



EUROPEAN PARLIAMENT

2014 - 2019

Committee on Agriculture and Rural Development

2014/2075(DEC)

23.1.2015

OPINION

of the Committee on Agriculture and Rural Development

for the Committee on Budgetary Control

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2013, Section III – Commission and executive agencies
(2014/2075(DEC))

Rapporteur: Peter Jahr

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SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Notes that the Court of Auditors has concluded that as far agricultural policy is concerned, the proportion of tested transactions resulted in an increased error rate as compared to 2012, while conversely, cases that are free of error have gone down; notes that the most likely error rate for 2013 is 3,26 % (as compared to 2,9 % in 2012); recalls that errors are often administrative in nature and do not necessarily mean that funds have disappeared, been lost or wasted or that fraud has been committed; considers that the main objective of error identification should be to rectify errors by providing deadlines and support with a view to remedying deficiencies;
2. Stresses that there is an important difference in the type of errors and that a distinction should be drawn between major errors, such as overpayment/underpayment or fraud, and minor and clerical errors; notes that the main root causes for the error rate are mistakes in aid applications, low quality of on-the-spot checks and insufficient quality and update of the Land Parcel Identification System, whereas errors/non-compliances by national administration are isolated cases;
3. Points out that 70 % of the financial corrections identified in 2013 have been attributed to four countries, namely Greece, France, Poland and the United Kingdom;
4. Stresses that the reliability of the information on Common Agricultural Policy (CAP) direct payments, as reported by Member States, is often seriously undermined by incorrect reporting; notes that the error rates in Member States' control statistics for 43 out of 67 paying agencies were corrected upwards by the Commission;
5. Invites other relevant Committees such as the Committee on Regional Development or the Committee on Development etc. also prepare a thorough discharge opinion; stresses that only through a proper discharge procedure the causes of error rates can be reduced;
6. Acknowledges that for CAP, a system is in place where the Commission is imposing net financial corrections on Member States to claw back any ineligible expenditures and hence reduces the risk of irregular payments;
7. Acknowledges the increasing level of suspension and interruption of payments by the Commission, which ensures that corrective actions are systematically carried out in cases where deficiencies are identified;
8. Maintains that payments should only be interrupted or suspended in the event of serious deficiencies and that minor errors should be rectified on a rolling basis in order to avoid gridlock;

9. Stresses that the new School Fruit, Vegetables and Milk Scheme must utilise Union funding in an efficient and targeted manner, while also ensuring that the organisational and administrative burdens on participating schools are kept to a minimum;
10. Draws attention to the fact that many smaller programmes, such as the School Fruit and School Milk Schemes, are not user-friendly, partially because of the associated bureaucracy and for this reason, their uptake and implementation are sub-optimal;
11. Stresses the fact that some programmes have attracted less interest owing to their rigidity and suggests that the Commission reassess those programmes with a view to reducing the bureaucracy involved;
12. Notes that small programmes such as the School Milk Programme have persistently high error rates; calls for those programmes to be simplified, as less bureaucratic programmes decrease error rates;
13. Calls for a less bureaucratic CAP with a view to reducing the error rates; welcomes therefore the commitment taken by the Commission to make simplification and subsidiarity one of the top priorities in the next five years; calls for persistently underperforming paying agencies to be stripped of their accreditation in extreme cases;
14. Calls on the Commission in due time to present a detailed plan for reducing red tape in the CAP by 25% within the following five years;
15. Calls for Union officials to give extra supervision and monitor and coordinate more closely national paying agencies within the respective Member States, with the aim of resolving the deficiencies they are experiencing, in particular for those paying agencies that continuously under-performed over the last three years, with a view to making payments management more efficient;
16. Draws attention to the multi-annuality of the agricultural policy management system and emphasises that the final evaluation of irregularities related to the policy implementation will be possible only at the end of the programming period;
17. Notes that the error rate indicated by the Commission differs significantly in some areas from the error rate identified by the European Court of Auditors; requests an explanation from the Commission in this respect; highlights the need to devise a common methodology for calculating the error rate by the Court of Auditors and the Commission in order to ensure a greater comparability;
18. Welcomes the new rules for the 2014-2020 financial period, including measures such as the designations of audit and certifying authorities, accreditations of audit authorities, audit examination and acceptance of accounts, financial corrections and net financial corrections, proportional control, ex ante conditionalities that aim to further contribute to the reduction of the level of error; welcomes also the definition of serious deficiencies and the anticipated increased level of corrections for repeated deficiencies;
19. Welcomes the recent Commission Communication outlining the approach towards the application of net financial corrections in the areas of agriculture policy in the next

programming period; welcomes those criteria for establishing the level of financial corrections to be applied and for applying flat-rate corrections.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	21.1.2015
Result of final vote	+: 34 -: 7 0: 3
Members present for the final vote	John Stuart Agnew, Clara Eugenia Aguilera García, Eric Andrieu, Richard Ashworth, José Bové, Paul Brannen, Daniel Buda, Nicola Caputo, Matt Carthy, Viorica Dancil , Paolo De Castro, Albert Deß, Diane Dodds, Herbert Dorfmann, Norbert Erdős, Luke Ming Flanagan, Beata Gosiewska, Martin Häusling, Anja Hazekamp, Esther Herranz García, Jan Huitema, Peter Jahr, Jarosław Kalinowski, Elisabeth Köstinger, Zbigniew Kuźmiuk, Mairead McGuinness, Giulia Moi, Ulrike Müller, James Nicholson, Maria Noichl, Marijana Petir, Laurențiu Rebegea, Jens Rohde, Bronis Ropka, Jordi Sebastià, Lidia Senra Rodríguez, Czesław Adam Siekierski, Marc Tarabella, Marco Zullo
Substitutes present for the final vote	Fredrick Federley, Michela Giuffrida, Norbert Lins, Susanne Melior, Ramón Luis Valcárcel