



Committee on Agriculture and Rural Development
The Chair

20.11.2023

Ms Monika Hohlmeier
Chair
Committee on Budgetary Control
Spinelli 14E201
Brussels

IPOL-COM-AGRI D (2022) 39270

Subject: Opinion the 2022 discharge: General budget of the EU – Commission
(COM(2023)0391 – C9-0248/2023 – 2023/2129(DEC))

Dear Chair,

Under the procedure referred to above, the Committee on Agriculture and Rural Development has been asked to submit an opinion to your committee. At its meeting of 19th July 2023, the committee decided to send the opinion in the form of a letter.

The Coordinators of the Committee on Agriculture and Rural Development adopted the letter on 11th December 2023, and decided to call on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into their motion for a resolution:

1. Welcomes the findings of the Court of Auditors concerning the financial year 2022; recalls that Agriculture and Rural Development expenditure accounts for 96,8 % of the spending on ‘Natural resources and environment’, representing 28,75 % of overall EU budget spending;
2. Notes with appreciation that the execution rate of commitment appropriations increased compared to 2021 reaching 98,53% (89,40% in 2021) and a total amount committed of EUR 59.640,93 million; understands this increase is due to a high rate of implementation for the Next Generation EU instrument contrasting with the very low rate of implementation in 2021 mainly due to a delay in submitting the amendments of the EAFRD

programmes; notes that an increase has also been observed for the execution rate of payment appropriations reaching 98,58% (97,84% in 2021) and a total amount paid of EUR 56,476.35 million;

3. Understands the fact that the estimated level of error for “Natural resources” is slightly above the materiality threshold up from 1,8% in 2021 to 2,2% in 2022 and that the majority of quantified errors found affected rural development transactions (over 65% of errors found); stresses that the level of error was not material for direct payments (66% of spending under this MFF heading) but was still material for other spending areas including rural development and market measures;
4. Notes that much of the estimated level of error found in the sample is related to the provision of inaccurate information areas or animals (42%) closely followed by ineligible beneficiary, activity, project or expenditure (39%) and further down the non-respect of agri-environmental commitment (13%);
5. Highlights the fact that corrective measures applied by Member State authorities and the Commission reduced the estimated level of error by 0,9 percentage points; deplores however the findings of the ECA that the estimated level of error would have been 1,3 percentage points lower had the Member State authorities and the Commission made proper use of all the information at their disposal; Underlines the importance of simplifying bureaucratic processes, identifying the factors leading to the improper use of information by Member State authorities and the Commission, and promoting a more efficient utilization of data to minimize the margin of error;
6. Supports the Court’s recommendation that the Commission should continue monitoring the quality of agricultural data and how accurately Member States assess the eligible area in the Land Parcel Identification System given that agricultural area will be the basis for performance indicators under the new CAP 2023-2027;
7. Deplores the Court of Auditors’ findings, in its special report on conflict of interest in EU cohesion and agricultural spending (06/2023), showing that although both the Commission and the Member States had made efforts to address conflicts of interest, gaps remained, particularly in terms of promoting transparency, and, in Member States, detecting situations at risk, as well as comprehensive reporting; Support the Court’s recommendation to the Commission to improve its capacity to prevent, detect and report conflicts of interest and promote transparency;
8. Recalls that both the Commission and Member States are responsible for addressing fraud in CAP spending; Points out that anti-fraud measures should remain a high priority for the EU and Member States as fraud prevents EU resources from achieving the policy objectives.

As AGRI committee Chair, I would like to ask the CONT committee to take due account of this opinion in its reports on the proposed discharge.

Yours sincerely,

Norbert Lins

**ANNEX: LIST OF ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR FOR THE OPINION HAS RECEIVED INPUT**

The following list is drawn up under the exclusive responsibility of the rapporteur for the opinion. The rapporteur has received input from the following entities or persons in the preparation of the draft opinion, under form of letter, until the adoption thereof in committee]:

Entity and/or person

This opinion was drawn up in the respect of confidentiality procedure. In that context the rapporteur for the opinion does not receive any input from entities or persons within the meaning of this Annex.