Update on New Technologies for simpler and smarter regulation and controls

Civic Dialogue Group
5 October 2018

Jerome WALSH
DG AGRI, Unit D3
Implementation support and IACS

DISCLAIMER

The presentation has been prepared by DG AGRI for the purpose of describing amendments introduced to the Commission Implementing Regulation (EU) No 809/2014. It has not been subject to an inter-service consultation nor revised by the Legal Service. The views expressed in the presentation cannot be taken as expressing the official position of the European Commission.

New technologies and IACS

- **Simplification and modernisation agenda** – promote the use of new technologies in IACS

- **Legal framework** promoting the use of new technologies adopted (Sentinels data, drones, geo-tagged photos, EGNOS/Galileo etc)

- **Key objectives**
  - ➢ Reducing the number of field visits, saving time costs for Paying Agencies and farmers
  - ➢ Promoting digitalisation and e-governance for more efficient processing of applications
  - ➢ Promoting new technologies in view of post-2020 CAP and performance-based policy

New Technologies
Current Legal Framework

New technologies and IACS

Regulation (EU) No 2018/746 amending Implementing Regulation (EU) No 809/2014 adopted on 18 May 2018

- Expressly allows the use of new technologies in IACS

- Allows MS to start using monitoring techniques based on Earth Observation data for controls
  - in the context of the 5% On-The-Spot Checks (classical including Control with Remote Sensing)
  - to substitute OTSC by "checks by monitoring"

- Applicable as of Claim Year 2018

Checks by Monitoring (Article 40a and 40b)

Defines the main elements of the approach

Defines flexibilities for MS in application of monitoring
- Application per scheme/ measure/ type of operation
- Phasing-in over three years (for a scheme/ measure)

Defines pre-conditions for substituting the '5% sample'
- GSAA fully in place
- LPIS Quality Assessment results prove the quality of the LPIS
- Effective procedure for recovery of undue payments
- Effective cross-checks

Notification requirements
- by 1 December of year preceding commencement

Main elements of Checks by monitoring (1)

- Inform farmers about the decision to monitor - set up communication tools - warning system and facility to submit other types of evidence

- Systematic observation – Markers – Scenarios - Automated algorithm processing

- To allow a decision on the eligibility for the aid or support requested

30 June, 2017   1st August, 2017   11 August, 2017

Main elements of the approach (2)

- Carry out, where necessary to conclude on eligibility, appropriate <u>follow-up activities</u>: geo-tagged photos, drones, other relevant evidence

- Carry out checks on 5% of beneficiaries concerned by eligibility criteria, commitments and other obligations which <u>cannot be monitored</u>

New technologies and IACS (3)

Two main initiatives

➢ Using new technologies to check compliance of the "5% control rate" - implemented as of 2018

➢ Using new technologies to replace the 5% sample - checks by monitoring - several MS planning to commence in 2019

Checks by monitoring – Commission support

➢ Guidance documents updated

➢ Work on common technical specifications (with JRC and MS)

➢ Q & A document now finalized - focus on legal interpretations

➢ Collaboration with DG JRC/DG GROW/ESA – DIAS (Copernicus Data Information and Access Service)

➢ On-going bilaterals with MS wishing to start monitoring checks

Why a Monitoring approach?

Main benefits:

1. For Paying agencies

- Automated data processing for more efficient checks
- Saving time and costs associated with field inspections

2. For Farmers

- Reduced time and stress associated with field inspections
- Less errors & penalties thanks to warning systems

3. From a European Union perspective

- Assurance levels maintained while control costs contained
- Monitoring can facilitate performance measurement

New Technologies Post-2020

IACS post-2020 (1)

Simplification

✓ *MS are free to:*

- *design control and penalties system (including control rates and level of penalties)*

- *define rules on calculation of payments*

- *define (or not) rules on deadlines for submission of applications, amendments, penalties for late applications etc.*

Modernisation

✓ *full integration of new technologies and digital tools*

✓ *better policy monitoring and efficiency in controls*

✓ *area monitoring system, geo-spatial application…*

IACS/LPIS data sharing

✓ *for environmental-climate purposes in accordance with INSPIRE*

✓ *for statistical purposes*

IACS post-2020 (2)

Elements of integrated system *[Art.64]*

a) LPIS

b) GSA and animal-based application system

c) Area monitoring system

d) System for identification of beneficiaries

e) Control and penalties system

f) Where applicable, a system for the I&R of payment entitlements

g) Where applicable, a system for I&R of animals

✓ electronic databases and geographic information systems enabling the exchange of data

Thank you for your attention.

Questions? Comments?