



European  
Commission

# Simpler, better implementation of Rural Development Policy

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Agriculture  
and Rural  
Development

Simplification  
high on the  
political  
agenda



Screening of legislative  
framework

*"It is important to emphasise that simplification is a shared responsibility of the EU institutions and Member States and we all have a role to play to make sure that we deliver genuine simplification for the benefit of European farmers"*

Commissioner Phil Hogan

### Identified simplification options relate to:

- Basic Act: not possible without reopening CAP reform deal
- Delegated Act: not possible without extra empowerment (touches Basic Act)
- Implementing Act: possible, but proposals concern changing programme structure, which is not advisable during ongoing programming period
- ✓ Issues that are possible and can be pursued by Member States under current rules (concerns 20% of the options proposed by Member States)
- ✓ Controls - assessment of possibilities ongoing

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Simplification at  
programme level

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# Error Rate

- Most of the irregularities are linked to investment operations, notably: public procurement, reasonableness of costs and eligibility issues (SMEs, TAV, etc.)
- Most of the irregularities could have been detected and prevented by paying agencies, often on the basis of administrative controls
- Simpler rules, payment for results (e.g. SCO), adequate IT tools and information to beneficiaries could pave the way

# Simplified Cost Options (SCO)

- Member States can use 3 SCO for payments to beneficiaries: lump sum, flat rates and unit costs
- Less administrative burden for administrations: no real costs, no invoices, simpler controls, lower error rate
- Less administrative burden for beneficiaries: based on outputs/results, less supporting documents, more certainty

## Lump Sums

- ❖ Verifiable, fair and equitable calculation
- ❖ Result-oriented
- ❖ Granted on full delivery

## Unit Costs

- ❖ Verifiable, fair and equitable calculation
- ❖ Result-oriented
- ❖ Granted on full or partial delivery

## Flat Rates

- ❖ Verifiable, fair and equitable calculation
- ❖ Possibility of using pre-established flat rates)
- ❖ Granted as percentage of cost categories

Applicable to investments, training, cooperation, producer groups, quality, and LEADER (not applicable for public procurement)

# Avoiding Gold-plating

- Most of the error rate (81% of irregularities) was due to breaches of conditions set at Member State level
- National and regional rules should not complicate unnecessarily the implementation of the RDPs

# Verifiability and controllability

- Joint assessment by paying agency and managing authority to continue throughout the programming period
- Audit findings feed the continuous assessment on the verifiability and controllability of the measures
- Need for both preventive actions and corrective actions until overall error rates remain at such high level



# ANC Support

2003: CoA report concerning “intermediate LFA”:

- *Use of wide range of indicators may lead to differences in the treatment of beneficiaries*
- *Various aspects of the support scheme should be reviewed for making it more effective & efficient*

Better implementation in the programming period 2014-2020

## Delimitation of ANCs:

- ✓ Biophysical criteria
- ✓ Obligatory fine-tuning exercise

## New features:

- ✓ Modulation of payments (farming systems /severity of constraint)
- ✓ degressivity of payment
- ✓ active farmer (aligned with direct payments);
- ✓ transitional provisions

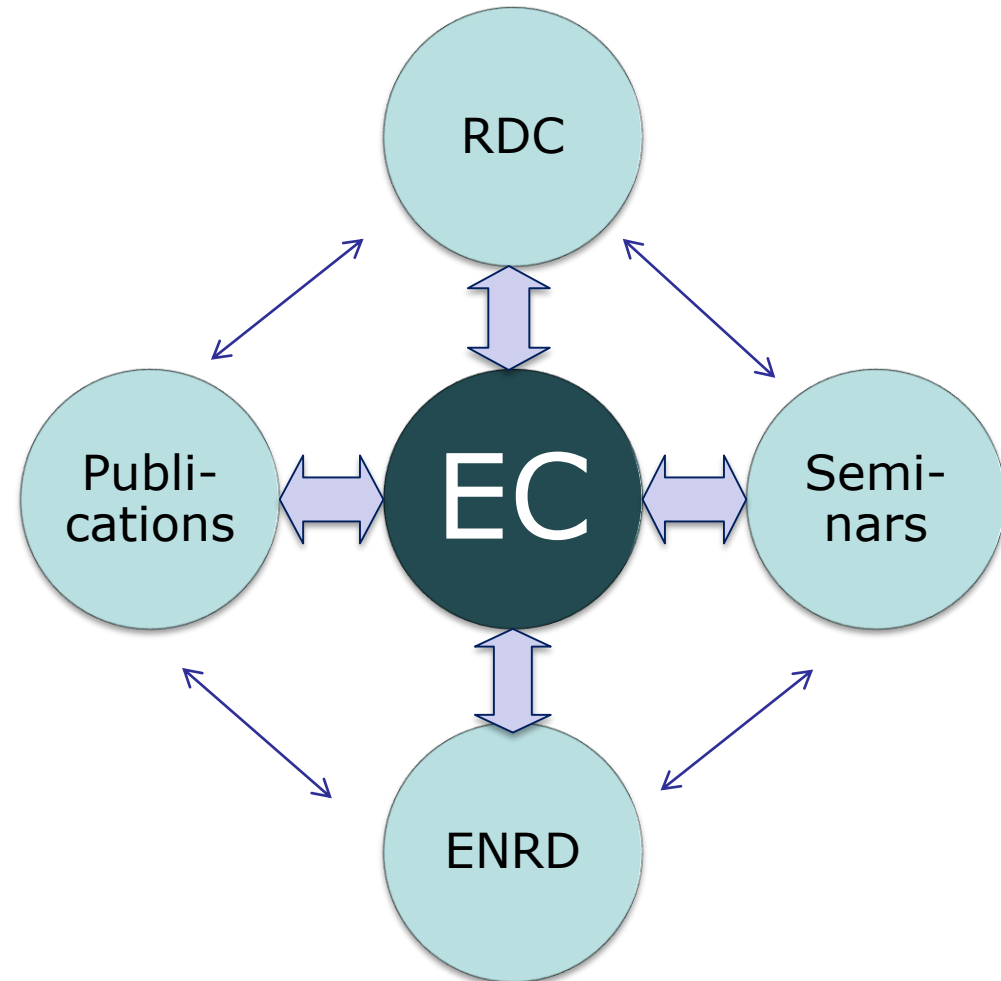


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# Next Steps

# Guidance for Better Implementation

- ✓ Systematic consistency check via "Consistency Board"
- ✓ Guidance based on consistent interpretation of legal framework
- ✓ Exploiting scope for simplified programming
- ✓ Common understanding and good programme practice



# Lessons Learned

- Three C's: good **Cooperation** as well as **Completeness** and **Clarity** of programme formulation are essential conditions for a speedy adoption
- More attention to be given to simplification options (e.g. simplified cost options, better focus, no "gold-plating")
- Prepare programme modifications well in advance and enter into discussion with the Commission early on, including through Monitoring Committees.

# Better Implementation

RDP Adopted

Screening of  
programming  
and  
Implementation

Best Practice  
proposals  
developed

Results shared  
via report and  
seminars



**Thank you for your attention**