DECISION authorising the use of a single lump sum contribution for the core structural data, frame extension and module data collections under the Integrated Farm Statistics Programme
Having regard to Regulation (EU) 1091/2018\(^1\) of the European Parliament and of the Council of 7 August 2018 on Integrated Farm Statistics (IFS) and repealing Regulations (EC) No 1166/2008 and (EU) No 1337/2011, and in particular Article 13(1) thereof,

Having regard to Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union\(^2\), and in particular Articles 125, 181 and 182 thereof,

Whereas:

(1) In accordance with Article 181(3) of the Financial Regulation, the use of lump sums, unit costs or flat-rate financing shall be authorised by way of a decision of the authorising officer responsible ensuring respect for the principle of sound financial management, in particular the appropriateness of the respective amounts with regard to the required outputs and/or results, as well as reasonable compliance with the principles of co-financing and no double funding.

(2) In accordance with Article 182 of the Financial Regulation, a single lump sum may cover the entire eligible costs of an action and may be determined on the basis of the estimated budget of the action. Compliance with the principles of economy, efficiency and effectiveness shall be verified ex-ante at the time of evaluation of the grant application.

(3) Experience gained in the use of lump sums, unit costs and flat-rate financing has shown that such forms of financing significantly simplify administrative procedures and substantially reduce the risk of error.

(4) A single lump sum is a suitable forms of financing for standardised and recurrent actions.

(5) The core data, frame extension and module data collections for the Integrated Farm Statistics is a recurrent action for which the use of a single lump sum is considered a suitable form of financing and for which a thorough definition of required outputs (data collections) is possible.

(6) The single lump sum aims at simplifying the administrative procedures for both, the European Commission and beneficiaries.

THE FOLLOWING HAS BEEN DECIDED:

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\(1\) OJ L200, 7.8.2018, p.1-29

**Sole Article**

The use of the Union contribution in the form of single lump sum contribution is authorised for the 2020 core structural data, the frame extension as well as data collection for the modules:

- Labour force and other gainful activities,
- Rural development and
- Animal housing and manure management

under the Integrated Farm Statistics programme, for the reasons and under the conditions set out in Annex.

Done at Luxembourg,

Christine Wirtz  
Sub-delegated Authorising Officer  
(e-signed)
Annex

1. Forms of Union contribution

Recipients of Union funds shall declare the entire eligible costs exclusively on the basis of a single lump sum contribution for the 2020 core structural data, frame extension and module data collections actions under the Integrated Farm Statistics programme.

The amount of the single lump sum contribution shall be calculated in accordance with point 3.

2. Justification

2.1. Nature of the supported actions

Beneficiaries for the data frame collections under the Integrated Farm Statistics Programme are the National Statistical Institutes (NSIs) and other national authorities as identified in Article 5 of Regulation (EC) No 223/2009 which undertake to organize and implement the data collections in compliance with Regulation (EU) 2018/1091 on integrated farm statistics, hereafter referred to as the Regulation. The data collections aim to provide information on the structure of agricultural holdings (number of holdings, land use, livestock numbers, management, farm labour input) as well as on production methods, rural development methods, agro-environmental aspects etc.

The NSIs and other national authorities will collect the data by means of statistical surveys (census surveys, sample surveys), use of administrative data sources (e.g. the integrated administration and control system, the system for the identification and registration of bovine animals, the system for the identification and registration of ovine and caprine animals, the vineyard register, organic farming registers, administrative sources associated with specific rural development measures) or use of other sources, methods and innovative approaches (e.g. modelling to estimate specific variables).

The methodological parameters (such as the relevant populations and the precision requirements which determine the necessary sample sizes under anticipated response rates) and the outputs (the number of records for the different data collections and a quality report for all data collections of the same reference year) are clearly outlined in the Regulation, thereby making the action suitable for an output-based approach.

The grant action is a recurrent action for which historical data on costs is available for the last rounds of farm structure surveys².

2.2. Risks of irregularities and fraud and costs of control

Risks of irregularities and fraud

Grant beneficiaries for the data collections under the Integrated Farm Statistics programme are public or semi-public bodies as identified in Article 5 of Regulation (EC) No 223/2009. Those recurrent beneficiaries dispose of reliable accounting systems and their activities are subject to potential external controls by national auditors. Based on the results of ex-ante and ex-post controls carried out so far, as well as on the characteristics of the targeted population (public or semi-public bodies), the risk of fraud in managing the grants is assessed as low.

² Grant agreements signed in 2010, 2013 and 2016 for which budgeted and accepted eligible costs per Member State are available.
Detailed information on the parameters and estimated costs of the data collections provided by the beneficiaries is assessed by the evaluation committee and checked for coherence with regard to:

- the parameters of the data collection,
- the costs of other beneficiaries with comparable parameters,
- and also to historical costs for the 2010, 2013 and 2016 rounds of farm structure surveys.

Additional safeguard is provided by the fact that the single lump sum is limited to the maximum amounts set in the Regulation for each Member State.

The risks of irregularities and fraud is further limited by the output-based approach. The single lump sum is paid in case the data collections are carried out in compliance with the Regulation. The methodology under point 3 foresees quantitative and qualitative controls of the records. Based on the outcome of the controls, a reduction of the Union contribution can be applied as outlined under 3.3 Assessment for the payment of the balance.

**Cost of controls:**

The single lump sum contribution covers the entire eligible costs of the action. At the end of the action, beneficiaries only have to send the data and the quality report to Eurostat and prepare a Final technical implementation report in which they have to report specific information necessary for the Commission to apply the quantitative and qualitative controls. They no longer have to submit a financial statement, thereby significantly reducing the administrative burden for beneficiaries and the cost of control for the Commission.

As concerns the error rate, the use of a single lump sum contribution considerably contributes to reducing the main source of errors (lack of supporting documents in the form of time sheets).

The correct application of the method to calculate the single lump sum contribution is assessed by the evaluation committee and checked for coherence with historical data.

### 3. Method to determine the amounts of single lump sum contributions

In accordance with Article 182(2) of the Financial Regulation, the single lump sum contribution is based on the estimated budget of the beneficiary. The single lump sum contribution covers the following 2020 data collections under the Integrated Farm Statistics Programme:

- Core structural data collection in accordance with Article 5 of the Regulation
- Frame extension in accordance with Article 6 of the Regulation
- Module data collections in accordance with Article 7 of the Regulation:
  - Labour force and other gainful activities module
  - Rural development module
  - Animal housing and manure management module

### 3.1 Reference data

The reference data consist of:

- Beneficiary’s estimated budget of the action: Each applicant is requested to fill in a detailed "Technical breakdown of estimated real costs" (see annex 1) for each data collection in line with the "Guidelines on Technical breakdown of estimated real costs" (see annex 2). Estimates are provided for the different phases of data collection:
• Preparation and design;
• Data collection;
• Data processing, validation and compilation;
• Data analysis and dissemination.

- In addition, historical data on budgeted and claimed costs for the 2010, 2013, and 2016 rounds of farm structure surveys will be used as reference data against which to assess the estimated budget provided by the beneficiary.

3.2 Calculation of the amount of the single lump sum contribution

The single lump sum contribution is determined based on the estimated budget of the action:

Applicants are requested to fill in the "Technical breakdown of estimated real costs" and to provide detailed information on the parameters of each of the data collections, which have a direct impact on the costs:

• The number of holdings in the gross sample is one of the key factors that largely determine the cost. The gross sample is complemented by information on the overall response rate and the expected number of respondents/non-respondents.
• The number of variables collected and transmitted to Eurostat determines how demanding and consequently how long and complex the data collection process for one reporting holding is (on average).
• Different data collection modes generate different costs. In the data collection process, most countries use more than one mode of data collection. This is why beneficiaries are requested to give an approximate share of data collected by each of the modes.
• Other parameters such as the share of the variables collected from administrative sources, editing costs etc.

A distinction is made between fixed costs and variable costs, taking into account that variable costs for data collections depend very much on the sample size and number of variables and that a certain amount of fixed costs arise independently of the sample size and number of variables.

The single lump sum contribution is determined based on the sum of the total costs of all relevant data collections i.e. global costs in the summary sheet of the "Technical breakdown of estimated real costs". The evaluation committee will assess the estimated budget against the following criteria:

1) The amount of fixed costs for each data collection is checked with regard to:
   • The parameters of the data collection and for the frame extension and modules the implementation of the data collection;
   • The share of the fixed costs in total costs for a given applicant;
   • The fixed costs for the other data collections of a given applicant;
   • Fixed costs of other applicants with comparable parameters (taking into account of course differences in salary levels etc.).

2) The total variable cost per record for each data collection is checked for coherence with regard to:
   • The parameters of the data collection;
   • The total variable cost per record for the other data collections of a given applicant;
• The total variable cost per record of other applicants with comparable parameters (taking into account of course differences in salary levels etc.).

The same coherence checks are carried out with regard to the total variable costs per variable.

The total variable cost for each data collection is checked for coherence with regard to:
• The share of variable costs in total costs for a given applicant;
• The total variable costs for the other data collections of a given applicant;
• Total variable costs of other applicants with comparable parameters (taking into account of course differences in salary levels etc.).

Depending on the outcome of the coherence checks under 1) and 2), the evaluation committee might suggest an adjustment of the amount of budgeted costs to the Authorizing Officer.

3) Coherence check with regard to historical data:

The total budgeted costs are checked for coherence with regard to historical data on budgeted and claimed costs for the 2010, 2013, and 2016 rounds of farm structure surveys. Particular attention will be paid to any material differences between budgeted costs and claimed costs in the past: In case claimed costs for a given applicant were on average more than 10% lower than budgeted costs\(^4\), the evaluation committee might suggest an adjustment of the amount of budgeted costs to the Authorizing Officer, also depending on the outcome of the coherence checks under 1) and 2).

4) Establishing the amount of EU co-financing:

The co-financing rate of 75%, as specified in Article 13(3) of the Regulation, is applied on the sum of the total costs of all conducted data collections (global costs in the summary sheet of the "Technical breakdown of estimated real costs") accepted by the evaluation committee, i.e. to the amount after having proceeded to possible adjustments in accordance with steps 1) to 3).

5) Maximum Union financial contribution per Member State:

The single lump sum contribution covering all core data and module data collections for the reference year per Member State is limited to the maximum amounts per Member State as specified in Article 13(4) of the Regulation. If the established amount after application of the 75% co-financing rate as specified under 4) is above the maximum amount for a given Member State, the amount of the single lump sum contribution will be equal to the maximum amount as specified in the Regulation. In case the established amount is lower than the maximum amount, the single lump sum contribution is equal to the amount after application of the co-financing rate.

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\(^4\) Average over the 2010, 2013 and 2016 rounds of farm structure surveys. Unless the lower claimed costs are justified by e.g. a change in parameters such as data collection modes.
The single lump sum contribution for each beneficiary is established in euro and specified in the grant agreement.

3.3 Assessment for the payment of the balance

Eurostat will assess the deliverables and will apply quantity and quality related controls before payment of the balance.

**Quantity related reductions** are applied based on the fact that costs for data collections depend very much on the actual sample size and methodology applied. Moreover, quantity related reductions intend to limit the single lump sum contribution (calculated from global costs) by assuming that the core data on frame extension are collected on samples even if Member States decide to conduct a census on all farms. This is consistent with the Regulation which allows samples for core data on frame extension and emphasises the need to minimise response and administrative burden.

Quality related reductions are applied in case precision requirement set in the Regulation are not observed.

3.3.1 **Quantity related reductions**

The global costs in the summary sheet of the "Technical breakdown of estimated real costs" will be re-calculated in the following cases which can occur for any of the data collections:

- **If the final number of records sent to Eurostat is reduced by more than 10%** compared to the initial estimated one (cell H27 in the relevant sheet). In such a case, for the data collection in question, the **total variable costs** (cell I68 in the relevant sheet) will be recalculated using the variable costs per record (cell I69 in the relevant sheet) and the final number of records sent to Eurostat. The global costs will be adjusted accordingly.

- **If there are changes in methodology which lead to decrease in total costs by more than 20% for a data collection** compared to the initial estimated one (cell I73 in the relevant sheet). Following the adjustment of certain input parameters by the beneficiary in the "Technical breakdown of estimated real costs" (input parameters specified in the "Technical specifications" (see annex 3)), the total costs for the data collection in question and then the global costs will be adjusted accordingly.

- **For the core data on the agricultural holdings included in the frame extension, if the final number of records sent to Eurostat exceeds 10% of the number of holdings in the data collection frame** (cell H17 in the relevant sheet), the **total variable costs** for this data collection will be reduced to a corresponding share of records of 10%, except for proper justifications (e.g. a less efficient sampling design used in the absence of necessary information). A low sampling rate is expected for farms in the frame extension given the increased homogeneity of the values of variables for small farms. Following the adjustment of the total variable costs for this data collection, the global costs will be adjusted accordingly.

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5 Core, core on frame extension, each module
In case of actual global costs lower than estimated at the time of proposal, it will be checked whether the reduction also has an impact on the single lump sum contribution (recalculation of step 4 of 3.2), i.e. whether the reduced global costs after application of the co-financing rate are lower than the single lump sum contribution. If that is the case, the single lump sum contribution will be adjusted accordingly.

3.3.2 Quality related reductions

A quality related reduction is applied to the single lump sum contribution in case the quality of the data does not comply with the Regulation. More specifically, the reduction is applied if the quality of the data does not meet the precision requirements set out in Annex V of the Regulation for more than 10% of the eligible cases defined in the same Annex for all data collections in the reference year. The reduction will not be applied in case of proper justifications (e.g. variables not available in the sampling frame).

An eligible case occurs when a certain variable has to meet a threshold of relative standard error at a certain territorial level. For example, for the Labour force and other gainful activities module, if a NUTS2 region has at least 10 000 agricultural holdings in the relevant population of the module and the oilseeds represent at least 7.5% of the utilised agricultural area of the holdings in the NUTS2 region, then the relative standard error for the oilseeds in this NUTS2 region should not exceed 5%. The case of oilseeds for this NUTS2 region is an eligible case and the precision requirement for this eligible case shall be met.

The reduction is applied to the single lump sum contribution as follows:

<table>
<thead>
<tr>
<th>Percentage (p) of the number of eligible cases that are non-compliant, computed over all data collections in the reference year</th>
<th>Corresponding reduction (%) of the single lump sum contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>10≤p&lt;20%</td>
<td>10%</td>
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<tr>
<td>20≤p&lt;30%</td>
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<td>30≤p&lt;40%</td>
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<td>80≤p&lt;90%</td>
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<td>≥90%</td>
<td>90%</td>
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</tbody>
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4. Sound financial management, co-financing principle and absence of double financing

The different parameters outlined in the Regulation having an impact on the costs of the different data collections have been translated into a detailed "Technical breakdown of estimated real costs", thereby ensuring that costs are calculated according to a common, objective method.
Beneficiaries are requested to provide detailed information on the parameters and estimated costs of the data collections as outlined under 3.2.

The information is assessed by the evaluation committee and checked for coherence with regard to the following points as outlined under 3.2:

- the parameters of the data collection,
- costs of other beneficiaries with comparable parameters,
- and also to historical costs for the 2010, 2013 and 2016 rounds of farm structure surveys.

Based on the outcome of the assessment, the amount of the single lump sum is determined.

**Co-financing principle**

According to the Regulation, the Union financial contribution shall not exceed 75% of the eligible costs, subject to the maximum amounts specified in the same Regulation.

The single lump sum contribution is determined based on the global costs (over all core data and module data collections for the reference year) on which the co-financing rate is applied, thereby providing assurance with regard to the co-financing principle.

**Double financing**

The single lump sum contribution constitutes the only EU financial support for the data collections under the Integrated Farm Statistics programme. The detailed information on the parameters of the data collections allows checking that there is no overlap between the different cost components.