



Round table 1: Update of control and management tools

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Outline

1. Session objectives
2. Overall introduction
 - a. A glimpse of the new rules
 - b. Generic “best practice” advice

Agenda

- Introductory presentations: a screening of current developments and addressing the foreseen procedures and challenges regarding main implementation topics of the future CAP.
- Coffee
- Collect needs, gathering ideas and requests (but not to go as far as solutions) – national slides welcome

The domain of the control system

What controls are mentioned in the DPR and HZR?



Richard Daecon: Can't see the wood for the trees

The domain of the control system

What controls are mentioned in the DPR and HZR?



This high level compilation serves this introductory presentation only:

- should not be considered either complete or flawless
- obviously, without prejudice to the Regulations

DPR rules



	scope	annual budget*	payment	DPR conditions
BPS/SPS	Holder of new/old entitlement minus small farmer	The remainder of the ceiling	= entitlement/rate * ha If redistributive <5% of ceiling+ > 150.000€: = 0.95 * entitlement/rate * ha SAPS: + transitional aid	
Green	All non-exempted BPS. SAPS applicants	30% of ceiling	= 0.3 * ceiling/total declared area * ha	Permanent grassland <ul style="list-style-type: none"> • Protection (Na2000) • Sensitive (MS-defined) Arable land <ul style="list-style-type: none"> • (crop diversification (>10ha, >30ha) • EFA (>15ha): regional 2.5%/individual 5%
Young farmer	BPS /SAPS Natural person, < 40yr, <5yr farming + variable national conditions	0% - 2% of ceiling	= 0.25 * entitlement/rate * ha = 0.25 * BPS(2019) / total declaration (2015) * ha	National guarantees 25ha < max < 90ha
Natural constraint	BPS/SAPS applicants in affected locations,	0% - 5% of ceiling	= budget / area declared under national constraint * ha	first X ha regional limitations
Coupled support	BPS/SAPS applicants	<ul style="list-style-type: none"> • 0% - 8% - 13% (+ 2%) of ceiling • 3 M€ 	= variable * ha	
Redistributive	All BPS/SAPS applicants,	0% - 30% of ceiling	= $0 < x < 0.65$ * entitlement/rate (variable) * ha	Artificial splitting up first 30ha
Small farmer	Holders of entitlements or SAPS(2015) applicants	0% - 10% of ceiling	= < 0.25 * average payment = average payment rate * ha (max 5 ha)	51€ - 200€ -500€ < payment < 1250€ Keep ha of entitlements no CC

*: Ceiling as in annex II of DPR, but flexibility between pillars: 85% - 125%

Selected HRZ rules - general

MS have to deal with:

- Timing of application and of payment
- Circumvention clause
- OTSC
 - random -> representative error rate + risk-based → areas where the risk of highest errors is the highest
 - Where appropriate, all OTSC shall be carried out at the same time
 - minimum level of OTSC f(effective management of the risks)
- Non-compliance of a minor nature 1% - 3%...
- Obvious error
- Scrutiny of documents

Selected HRZ rules - IACS

- Computerized database functionality: query > 10 yrs, online > 4 years
- LPIS: reference layer to accommodate ecological focus areas, including in particular the relevant specific commitments and/or environmental certification schemes
- Application
 - minimum AP size: 0ha - 0.3 ha
 - AP exempt of declaration if $\leq 1\text{ha}$ as total of $x^* < 0.1\text{ ha}$ and/or no DP aid application
 - BPS/SAPS: no change confirmation or change-only application
- Pro-rata eligibility for permanent pasture (voluntary)

Selected HRZ rules- CC

Manage:

- Not for small farmers: (GAEC, but no penalty?)
- Risk reduced by participation to FAS + certification
- MS may set up an early warning system applying to cases of non-compliance which, given their minor severity, extent and duration



schemes

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An example

from Brussels' expert meeting

- 2 schemes: BPS/SAPS + green
- @circa 29/11/2013

	Area declared	Area determined
Wheat and landscape features	38 ha (0,8 ha EFA)	38 ha (0,8ha EFA)
Beans/EFA (protein crop)	10 ha	3,5 ha
Potatoes	50 ha	50 ha
Soja/EFA (N-fixing crop)	0,1 ha	0,1 ha
Permanent grassland	25 ha	20 ha
Permanent grassland (sensitive)	5 ha	5 ha
of which is		+ 0,5 ha ploughed
	Arable land	91,6 ha
	EFA (part of the total arable land)	4,4 ha
	Permanent grassland	25 ha

The area determined for EFA does not take into account any weighting that might need to be applied as the conversion matrix is still under discussion.

Basis for the calculation of the green payment (article 9)

Area declared by the farmer = 128,1 ha

Eligible area determined for BPS/SAPS = 116,6 ha

Number of payment entitlements = 115 ha

"Area to be used for the calculation of the green payment" = 115ha

Withdrawal for the area found non-compliant with CD obligation

91,6 ha of arable land, of which

50 ha main crop + 38 ha 2nd main crop

max. share main crop > 75%

share main crop = 54,6 % → no non-compliance

max. share 2 main crops > 95%

share 2 main crops = 96,1 % → non-compliance

Ratio of difference = 0,98 ha/4,58 ha = 0,21

Withdrawal = ratio of difference * arable land * weighting
15,11 ha = 0,21 * 91,6 ha * (91,6 ha/116,6 ha)

Withdrawal for the area found non-compliant with PG obligation

Annual PG ratio in region concerned = -1% compared to reference ratio ⇒ conversion of "normal" PG not forbidden

25 ha of permanent grassland, of which

20 ha "normal" PG + 5 ha "sensitive" PG

Non-compliance found during OTSC

0,5 ha of "sensitive" permanent grassland not declared as PG by applicant has been ploughed

Withdrawal = non-compliant area * weighting
0,13 ha = 0,5 ha * ((25 ha + 0,5 ha)/116,6 ha)

Withdrawal for the area found non-compliant the EFA obligation

91,6 ha of arable land, of which

4,4 ha EFA determined

EFA area required based on the arable land + ...

4,58 ha of EFA required

EFA area missing

0,18 ha of EFA missing

Ratio of difference = 0,18 ha/4,58 ha = 0,039

Withdrawal = ratio of difference * arable land * weighting
2,82 ha = 0,039 * 91,6 ha * (91,6 ha/116,6 ha)

Calculation of the green payment

Area to be used for the calculation (1)	115 ha
minus withdrawal for non-compliance CD obligation	15,11 ha
minus withdrawal for non-compliance PG obligation	0,13 ha
minus withdrawal for non-compliance EFA obligation	2,82 ha
Resulting area to be used for the calculation (2)	96,94 ha
Difference between area under (1) and (2)	18,06 ha (18,6 %)
Administrative penalty = (2 x the difference)	36,12 ha
max. admin. penalty (25% as from 2018) * 1/4	9,03 ha
Area paid under greening (claim year 2018)	87,91 ha

“best practice” advice

Select options carefully: **model** feasibility and cost-benefits!

- how many farmers are affected?
- what land is affected?
- will the targeted impact be achieved?
- what are the consequences on the national organization?

→ Steer clear of ineffective crop group options!

Define all options/criteria with **control in mind** (**iACs**)

- optimize your LPIS for true land management units
- maximize crosschecks and opportunity for visual inspection
- demonstrate objectiveness and non-discrimination

Benefit from **integration** and apply more **automation** (**IacS**),

- Make application form farmer dependent and prefilled
- Organize OTSC + processing by application form type

- inspect/measure all relevant crop groups
- respect timing for the various schemes

Conclusion



A picture is worth a thousand words

Conclusion



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Thank you!