example via the definition of competent control authorities, and by the way the risk analysis is carried out. Furthermore this would also impose a risk of discrimination and create discrepancies between farmers in the different Member States.
	COMMISSION's services' position: Introducing a dual system would not simplify matters for farmers. In addition, already under the current legislation a requirement does not have to be checked if it is not relevant for the farmer concerned.

Proposal 22	
Policy area: Rural Development, Cross-compliance	
The advisory service (FAS) shall cover **one or more** statutory management requirements (SMR's) and/or good agricultural and environmental conditions (GAEC's). Because now the system requires that the FAS covers **all** SMR's and GEAC's. Tailor made farm advice is now impossible.	
ASSESSMENT	**Examined before?** ☐ **Yes** ☒ **No**
	If yes, what was the outcome?
	Simplification for: ☒ National authorities ☐ Farmers ☐ Other
	Evaluation: The Farm Advisory System (FAS) set up in the first pillar of the CAP ensures that all farmers are entitled to receive advice on all SMRs and GAEC in order to help them implementing the obligations under cross compliance. As the advice is voluntary to farmers under the system, this allows tailor-made advice because it is up to the farmer to choose the obligation for which he needs advice. Under Rural Development, the interpretation of the respective provisions was until now that it is possible to grant support for the use of advisory services covering SMRs, GAEC and occupational safety standards based on Community legislation. This provision is commonly seen as an obligation for the advisory service to offer advice on all the mentioned subjects to the farmer who applied for funding. Support is limited to maximum 80% of the eligible costs per advisory service. This has led to a situation in which farmers, who do not want to pay for the part of the advice they do not require, do not ask for advice at all, even if they could benefit from it.
	COMMISSION's services' position: The Farm Advisory System (FAS) should be available to all farmers in each Member State so that they can obtain advice on all SMRs and GAEC. With regard to co-financing the use of farm advisory services the Commission's services can accept the proposal for more flexibility of financing under Rural Development. It will be clarified by a modification of Commission l Regulation (EC) No 1974/2006 that in order to be eligible for support, the farmer should seek advice on cross compliance requirements but that there is no obligation that this advice should cover all requirements and standards. This would allow providing tailor made advice to farmers, who can decide themselves on which SMRs or GAECs they seek advice. Funding under Rural Development would not be available for the use of advisory services which do not provide any advice on cross compliance.
Follow-up:	A proposal to amend Commission Regulation (EC) No 1974/2006 accordingly is foreseen in 2010.

Proposal 23	
Policy area: Cross compliance	
Enable Member States generally to reduce the inspection quota to a specific lower limit, if they have a functional database and a risk analysis which has proven to be effective for the evaluation required under Community law. With regard to cross-compliance in particular, an increase of inspection quota under article 44 (2) of 796/2004 should only be implemented, if the significant irregularities are ascertained in those farms which were selected for inspection randomly; otherwise Member States will be discouraged to establish an effective risk analysis.	
ASSESSMENT	**Examined before? ☒ Yes ☐ No**
	If yes, what was the outcome? This matter has been discussed in the context of the 2007 cross-compliance Report and was not retained.
	Simplification for: ☒ National authorities ☐ Farmers ☐ Other
	Evaluation: At present, the rules related to the increase of the on-the-spot control sample are based on the control results. When the rate of irregularity/non-compliance found is above a certain threshold, the control rate should be increased, with the rate of irregularity being based on the random sample (20-25% of the total number of checks) and the risk-based sample (75-80%). It can be argued that the current set up is unfavourable to those Member States which carry out a good and effective risk analysis as well as that the random sample provides a more representative picture of the level of irregularities/non-compliances in a Member State.
	COMMISSION's services' position: In the current system, the rate of irregularity / non–compliance which triggers the increase in inspection quota is based on the results of the controls carried out on the basis of the random sample (20-25% of the total number of checks) together with the risk-based sample (75-80%). Commission's services could support a modification to the system, with a view to equally weighing (50/50) these 2 samples so that the increase would be based on 50% of the rate of irregularity/non-compliance from the random sample and 50% of the rate of irregularity/ non-compliance from the risk-based sample. This new approach would not only apply to cross-compliance, but to eligibility for direct payments as well given the fact that the reasoning is the same.
Follow-up:	Commission's services foresee a change to working document DS/2006/25 rev 1, by the end of 2009.

Proposal 24	
Policy area: Cross-compliance	
Change the definition of 'repeated non-compliance' in Article 41 of Regulation 796/2004: (a) 'repeated' non-compliance shall mean the non-compliance with the same requirement, standard orobligation referred to in Article 4 determined more than once within a consecutive period of three calendar years, provided the farmer has been informed of a previous non-compliance and, as the case may be, has had the possibility to take the necessary measures to terminate that previous non-compliance. Article 41 of Regulation 796/2004 states that "a 'repeated' non-compliance shall mean the non-compliance with the same requirement, standard or obligation referred to in Article 4 determined more than once within a consecutive period of three years. Applying periods measured in 'calendar years' is substantially easier to administer than periods measured in 'years' or 'days'.	
ASSESSMENT	**Examined before? ☐ Yes ☒ No**
	If yes, what was the outcome?
	Simplification for: ☒ National authorities ☐ Farmers ☐ Other
	Evaluation: The proposal will clarify the current text
	COMMISSION's services' position: The Commission's services intend to clarify the relevant provisions on repeated non-compliance.
Follow-up:	It has been proposed to amend the implementing rules of Council Regulation (EC) No 73/2009 accordingly with effect from 1 January 2010.

Proposal 25	
Policy area: Direct Payments	
Make it possible for Member States to also allow lease of payment entitlements without land. This means erasing the current rule saying that payment entitlements can only be leased out if it is leased out with a corresponding eligible area. (73/2009, article 43 (2))	
ASSESSMENT	**Examined before? ☒ Yes ☐ No**
	If yes, what was the outcome? This matter also came up during the Health Check discussions and was not accepted as it would encourage speculation (sofa farmers) and could hamper the proper functioning of cross-compliance.
	Simplification for: ☒ National authorities ☒ Farmers ☐ Other
	Evaluation: Accepting the proposal would encourage speculation and could hamper the proper functioning of cross-compliance.
	COMMISSION's services' position: Direct support should benefit the active farmer. Accepting this proposal could lead to a situation where that is not the case. Support could go to non-active farmers, encourage speculation and lead to so-called sofa-farming.

Proposal 26	
Policy area: Cross-compliance	
With the introduction of the decoupled Single Payment Scheme in 2005, it was an EU requirement that Member States must ensure that the total area of permanent pasture is not reduced substantially (5-10 percent from 2003 levels). The requirement does not require that each parcel must be maintained with grass, but that the sum of permanent grassland in the country is maintained. The development so far has shown no big changes. The requirement should be reviewed and potentially abolished.	
ASSESSMENT	**Examined before?** ☐ **Yes** ☒ **No**
	If yes, what was the outcome?
	Simplification for: ☒ National authorities ☐ Farmers ☐ Other
	Evaluation: The rule for the maintenance of the ratio of permanent pasture is meant to avoid substantial conversion of grassland into arable land. So far, the safety net has not been triggered. In some regions though it has led to the taking of preventive measures. Especially for its environmental dimension, this system is seen as positive and should be maintained.
	COMMISSION's services' position: In order to respond to the problems encountered by Member States with the development of the ratio of permanent pasture, Commission's services envisage that Member States have the option to adapt the reference ratio of permanent pasture in those cases where the evolution of the ratio of permanent pasture does not reflect an actual change of the share of permanent pasture in the total agricultural area.
Follow-up:	It has been proposed to amend the implementing rules of Council Regulation (EC) No 73/2009 accordingly with effect from 1 January 2010.

Proposal 27	
Policy area: Direct Payments	
Member states are given the possibility for phasing out the current system of payment entitlements. In the future the single farm payment in each Member State/Region could instead be based on a simplified flat rate basic support system based on uniform payments per hectare. For each applicant, this means that payment will equal the number of eligible hectares multiplied by the rate per hectare. This would form the basic support on top of which it is possible to grant further aid based on objective criteria/services rendered to the society.	
ASSESSMENT	**Examined before? ☒ Yes ☐ No**
	If yes, what was the outcome? It was discussed within the framework of the Health Check and it was concluded that SAPS, which is a flat rate system, is transitory. The end of the transitory period is 2013.
	Simplification for: ☐ National authorities ☐ Farmers ☐ Other
	Evaluation: This proposal is of a political nature and implementing it would lead to fundamental changes in policy.
	COMMISSION's services' position: The political scope of this suggestion goes beyond the remit of a technical simplification exercise. The issue should be addressed in the context of the debate on the CAP post 2013.

Proposal 28	
Policy area: Direct Payments	
The current definition of eligible land for the purposes of single payment is too strict and should be reviewed. In particular, the provisions regarding hedges, ditches and some marginal land are anomalous and should be reconsidered.	
ASSESSMENT	**Examined before?** ☐ **Yes** ☒ **No**
	If yes, what was the outcome?
	Simplification for: ☒ National authorities ☒ Farmers ☐ Other
	Evaluation: Experience gained since the introduction of the CAP reform of 2003 has shown that it is sometimes difficult to determine in practice the eligible agricultural area for the decoupled area-related aid schemes. The problem is related to un-cultivated areas, where the assessment of whether an area is maintained in a way so as to be considered eligible can be difficult. In addition, diverging opinions driven by diversity of agricultural traditions and land use in Member States, different environmental priorities and different expectations from the public opinion might also affect the choices and practices of Member States as to what should constitute "eligible agricultural area".
	COMMISSION's services' position: The issue has an important political dimension as it touches upon the fundamental question of what the first pillar of the CAP shall support. This issue therefore goes beyond the scope of a technical simplification exercise and further evaluation is required.
Follow-up:	A further assessment of the proposal will be carried out, weighing the important and fundamental aspects of the issue. The assessment will include an exchange of views with the Member States on their experiences with the current situation, possible problems encountered and possible ways of addressing these problems. This will take place within the framework of the Management Committee for Direct Payments.

Proposal 29	
Policy area: Direct Payments	
Allow Member States to recalculate the value of the payment entitlements in case the farmer owns various fractions of an entitlement of the same origin. Change article 3(3) of Regulation 795/2004 to: 3. Where the size of a parcel which is transferred with an entitlement in accordance with Article 46(2) of Regulation (EC) No 1782/2003 amounts to a fraction of a hectare, the farmer may transfer the part of the entitlement concerned with the land at a value calculated to the extent of the same fraction. The remaining part of the entitlement shall remain at the disposal of the farmer at a value calculated correspondingly. If the receiving farmer already owns a fraction of an entitlement of the same nature and same usage history, these fractions will be merged by adding up the corresponding values of the fractions and by dividing the sum by the fractions of these values. Fractions of entitlements of the same nature, but with a different usage history may be merged in the same way, but only on application of the receiving farmer and on the condition that for the merged entitlement the usage history of the least used fraction will be taken into consideration for the total of the merged entitlement.	
ASSESSMENT	**Examined before? ☒ Yes ☐ No**
	If yes, what was the outcome? The issue has been examined in the context of the Commission implementing Regulation (Regulation which is due to replace R.795/2004) following the Health Check. The proposal is included in the revised detailed rules.
	Simplification for: ☒ National authorities ☒ Farmers ☐ Other
	Evaluation: This proposal will reduce the number of fractions of payment entitlements to be handled thus facilitating actions like transfer of entitlements for the farmer and the administration.
	COMMISSION's services' position: Implementing rules, which allow the recalculation of the value of payment entitlements in case the farmer owns various fractions of an entitlement, have recently been adopted and will apply from 2010.
Follow-up:	It has been proposed to amend the implementing rules of Council Regulation (EC) No 73/2009 accordingly with effect from 1 January 2010.

Proposal 30

Policy area: Direct payments

Grant exemption from the obligation to submit a single application to farmers who use less than 1 hectare or less than the adjusted threshold referred to in article 28, first paragraph, second subparagraph, of the new Regulation on direct payments. Change Article 11(1) of Regulation 796/2004 to:

1. A farmer applying for aid under any of the area-related aid schemes may only submit one single application per year. A farmer who does not apply for aid under any of the area related aid schemes but applies for aid under another aid scheme listed in Annex I of Regulation (EC) No 1782/2003, shall submit a single application form if he has agricultural area as defined in Article 2(a) of Regulation (EC) No 795/2004 at his disposal in which he shall list these areas in accordance with Article 14 of this Regulation. However, Member States may exempt farmers from this obligation where the information concerned is made available to the competent authorities in the framework of other administration and control systems that guarantee compatibility with the integrated system in accordance with Article 26 of Regulation (EC) No 1782/2003.

Moreover, Member States may exempt farmers from this obligation in the case of farmers who use less than a minimum amount of hectares, to be fixed by the Member State, but not higher than 1 hectare or than the adjusted threshold after applying article 28, first paragraph, second subparagraph, of the new Regulation on direct payments.

ASSESSMENT

Examined before? ☐ **Yes** ☒ **No**

If yes, what was the outcome?

Simplification for: ☒ National authorities ☒ Farmers ☐ Other

Evaluation:

This proposed simplification seems already to be covered by the obligation introduced in the framework of the Health Check, which allows Member States to apply a minimum requirement for support in the form of either a minimum holding size in hectares or in the form of a minimum aid amount. As a result, the said farmers do not qualify for support which subsequently seems to render this proposal no longer pertinent**.**

Authorities are still required, for the proper functioning of the controls and cross-compliance system, to have an overview of all agriculture land on the holding, even if a farmer would not submit an application for area aid.

COMMISSION's services' position:

Following the introduction of the minimum requirements in the framework of the Health Check, the proposal no longer seems to be pertinent.

The only issue which could be considered relates to farmers with e.g. less than 1 hectare who do not apply for any area-related payments but for example only for animal premium. These farmers could be exempted from the requirement to declare precisely the parcels they have. However, for control purposes, these farmers would still be required to indicate in their application if the holding contains land.

Also, a simplified application procedure is provided for under current legislation, whereby a farmer only has to indicate on his application form the changes made in comparison to the application made in the previous year. Consequently, if there are no changes, the farmer would only have to sign his pre-printed application form.

Follow-up:	It is envisaged to propose to the Commission a proposal to amend Council Regulation (EC) No 73/2009 in 2010, possibly followed by subsequent amendments of the implementing rules of that Regulation.

Proposal 31

Policy area: Direct Payments

The obligation to submit the additional documents with the application can be withdrawn. For example, change Article 13 of Regulation 796/2004 to:

> "1. In the case where a farmer intends to produce hemp in accordance with Article 52 of Regulation (EC) No 1782/2003 or hemp grown for fibre as referred to in Article 106 of that Regulation, the farmer keeps at the disposal of the control officials
>
> (a) all information required for the identification of the parcels sown in hemp, indicating the varieties of seed used;
>
> (b) an indication as to the quantities of the seeds used (kg per hectare);
>
> (c) the official labels used on the packaging of the seeds in accordance with Council Directive 2002/57/EC and in particular Article 12 thereof."

This is only an example. A similar approach could be used for all supporting documents mentioned in these articles

ASSESSMENT

Examined before? ☒ **Yes** ☐ **No**

If yes, what was the outcome?

From a control point of view it was not considered appropriate to delete the requirement for submitting supporting documents together with the application. However, an element of simplification has been provided, allowing the authorities to retrieve relevant information directly from its source, e.g. the supplier of seeds or the processor instead of retrieving information at the farm level.

Simplification for: ☒ National authorities ☒ Farmers ☐ Other

Evaluation:

Concerning hemp, particular control elements are in place due to the health aspect connected to the crop. To perform these sensitive controls (including the verification of THC content) detailed information is needed by the administration.

In addition, at the end of 2008, the rules applicable to hemp have been simplified, for example by replacing the annual procedure of updating the list of eligible varieties by a reference to the Common Catalogue of Varieties.

Concerning other crops, the required documents are not only used for on-the-spot controls. They are a pre-condition to be eligible for the aid in question and form a crucial part of the administrative controls and cross checks. Changing from a 100 % administrative control of the documents to only a 5% control of the documents during on-the-spot checks would considerably increase the risk of granting aid when eligibility conditions are not fulfilled.

COMMISSION's services' position:

Even though it is not possible to respond favourably to the request, it should be kept in mind that existing tools, i.e. the possibility to retrieve the information directly from the source, may already facilitate a considerable simplification.

Proposal 32	
Policy area: Direct Payments	
Allow Member States to apply the measurement tolerance as referred to in article 30(1) of Regulation 796/2004 also with respect to administrative checks based on the GIS as referred to in article 6(1) of that Regulation. Add the following to Article 30(1) of Regulation 796/2004: "A measurement tolerance or a triviality limit can also be applied to parcels as established by the GIS as referred to in Article 6(1) of this Regulation in the performance of the administrative checks according to Article 24(1) and (2) of this Regulation."	
ASSESSMENT	**Examined before?** ☐ **Yes** ☒ **No**
	If yes, what was the outcome?
	Simplification for: ☒ National authorities ☐ Farmers ☐ Other
	Evaluation: Actually, the "measurement tolerance" referred to is a technical tolerance and compensates for uncertainty linked to the tools used for measuring the parcels, e.g. the GPS. It is not a "triviality limit". The information of the maximum eligible area in the reference parcel is fixed in the Land Parcel Identification System (LPIS). Once the area is fixed, it is no longer subject to technical uncertainty. Subsequently, the maximum eligible area from the LPIS-Geographic Information System is used as the reference for the purposes of administrative cross-checks and payment calculation. Via the use of a pre-established application form, the farmer is informed about the maximum eligible area of the reference parcel and about the eligible area determined the previous year. Should the initially registered area in LPIS not be correct, then there are procedures in place to solve this matter and the farmer shall, when returning his application form, correct the border of the reference parcel and indicate the correct area of the agricultural parcels concerned by the change. Moreover, current legislation provides that in the case the area declared by two or more farmers within the same reference parcel exceeds the maximum area with a difference which falls within the technical tolerance, the Member States may provide for a proportional reduction of the areas concerned.
	COMMISSION's services' position: The purpose of the LPIS is to provide stable and continuous information about a parcel and the related eligible area. Once the LPIS is established and the eligible area is determined and registered in the system, there is no need for a yearly application of a technical tolerance. Namely, from that moment, the maximum eligible area should be clear to both farmers and administration. In case of an over-declaration, the rules on reductions and payments provide for certain thresholds which apply before adjustment of the declared area and possible reductions in aid are employed.

Proposal 33

Policy area: Direct Payments

If the margins within which the total possible amount of aid lies have been established by the national authorities, an advanced payment is justified.

In Article 10(1) of Regulation 796/2004, replace “not be made before” by “only be made in so far”:

> 1. Without prejudice to the time period provided for in Article 28(2) of Regulation (EC) No 1782/2003 or any rules providing for the payment of advances in accordance with paragraph 3 of that Article, direct payments falling within the scope of this Regulation shall only be made in so far the checks with regard to eligibility criteria, to be carried out by the Member State pursuant to this Regulation, have been finalised.

As many applications are lodged in the final days of an application period, not all of the applications can be checked on their completeness immediately after receipt. However, the current article does not leave any other possibility than denying the application if one or more of the accompanying documents is missing or incomplete.

ASSESSMENT

Examined before? ☒ **Yes** ☐ **No**

If yes, what was the outcome?

The issue concerning advances/payments before all controls are finalised were discussed in depth during the Health Check with a negative answer from the Commission.

Simplification for: ☒ National authorities ☐ Farmers ☐ Other

Evaluation:

In the Health Check discussions, the Council included the provision on controls in Council Regulation (EC) No 73/2009 (Article 29(3)) which has reinforced the requirement that all controls should be finalised before payment. Granting aid before finalisation of all checks would imply unequal treatment between farmers and result in a considerable risk as the result of checks of one farmer might affect others.

COMMISSION's services' position:

Given the risks involved and the clear legal provisions, this simplification suggestion can not be endorsed.

It should however be noted that, following the Health Check, there is a possibility of paying aid in up to two instalments.

Proposal 34	
Policy area: Direct Payments	
Replace the second subparagraph of Article 21(1) of Regulation 796/2004 by a new paragraph 1a, while at the same time changing the title of the article from 'Late submission' to 'Late or incomplete submission': 1a. If the application is not accompanied by documents, contracts or declarations to be submitted to the competent authority in accordance with Articles 12 and 13, or documents, contracts or declarations are not complete, the competent authority requests the applicant to submit or complete the documents, contracts or declarations concerned within a time limit to be set by the competent authority. If the applicant fails to do so, the application shall be considered inadmissible for the aid for which the documents, contracts or declarations are constitutive for the eligibility.	
ASSESSMENT	**Examined before?** ☐ **Yes** ☒ **No**
	If yes, what was the outcome?
	Simplification for: ☒ National authorities ☒ Farmers ☐ Other
	Evaluation: The supporting documents form part of the aid application. Consequently the current rules establish that the system of reductions for late submission of supporting documents is the same as the system established for late submission of the aid application itself. At the moment, when documents are submitted late, a 1% reduction per working day is applied to the amounts to which the farmer would have been entitled had the supporting documents been submitted on time. The simplification suggestion above would do away with this "period of grace". It could actually result in a rather "farmer unfriendly" situation where the farmer would stand to loose all his payment if the submission is too late. What is more, allowing for a "late submission" of documents would lead to a delay in controls. And as payments may only be made when all controls have been finalised, this would also delay the actual aid payments.
	COMMISSION's services' position: In light of the above, the Commission's services can not endorse this suggestion.

Proposal 35	
Policy area: Direct Payments	
Abolition of eligibility rule based on history under Single area payment scheme: Provision that new Member States may receive support only for areas, which have been in good agricultural condition as at 30 June 2003 creates unnecessary burden and it is not justified by environmental interests (Council Regulation (EC) No 73/2009 Article124).	
ASSESSMENT	**Examined before?** ☒ **Yes** ☐ **No**
	If yes, what was the outcome? This issue was raised and discussed at Council meetings in 2007 when Council Regulation (EC) No 1782/2003 was amended as regards cross-compliance, and in 2008 during the Health Check. However, the rule has not been changed for the reasons set out below.
	Simplification for: ☒ National authorities ☒ Farmers ☐ Other
	Evaluation: There are several elements to be considered: • First of all, there is an important WTO aspect linked to this matter. Without any historical reference, the EU would be in a difficult situation to argue that SAPS is a decoupled support scheme. Without the limitation of 30 June 2003, SAPS could be seen as encouraging farmers to increase their utilised agricultural area. • Secondly, there is an environmental effect linked to this requirement. The reference of 30 June 2003 prevents that the utilisation of land is changed i.e. conversion of land into agricultural area. • Changing the system would be associated with substantial additional costs associated with a complete review of the LPIS, which is needed to make formerly excluded parcels eligible.
	COMMISSION's services' position: In light of the above, Commission's services cannot recommend to accommodate this request.

Proposal 36	
Policy area: Rural Development	
The controls Regulation 1975/2006 laying down detailed rules on control procedures for Rural Development support measures lacks transparency as regards penalties and obligations imposed on farmers. It constantly refers to obligations laid down under the Single Payment system without specifying what these are, so it can be difficult for farmers to understand their obligations as well as being difficult to administer. It is proposed that this Regulation be amended to spell out the precise obligations on farmers.	
ASSESSMENT	**Examined before?** ☐ **Yes** ☒ **No**
	If yes, what was the outcome?
	Simplification for: ☒ National authorities ☒ Farmers ☐ Other
	Evaluation: This fiche is partially linked to proposal #3. The purpose of Regulation (EC) No 1975/2006 is not to directly stipulate detailed obligations (e.g. eligibility conditions) which farmers have to respect or to establish penalties imposed to them. Instead, it stipulates the rules that national authorities have to follow in organising controls and the principles (severity, extend and permanence) as regards the application of penalties. Detailed obligations and penalties are to be defined by the Member States themselves. Regulation (EC) No 1975/2006 does include a number of cross-references to Regulation (EC) No 796/2004 in relation to IACS related measures. In order to obtain a clear picture when reading the legal provisions included in Regulation (EC) No 1975/2006 it is useful to also have a copy of Regulation (EC) No 796/2004 at hand.
	COMMISSION's services' position: As Regulation (EC) No 796/2004 will soon be recast, Regulation (EC) No 1975/2006 will require updating. On that occasion, a recasting of Regulation (EC) No 1975/2006 is foreseen. This will improve the readability and clarity of the regulation and will render it more user-friendly.
Follow-up:	The preparations will start immediately after the recast of Regulation (EC) No 796/2004 has been adopted.

Proposal 37	
Policy area: Rural Development	
Rural Development measures and agri environment measures in particular can give rise to high error rates which do not materially affect the overall outcome or impact achieved. Instead of focusing on specific error rates, a broader long term view of control of these schemes with more emphasis on the ultimate outcome/ impact achieved would merit consideration.	
ASSESSMENT	**Examined before?** ☐ **Yes** ☒ **No**
	If yes, what was the outcome?
	Simplification for: ☐ National authorities ☒ Farmers ☐ Other
	Evaluation: The concept of **error rate** is used by the Court of Auditors to assess the correct execution of community expenditure. In December 2008, the Commission has adopted a Communication[19] entitled "Towards a common understanding of the concept of tolerable risk of error" which included an analysis of the costs and benefits of controlling agri-environmental measures as an illustrative example for applying this concept. The concept of **payment by result** is compatible with the current legislation and is already applied in some of the existing rural development programs (e.g. payment if a certain number of endangered species are on the land under contract). However, certain outputs are difficult to control, which could bear certain risks for beneficiaries. As a result, for many agri-environmental commitments the approach of payment by result does not seem to be suitable.
	COMMISSION's services' position: The Commission's services are presently gathering updated information from the Member States with a view to presenting a concrete proposal in 2010 for consideration by the Budgetary Authority on the tolerable level of error for rural development measures in general, taking account of the error rate found by the Court and of the complexity of eligibility conditions fixed to achieve specific policy objectives.
Follow-up:	Concrete proposal on a tolerable level of error for rural development measures in 2010.

[19] COM (2008) 641 final

Proposal 38

Policy area: Rural Development

A complex evaluation system for Rural Development Programmes is provided for in the Rural Development regulation. This comprises ex ante, midterm and ex post evaluation together with ongoing evaluation on an annual basis. This is all carried out by a complex system of indicators. This generates considerable work for both Member States and the Commission. While evaluation is an essential part of Rural Development policy it is worth considering whether an equally valuable but simpler system could be devised. At the very least, the current complex system of indicators needs to be reviewed and simplified

ASSESSMENT

Examined before? ☐ Yes ☒ No

If yes, what was the outcome?

Simplification for: ☒ National authorities ☐ Farmers ☐ Other

Evaluation:

The Common system for the monitoring and evaluation of Rural Development Programmes has been established through a cooperative process with the Member States. The complexity of the indicator system and evaluation questions has been reduced considerably with respect to the previous programming period. The establishment of this system is based on a shared vision for the need of ensuring accountability of Rural Development Policies in view of:

- improving the quality, efficiency and effectiveness of the implementation of rural development programmes;
- providing evidence of the impacts of the programmes, in line with the Community Strategic Guidelines;
- providing the evidence-base for further necessary policy developments.

Through the European Evaluation Network and related technical assistance activities, the Commission facilitates the implementation of the ongoing evaluation system, which is a useful management tool for Member States.

The system of indicators serves two main objectives:

- reducing the complexity of the information needed to measure the progress, efficiency and effectiveness of rural development programmes in relation to their objectives;
- to demonstrate the added value of rural development policy.

The current set of indicators has been developed and agreed with MS after a long and intensive discussion which had started in 2004. The first phase of implementation is rather encouraging, despite some problems, which are currently under examination. Revising the system would undermine the credibility of the rural development policy.

COMMISSION's services' position:

The Common system for the monitoring and evaluation of Rural Development Programmes has been established through a cooperative process with the Member States. The complexity of the indicator system and evaluation questions has been reduced considerably with respect to the previous programming period. In addition, the Commission established a European Evaluation Network in view of facilitating the implementation of this system. The Commission's services are available to assist Member States in solving difficulties related to the aggregation of regional data.

Follow-up:	Possible problems in the implementation by the Member States of the system of indicators are regularly addressed in the context of the work of the Rural Development Network and of the European Evaluation Network.

Proposal 39	
Policy area: Rural Development	
Level of details required in the Rural Development programs for approval and notification to the Commission could be decreased and therefore harmonized to approach of that in the Structural Funds programming documents. Requirement for clearance of the national aid schemes must be revised for the measures included in the national Rural Development Programs. According to the current provisions of Regulation No 1698/2005 Member State must grant the financing of certain measures under a notification procedure within axis 1 and 3 measures separate from the process of submission of the relevant amendments to the Commission. Requirement to address the same issue twice – via notification and via program amendment process must be harmonized. (Council Regulation (EC) No 1698/2005 Article 88 and Commission Regulation (EC) No ~~1698/2005~~ 1974/2006 Article 57 paragraph 2).	
ASSESSMENT	**Examined before?** ☐ **Yes** ☒ **No**
	If yes, what was the outcome?
	Simplification for: ☒ National authorities ☐ Farmers ☐ Other
	Evaluation: The level of detail requested in rural development programmes may vary: • for aids under Article 36 of the Treaty (main part of Axis 1), the level of detail is very high as the approval of the rural development programmes also covers the state aid approval of the national matching funds; • for environmental measures, in particular the agri-environmental measure under Axis 2, a certain level of detail is needed to ensure that the polluter pays principle is respected by verifying that commitments by farmers go beyond the baseline; • measures outside the scope of Article 36 of the Treaty in Axis 1 and 3 require a minimum number of details as verification of compliance with non agricultural state aid rules is executed through a specific state aid notification procedure which is the same as under the Structural Funds.
	COMMISSION's services' position: The Rural Development Council Regulation is based on Articles 36 and 37 of the Treaty which do not cover non-agricultural products. Commission's services can favor a practical solution, whereby a parallel assessment is carried out to ensure that the non agricultural state aid schemes are approved prior to the approval of the rural development plan. Also, Member States may make use of the de minimis Regulation or the Block Exemption Regulation.