

## Annex I: Simplification aspects

### 1. Direct Payments

#### Small farmers' scheme

A simple and specific scheme for small farmers is envisaged in order to reduce the red tape linked to the management and control of direct support. For that purpose, a lump-sum payment replacing all direct payments is created, small farmers will be exempt from greening and cross-compliance, whilst at the same time obligations related to the application for support and to controls will be eased.

Approximately 30% of beneficiaries (almost 2.3 million farms) will be eligible for this scheme. It foresees a major reduction in administrative burden for farmers and for public authorities.

#### Greening; as simple as possible

The "greening" of direct payments aims at improving the overall environmental performance of the CAP by bringing certain agri-environmental measures into Pillar I, which will be applied throughout the EU territory. Greening is an example of a topic where simplification should be seen in light of accomplishing other policy objectives and for which considerable efforts have been made to establish an approach that is as simple as possible.

The recommendations put forward during the conference in March have been taken into account in the design of the greening measure, which consists of elements that are easy to control and verify and easy for farmers to integrate in their daily farming practice if they are not already part of it.

Also resulting from the conference is the fact that green cover, initially presented in the Communication of November 2010 as a possible element, is not part of greening. Despite strong calls pleading for the inclusion of green cover, simplification considerations have led to a design of the greening component without green cover.

The implementation of greening is further facilitated by allowing organic farms to benefit from the greening component without fulfilling any additional obligations and by exempting small farmers, around one-third of beneficiaries.

#### Streamlining of voluntary coupled support

To group together, under one heading, all the current provisions related to the granting of voluntary coupled support, including those currently foreseen under Article 68, thereby replacing the existing modalities and reducing the number of coupled aid schemes.

### 2. Rural Development

#### Simplified costs in the II Pillar

The "umbrella" regulation for the various Funds foresees that instead of on the basis of detailed invoices and documents of proof, beneficiaries may be reimbursed using other, simpler and less time consuming approaches such as standard scales of cost units, lump sums and flat-rate financing.

A recently published evaluation<sup>1</sup> on administrative burden in the II Pillar, recommended the use of simplified costs as a way to substantially reduce the red tape for beneficiaries associated with filing payment claims. It was also suggested in the simplification document presented in the March Council

### **LEADER local development**

In the context of LEADER it is no longer required to establish a link to the predefined measures of the Rural Development Regulation. Any activity that corresponds to one of the priorities of rural development policy will be eligible for support, as long as it is in line with the rural development programme and the local development strategy in question. As a result, there will be more flexibility in designing / selecting projects to implement the strategy. It will be easier to implement genuinely integrated, multi-sectoral local development strategies which favour innovation.

### **Common indicators**

A clearer strategic definition of the system has resulted in a monitoring system with fewer and better defined indicators.

## 3. Horizontal Regulation

### **Reduction on the spot controls**

Echoing the suggestion in the simplification document presented in the March Council, the CAP reform proposals foresee an empowerment to the Commission to allow those Member States with a properly functioning control system as well as a low error rate to reduce the number of on-the-spot controls.

As a result, the likelihood that farmers are interrupted in their daily activities and are required to spend time cooperating with control visits will be smaller. For Member States, as the overall number of on the spot controls will be reduced, this change could lead to a reduction of resources required to carry out the checks on the farm.

### **Cross-compliance; scope, controls**

Consolidating and grouping requirements and standards by subject areas has made it possible to identify priorities and complementarities. As a result:

- four SMRs have been removed as being unsuited to the cross-compliance system;
- a number of provisions of the SMR on the conservation of wild birds have been removed as they were not sufficiently relevant for the farming activity;
- the overall number of GAECs is reduced from 15 to 8.

For farmers, the main simplification impact will be noticed in the execution of controls which will take less time.

---

<sup>1</sup> [http://ec.europa.eu/agriculture/analysis/external/rd-simplification/index\\_en.htm](http://ec.europa.eu/agriculture/analysis/external/rd-simplification/index_en.htm)

Further simplification for cross-compliance results from the repeal of follow-up checks to cases of minor infringements and from an important reduction of the number of follow-up checks to be performed in cases of the application of the "de-minimis rule".

#### **Alignment of rules on management and controls**

At present, different sets of rules govern the financial management and controls under the EAGF and the EAFRD. It is proposed to align, as far as possible, the rules on management and controls for the two pillars of the CAP.

#### 4. Single CMO

##### **Repealing certain aid schemes**

It is proposed to remove from the single CMO certain elements which do no longer fulfil any obvious market objective and which are burdensome and costly to manage for national administrations, such as the aid schemes for the use of milk as feeding stuffs and for milk processed into casein and caseinates.