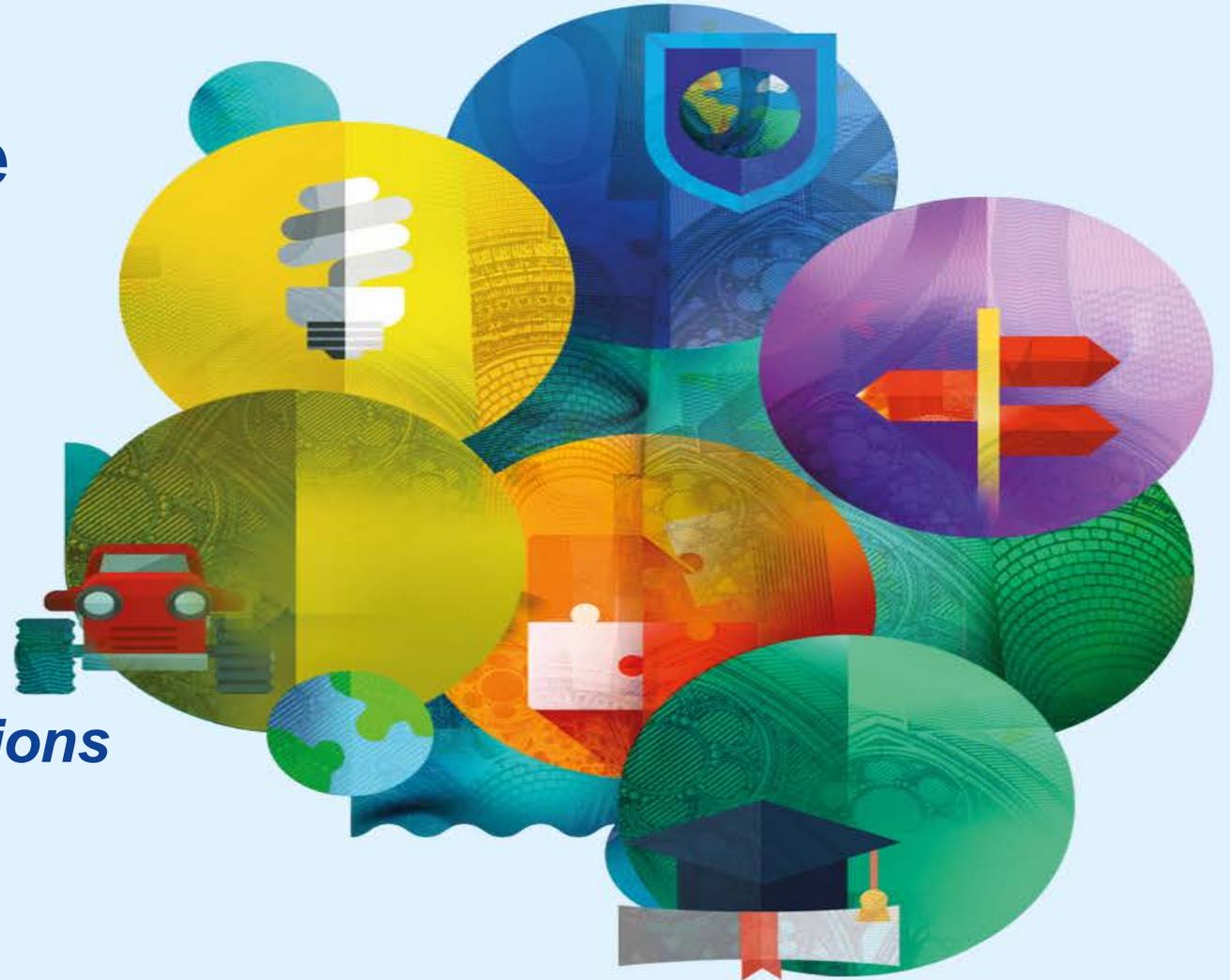


CAP post-2020 The Horizontal legislative proposal

Civil Dialogues Group
Meeting 7 November

*Title IV – Chapter IV –
conditionality controls and sanctions*

#FutureofCAP



Disclaimer: This presentation is only intended to facilitate the work of the Civil Dialogue Group. It has no interpretative value.

Controls, sanctions and moving towards a system of guidance and correction:

Control system and penalties in relation to conditionality

[Draft Horizontal Regulation Art. 84 to 87]



New enhanced conditionality

Why conditionality?

As current cross-compliance mechanism:

- ✓ Aims to contribute to the development of sustainable agriculture
- ✓ To raise awareness of beneficiaries
- ✓ To make CAP more compliant with the expectations of the society

In practise, this means that only those requirements are selected which are

- ✓ addressed to the beneficiary and not to a Member State
- ✓ under the control of the farmer and linked to his/her agricultural activity
- ✓ concerning the area of the holding = applies not only eligible land but also to all productions units and the farm yard
- ✓ measurable and controllable to allow for translating it into a cross-compliance penalty



Rules included in conditionality

- Build on the current system of cross-compliance:
 - Not a support scheme (contrary to greening) but a link between CAP payments and a list of minimum rules (reductions in case of infringement)
- Contains:
 - Statutory Management Requirements (SMRs) &
 - Standards of good agricultural and environmental condition (GAEC)
- Its ambition is strengthened, in particular, for environment and climate
- It is fully part of the new delivery model:
 - Objectives are better specified (in the annex)
 - Basis of the new "green architecture" of the CAP
 - Described in the CAP Plan but controls and sanctions are NOT approved by the Commission



Conditionality controls and sanctions post-2020

- ✓ One system instead of two systems (cross-compliance and greening)
- ✓ Rules simplified to the essentials despite enhanced conditionality:
 - One Article on controls
 - Two Articles on the penalty system
- ✓ More flexibility for Member States leading to
 - Exemption of small farmers no longer needed
 - Human error concept is obsolete



Conditionality controls (1)

➤ Basic rules in the Horizontal Regulation (Chapter IV, Art. 84)

- ✓ MS may use existing control systems and administration

New: Yearly review of the control system

- ✓ 1% minimum control rate for all requirements

Before: 100% administrative check plus 5% on-the-spot for greening

- ✓ On-the-spot controls with possibility of remote sensing

New: Monitoring introduced also for SMRs and former GAECs under cross-compliance

- ✓ Control sample of beneficiaries established each year

New: 20-25% share of random sample dropped – element of random to be determined by Member States



Conditionality controls (2)

- Controls shall cover all beneficiaries and SMRs / GAECs BUT
 - ✓ No rules on timing of controls
 - ✓ No rules on selection of the control population, except that beneficiaries have to be controlled. Possibility to attribute lower risk to certain population of farmers e.g. small farms.
 - ✓ Specific rules on pre-notification abolished, general rules that controls have to be effective.

- Rules in the CAP Plan Regulation
 - MS must provide information on their control system and the competent control bodies responsible for the checks in the CAP plan
 - This information is not approved.



Conditionality penalties (1)

- Basic rules are in the Horizontal Regulation (Chapter IV, Arts. 85-87)
- Penalties apply if non-compliance is related to agricultural activity AND area of the holding is concerned (includes also non-eligible land)
- Framework for penalties to provide level playing field among all beneficiaries
- Optional early warning for first time minor non-compliances instead of a sanction:
 - ✓ New for requirements under former greening
 - ✓ New, Member States may introduce a mandatory link to FAS training
- Information on penalties to be provided by MS in the CAP Plan but no approval



Conditionality penalties (2)

- More flexibility for Member States compared to former cross-compliance:
 - ✓ Rules on areas of non-compliance, capping and multiplication deleted INSTEAD
 - ✓ Sanction cascade: 3% as general rule for negligence
 - higher percentage in case of reoccurrence than for first negligence
 - higher percentage for intentionality than for reoccurrence / up to total exclusion for several years
 - ✓ 20% rule for intentionality abolished
 - ✓ Force majeure maintained
 - ✓ To reduce administrative burden "*de minimis*" rule is maintained and enlarged to requirements formerly subject to greening



Thank you

