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Simplification of the Common Agricultural Policy

Action Plan

DG Agriculture and Rural Development Working Paper

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1. INTRODUCTION

The purpose of this working paper is to set up a DG Agriculture and Rural Development (DG AGRI) Action Plan for the simplification of the Common Agricultural Policy (CAP), in accordance with the Commission Communication on Simplification and Better Regulation for the Common Agricultural Policy of 19 October 2005¹ (hereafter “the Communication”). The Communication forms part of the Commission’s overall strategy for simplification and Better Regulation² which general aim is to reduce the regulatory burden and cut red tape.

The Action Plan is primarily focussed on “technical” simplification. The concept of “technical simplification”, as indicated in the Communication, aims at complementing the agricultural reforms by focusing on revision of the legal framework, administrative procedures and management mechanisms to achieve streamlining and greater cost effectiveness, without changing the underlying policies.

As stated in the Communication the CAP simplification Action Plan should take into consideration the outcome of discussions on the Communication at Member State and stakeholders level, and indicate concrete simplification actions. In its Conclusions of December 2005³ the Council invited the Commission to continue its work and to present an Action Plan which should identify particular policy areas and instruments for simplification.

This Action Plan is intended to contribute effectively to reducing administrative burdens on all actors in the agricultural sector. It is a rolling plan, which will evolve over time and DG AGRI will keep all the parties concerned informed about progress of the Action Plan.

2. SIMPLIFICATION OF THE CAP: WORK IN PROGRESS

A Implementation of the various actions proposed in the Communication

Following the adoption of the Communication, DG AGRI has started implementation of the following actions announced in it:

¹ Commission Communication “Simplification and Better Regulation for the Common Agricultural Policy” of 19.10.2005, COM(2005) 509 final.

² See Commission Communication “Implementing the Community Lisbon programme: A Strategy for the simplification of the regulatory environment” of 25.10.2005, COM (2005) 535 final.

³ Doc 15553/05 (Annex 4).

- Preparation of the Action Plan (see point 3 and Annex)
- Analyse administrative costs imposed on farmers by CAP mechanisms (see point 2.B)
- Preparation of a Single Common market organisation (CMO) regulation (see point 2.B)
- Publication of a Simplification Fact sheet (April 2006)
- Establishment of a network of Member States' experts to share ideas and best practices for simplification of CAP legislation
- Preparation of a CAP Simplification Conference

DG AGRI organises a two-day simplification conference on 3 and 4 October 2006 in Brussels. The conference aims to stimulate the debate on simplification of the CAP between all actors involved: the Commission, Member States, members of the European Parliament and other EU institutions, stakeholders' organisations and academics. To this end the conference will provide a forum for discussion on how to better integrate good regulation practices into policy making and how to reduce administrative burdens imposed by CAP measures.

- "Acquis"-cleaning

A Commission Communication establishing a list of agricultural acts to be formally recognised as obsolete has been adopted⁴. DG AGRI will further screen agricultural acts in order to continue with the withdrawal of obsolete acts from the Directory of Legislation in force.

DG AGRI actions mentioned in the Communication are:

- simplification of agricultural state aid rules. The Commission services have prepared a first draft. However, this draft still needs some further refinement;
- simplification of the rules relating to egg marketing standards – a Council regulation has been adopted in June 2006 (Council Regulation (EC) No 1028/2006⁵);

⁴ OJ C 148, 24.06.2006, p. 29.

⁵ OJ L 186, 07.07.2006, p.1

- simplification of the administration of import tariff quotas for agricultural products managed by a system of import licences – a Commission horizontal regulation has been adopted in July 2006 (Commission Regulation (EC) No 1301/2006⁶);
- examination of simplification possibilities in the scheduled reforms of various policy sectors, notably an examination of technical standards in the fruit and vegetables sector and their relationship with existing international standards. The Commission will shortly present a proposal which will include new rules in the area of marketing standards.

B A simpler framework for all actors of the CAP

The main objective of CAP simplification is a revision of the legal framework. This revision should allow stakeholders and farmers to work within a simpler framework. The ultimate goal is to help the farmers, agri-businesses and national civil servants who have to comply with or manage the CAP. Action of this kind will save time and reduce costs for farmers, economic operators and public authorities.

To that end, the Commission considers it essential to:

- **simplify the CAP's legislative environment** by extending the horizontal approach begun by the 2003 reform, to provide a single set of harmonised rules in market policy without changing the substance of the existing instruments and mechanisms. In this context, the adoption of a horizontal Common Market Organisation replacing the existing structure of 21 basic regulations is at the heart of the CAP simplification strategy;
- **reduce administrative burdens for farmers.** DG AGRI has launched a study to measure CAP-related administrative costs for farmers.

⁶ OJ L 238, 01.09.2006, p.13

The Single CMO project

The drafting of a single CMO proposal is currently under way. It is planned to be ready for adoption by the Commission in December 2006. The proposal will then be presented in the December Agriculture Council.

As outlined in the Communication, the single CMO project is intended to extend the horizontal approach used in the 2003 CAP reform “to the 21 CMOs” in a **step-by-step approach**.

- Those parts of the wine, fruit and vegetables and bananas sectors, which will be subject to substantive policy reviews in a foreseeable future will not be included in the first proposal.
- The drafting of the single CMO proposal will be an opportunity for cleaning up the existing legislation.
- The Single CMO should also include the horizontal competition and state aid rules in the agricultural sector, currently found in Regulation No 1184/2006⁷ for the products concerned.

⁷

OJ L 214, 04.08.2006, p.7

Study to measure CAP-related administrative costs for farmers

Simplification should avoid unnecessary administrative burden for farmers. To achieve this, we need to identify and to assess the administrative burden resulting for farmers from CAP-related measures.

In June 2006 DG AGRI has launched a call for tenders for a study to measure the administrative burden for farmers resulting from the single payment scheme which was introduced by the 2003 reform. The results of the study are scheduled to be available mid 2007.

The study will cover the following Member States: France, Italy, Ireland, Denmark, Germany.

This selection aims at covering the diversity of implementation of the single payment scheme. The contractor will follow the EU methodology for assessing administrative costs as set out in COM (2005) 518 final.

An inter-service steering group has been established in order to guide and supervise the study.

3. ACTION PLAN

A Background and planning

With a view to preparing the Action Plan, DG AGRI has screened and examined a wide range of proposals:

- in the first meeting of the simplification experts' group on 17 February, Member States were asked to submit contributions by 17 March 2006. In response, the Commission received a significant number of concrete suggestions which it has used in drawing up the present document (first stage of the screening);
- Member States' suggestions on agriculture, made during the current and preceding Council Presidencies and suggestions received via the Europa website public consultation were also considered;

- the Action Plan is also based on a screening for further potential simplification proposals from within the services of DG AGRI.

DG AGRI has screened and examined the above suggestions. On this basis two drafts of the Action Plan were discussed with the Member States in two meetings of the simplification experts' group (May and June 2006).

To ensure the participation of all relevant actors in this rolling Action Plan for simplifying the CAP, the Action Plan is also presented in the CAP Simplification Conference on 3 and 4 October 2006.

The Action Plan will be a rolling exercise. All interested parties are asked to forward ideas to simplify certain, technical, aspects of the current agricultural legislation. Currently, numerous suggestions made by the Member States in the context of the meetings of the Simplification Expert Group are being considered. More suggestions, also from other interested parties like farmers' organisations and other NGOs are particularly welcome.

Also within DG Agriculture and Rural Development ideas for simplification continue to be generated. It seems clear that the latest evolutions in the agricultural policy allow for more simplification.

The current Action Plan is just a start.

B Focusing on technical simplification

This Action Plan is targeted at simplifying the common agricultural policy without changing the underlying policies.

As announced in the Communication on Simplification and Better Regulation for the Common Agricultural Policy (COM(2005) 509 final), the approach is based on **a clear distinction between technical and policy simplification** which has been endorsed by the Council conclusions. It is targeted to prevent day-to-day simplification work becoming another "battlefield" for discussions on policy decisions.

“Technical simplification”

- **The concept of “technical simplification”** aims at complementing the agricultural reforms by focusing on a revision of the legal framework, administrative procedures and management mechanisms to achieve streamlining and greater cost effectiveness, without changing the underlying policies.
- **“Policy simplification”** means reducing complexity through improvements to the agricultural support and rural development policy instruments. It may be described as ‘policy development with simplification implications’. Impact assessment has a particular role to play here.

In the light of all earlier initiatives and of the consultations with the parties concerned, the Commission is indicating the measures that should be simplified (Annex) and the concrete measures that are to be taken and the timing (summary sheets).

However, the sectors and legislation covered by the Action Plan may comprise instruments whose review has already been started and for which certain simplifying principles have been implemented.

C Concrete measures proposed for simplifying the CAP

DG AGRI presents 20 proposals for legislative change that will have an immediate impact for farmers, traders and national administrations. The proposals are based on suggestions from Member States' experts, the general public and from the DG AGRI services. The proposals concern technical changes that are intended to have substantial effects for the persons concerned.

The proposals concern the following areas and are described in detail in Annex:

- 1) Articles 16 & 17 of Regulation (EC) No 800/1999, substitution of proof of importation for differentiated refunds and exemption from proof of import;
- 2) Article 25 of Commission Regulation (EC) No 1291/2000, application for an export licence;

- 3) aid to the smaller Aegean islands;
- 4) parcel size for coupled payments;
- 5) use of set aside land in case of exceptional climatic conditions;
- 6) energy crop support conditions;
- 7) condition for using land to activate payment entitlements;
- 8) Commission Regulation (EC) No 917/2004 of 29 April 2004 on actions in the field of beekeeping;
- 9) simplification of Council Regulation (EEC) No 386/90 of 12 February 1990 (Physical checks of export declarations);
- 10) simplification of standard periodic agricultural instruments;
- 11) simplification of Commission Regulation (EC) No 2808/98 and other implementing rules of Regulation (EC) No 2799/98 (operative events and exchange rate for amounts, prices or aids);
- 12) the ISAMM (Information System for Agricultural Market Management and Monitoring) project;
- 13) the AMIS-Quota project;
- 14) horizontal rules for private storage of agricultural products;
- 15) simplification of the framework of Promotion of Agricultural Products;
- 16) rules for the labelling of eggs;
- 17) horizontal rules for establishing a tendering procedure concerning export refunds for certain agricultural products;
- 18) horizontal rules for management of import tariff quotas for agricultural products managed by a system of import licences;
- 19) the AMIS Web Direct Payments (AWDIP) project;
- 20) conditions for support under the dried fodder CMO.

4. PERSPECTIVES

Technical Simplification

The current Action Plan is a rolling exercise. It is hoped and expected that the first wave of simplification actions will create momentum for the continuing generation of new simplification proposals. In this context the work of the Simplification Experts' Group (Member States and Commission officials) is of particular importance. The meetings of this group will be used to discuss progress on the implementation of existing simplification proposals and to discuss new simplification proposals.

The next meeting of the group is scheduled for November 2006. There are numerous suggestions that are still being processed within the services of DG AGRI and it is likely that the number of concrete simplification proposals will increase.

Political Simplification

Changes in policy can bring considerable simplification benefits. In the short term reforms of the EU policy in the fruit and vegetable sector, the banana sector, and the wine sector are intended to lead to such simplification.

In the area of direct payments a report on the introduction of the cross compliance mechanism will be presented in spring 2007. As a new mechanism, cross compliance needs a careful follow-up in order to assess the scope for improving and simplifying its functioning. The report will include an assessment of the possibilities to further simplify the system.

A review of the 2003 reform is scheduled for 2008 (generally known as the "Health Check"). Furthermore, the mid term review of the financial perspectives 2007 - 2013 will touch upon the future of the agricultural policy. Again, these reviews will be a good opportunity to assess possibilities for further simplification.

5. ANNEX

Proposal 1: Simplification of proof of importation for differentiated refunds

Export refunds are paid for the export of certain agricultural products to countries outside the EU. The export refund rate can vary according to the destination of the product or because of economic conditions. Thus, the export refund regime stipulates that the rates of refund for certain products are differentiated according to their destination, provided that proof of arrival is provided. Various documents can be accepted as a proof, in particular customs documents or copies. To simplify the system and its management, it is proposed to replace these documents, under certain conditions, by computer-generated information.

Under certain conditions, it is proposed to accept transport documents as proof of arrival at a final destination. Indeed, the export refund regime stipulates that Member States can, under certain conditions (for certain destinations and certain amounts) exempt exporters from the need to supply the necessary proof and so in this case, only the transport document is necessary. It is now proposed to cover more situations. However, such an extension should not lead to diminished monitoring requirements. On the contrary, the combination of new electronic evidence and of an extension of the exemption could improve the quality of monitoring.

This initiative will represent a considerable simplification for operators and for the national services in charge of monitoring.

Articles 16 & 17 of Regulation (EC) No 800/1999, substitution of proof of importation for differentiated refunds and exemption from proof of import

Sector concerned	All sectors concerned by differentiated export refunds
Measure / legal basis	Commission Regulation (EC) No 800/1999
Type of action	Horizontal
Description of action	<p>Amendment of the rules concerning proof of import in the system of differentiated export refunds (Articles 16 and 17 of Commission Regulation (EC) No 800/1999.</p> <p><u>Scope</u> Export of agricultural products receiving differentiated export refunds</p> <p><u>Measures</u></p> <ul style="list-style-type: none"> • Article 16(1) requires exporters to deliver a copy of a customs document as proof of importation in a third country in order to get differentiated refunds paid. Under certain conditions the paper copy may be replaced by IT generated information. • Article 17 gives Member States the option to waive the requirement of article 16 (1) for refunds up to certain thresholds, depending on the destination. In that case only a transport document is required. To the extent possible, an extension of the waiver in order to cover more situations will be considered. However, such an extension should not lead to diminished control requirements.
Simplification impact	<ul style="list-style-type: none"> • Less administrative and financial burdens for exporters; simplified controls for paying agencies. • An extended Article 17 will allow considerable facilitation for exporters and national administration. In combination with the new Article 16(1), when documents would be replaced by approved IT systems for tracking and tracing, transport flows, the information would be more relevant and control would be improved
Implementation (decision making process)	Management Committee
Timing	2007 (proposal will be available for the end of 2006)

Proposal 2: Application for export licences

When an exporter requests export refunds he currently has to apply for an export certificate that he will physically receive before he can export and request the refund concerned.

Under the proposal it is clarified that the administration issuing the certificate keeps the original certificate and sends a copy to the exporter. The refund is then paid after a simple electronic message from the customs office indicating that the goods have left the EU.

The proposal will help to prevent fraud on export certificates and reduce the amount of handling of the certificates thereby saving costs for exporters.

Article 25 of Commission Regulation (EC) No 1291/2000 of 9 June 2000 laying down common detailed rules for the application of the system of import and export licences and advance fixing certificates for agricultural products - application for an export licence

Sector concerned	All sectors concerned by export licences
Measure / legal basis	Commission Regulation (EC) No 1291/2000
Type of action	Horizontal
Description of action	<p>Amendment of the rules concerning the application for export licence</p> <p><u>Scope</u> Export of agricultural products covered by an export licence</p> <p><u>Measure</u></p> <ul style="list-style-type: none"> • Amendment of Article 25 of Commission Regulation (EC) No 1291/2000 to specify that where the applicant does not have the intention to export from a Member State other than that in which he is applying for the export licence, the competent authority might keep the export licence, notably in the form of a computer file. The competent authority would provide the applicant a copy of the export licence.
Simplification impact	<ul style="list-style-type: none"> • Less administrative burdens for exporters • Reduce the risks of fraud.
Implementation (decision making process)	Management Committee
Timing	2007 (proposal will be available for the end of 2006)

Proposal 3: simplification of the system of aid for smaller Aegean islands

An aid system had been implemented in order to respond to the specific socio-economic problems experienced by the smaller Aegean islands. Such measures are aimed at compensating natural handicap that the exceptional geographical situation of the Aegean islands constitutes for certain agricultural products and agricultural means of production. Various Commission Regulations implement the various elements of this aid system provided for by a Council Regulation.

A simplification of the system is now envisaged. Indeed, it is proposed to unite all these sectoral and specific support measures in a programming system. The programming tool is already used for specific support for certain regions. Experience shows that this tool has various advantages in terms of simplification; flexibility and proximity to the beneficiaries. As a consequence, such a system allows a more rapid development of measures and reduces administrative formalities.

Aid to the smaller Aegean islands

Sector concerned	Support for outermost regions
Measure / legal basis	Legal basis: Council Regulation (EEC) 2019/93 of 19 July 1993 introducing specific measures for the smaller Aegean islands concerning certain agricultural products
Type of action	horizontal
Description of action	Recast of Council Regulation (EC) 2019/93 and amendment of Articles 70 and 71 of Council regulation (EC) 1782/2003 Repeal of Commission Regulations (EC) 2837/93, 2958/93, 3063/93, 3175/94, 1517/2002, 1999/2002, 2084/2004.
Simplification impact	Support to the smaller Aegean islands will be given via a POSEI-style programme instead of via detailed regulations. This will facilitate the use of the support instrument for farmers while reducing the linked administrative costs.
Implementation (decision making process)	Article 37 EC. Recast of Council Regulation (EC) 2019/93
Timing	proposal submitted in May 2006

Proposal 4: Parcel size for coupled payments

Before the 2003 CAP Reform farmers received area support per hectare planted with certain crops such as wheat, barley and flax. As the support was linked to production, farmers did not receive aid for the area covered by landscape features such as hedges and walls. That area did not "produce" anything and therefore had to be excluded from the area for which support was granted.

With the 2003 CAP Reform this link between support and production has— largely - been severed. Farmers can now receive support (by activating payment entitlements) if they use land irrespective of what is produced on that land. Therefore, landscape elements can be included in the area eligible for support as well. However, for the coupled payments (e.g. energy crops and protein crops) the old approach still applies and landscape elements have to be excluded from the area eligible for support.

As a consequence of this situation Member States have to keep track of two area measurements for each parcel. If the area is used to claim decoupled payments the surface will be X but if the same parcel is used to claim coupled payments, the surface is X minus the area covered by landscape elements.

The proposal removes this distinction. In the future landscape elements will be included into the surface eligible for support in all cases.

Parcel size for coupled payments

Sector concerned	Direct payments
Measure / legal basis	Article 30 of Commission Regulation (EC) 796/2004 of 21 April 2004 laying down detailed rules for the implementation of cross-compliance, modulation and the integrated administration and control system provided for in of Council Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers
Type of action	Horizontal (coupled direct payments)
Description of action	Amend Article 30 of Commission Regulation (EC) 796/2004. If a parcel contains landscape elements the surface used for the determination of aids may depend on the fact whether the aid concerned is coupled or decoupled. If the aid is decoupled, the landscape elements can be included. If the aid is coupled the landscape elements are (in principle) excluded from the surface used for the calculation of the aid. If for example a farmer asks for decoupled aid + aid for energy crops for the same parcel of land, the administration may have to use two different surfaces for the calculation of the aid. Under the proposal landscape elements would be included in the determination of the eligible area.
Simplification impact	Conditions to be controlled are simplified which reduces work for both the national administrations and farmers.
Implementation (decision making process)	Commission Regulation. Legal Base: Council Regulation (EC) 1782/2003.
Timing	2 nd half 2006

Proposal 5: Use of set aside land for feeding purposes in case of exceptional climatic conditions

Land under a set-aside obligation has to be effectively set aside. It should not be used for agricultural purposes and to produce food or feed products for commercial purposes. However, when there are exceptional climatic conditions (drought or too much rain) Member States can ask the Commission to make a derogation to this rule and to allow the use of set aside land for grazing purposes.

However, the procedure to take a formal Commission Decision is time consuming and in practice farmers have to wait quite long before they know whether they can use set aside land to feed their animals. It is worth recalling that derogations to use set aside land are asked for when farmers are in difficulties.

To speed up the decision-making process and to allow for effective help to farmers being offered quickly, it is proposed that Member States be allowed – under certain conditions- to decide whether there is an exceptional climatic condition and whether set aside land can be used for grazing.

Use of set aside land in case of exceptional climatic conditions

Sector concerned	Direct payments, land use of land used to activate set aside entitlements
Measure / legal basis	Legal basis: Article 32 of Commission Regulation (EC) 795/2004 of 21 April 2004 laying down detailed rules for the implementation of the single payment scheme provided for in Council Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers
Type of action	Sectoral
Description of action	Addition of a paragraph to Article 32 of Commission regulation (EC) 795/2004 to specify that Member States will have the possibility to decide themselves that there is an exceptional climatic condition which justifies the use of set aside land for grazing purposes. Currently, Member States have to ask for permission to have a climatic condition recognised as exceptional circumstances which will justify the use of set aside land for grazing purposes.
Simplification impact	Member States will no longer need to ask the Commission to have a climatic circumstance declared exceptional circumstances. This will save time in which farmers can have their animals grazing on set aside land.
Implementation (decision making process)	Commission Regulation. Legal Base: Council Regulation (EC) 1782/2003.
Timing	2 nd half of 2006

Proposal 6: Support conditions for energy crops

Before 2003 support for energy crops existed in a limited form. If land was put under set-aside (for which support was given) that land could be used to produce non-food products (energy crops). To prevent farmers selling products intended for energy generation (mainly rape seed) to the feed industry, strict conditions were introduced for those farmers that wanted to produce non-food products on set aside land.

The 2003 CAP Reform introduced aid for energy crops. The old conditions applicable to non food production on set aside land were copied into this new support scheme. It is now noted that the strict conditions from the old scheme to prevent the irregular use of set aside land are no longer necessary. After the 2003 CAP Reform it is impossible to ask for support for energy crops on land for which a set aside payment is received.

Therefore, it is proposed to reduce the obligations for farmers that request support for energy crops.

Energy crop support conditions

Sector concerned	Direct payments, aid for energy crops
Measure / legal basis	Legal basis: Chapter 8 of Commission Regulation (EC) 1973/2004 of 29 October 2004 laying down detailed rules for the application of Council Regulation (EC) No 1782/2003 as regards the support schemes provided for in Titles IV and IVa of that Regulation and the use of land set aside for the production of raw materials
Type of action	Sectoral
Description of action	Amend Chapter 8 of Commission Regulation (EC) 1973/2004. When the above chapter 8 was drafted, the conditions applicable on support for non-food on land under set aside were copied. However, with the experience of the first year of application it appears that such strict conditions are not needed. Therefore a tangible simplification of the relevant provisions is under consideration. It should be noted that support for energy crops cannot be combined with support for set aside (see Article 90 of Council Regulation (EC) 1782/2003).
Simplification impact	Conditions for eligibility will be less stringent. Consequently, controls can be limited to the necessary, thereby reducing the administrative burden for both farmers and national administrations.
Implementation (decision making process)	Commission Regulation. Legal Base: Council Regulation (EC) 1782/2003.
Timing	2 nd half of 2006

Proposal 7: Conditions for using land to activate payment entitlements

Before the reform of the olive oil sector support was only granted for oil produced from trees planted before May 1998 (with some specific exceptions). The reform changed the support instrument into a decoupled part and a coupled part linked to environmental benefits.

Despite the decoupling of support from production, the condition with regard to the planting date of olive trees of May 1998 was maintained. Currently, land under olive trees planted after 1998 cannot be utilised to activate payment entitlements.

To reduce monitoring costs for Member States and farmers and to increase flexibility for farmers it is proposed to make land under olive oil trees planted after May 1998 eligible for decoupled support as well.

Condition for using land to activate payment entitlements

Sector concerned	Direct payments
Measure / legal basis	Article 51 of Council Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers
Type of action	Horizontal (decoupled direct payments)
Description of action	<p>The above mentioned Article 51 states that farmers may use the parcels declared to activate payment entitlements for any agricultural activity except permanent crops apart from olive trees planted before 1 May 1998 (with some specific exceptions).</p> <p>It could be considered to amend the text to allow the use of land under olive trees in general to activate payment entitlements.</p>
Simplification impact	<p>For national administrations such a proposal would make controls of land use easier. It would no longer be necessary to check whether olive trees were planted before or after 1 May 1998 and if they were planted after that date whether one of the exceptions would be relevant.</p> <p>For farmers such a proposal would increase the freedom to cultivate the product for which the best market possibilities exist.</p>
Implementation (decision making process)	Article 37 EC. Council Regulation (EC) 1782/2003.
Timing	2006/2007

Proposal 8: Support instrument for beekeeping

In the field of beekeeping Member States can propose support programmes which are, after an approval procedure, financed by the Community. These programmes have to specify what measures will be taken and what budget is reserved for each measure. Changes in budget allocation between the measures are possible only to a limited extent.

To improve flexibility of the support programmes and to allow Member States to address the needs for beekeepers more rapidly when necessary, it is proposed to allow a more flexible use of funds across the various support measures within a programme.

Simplification of Commission Regulation (EC) No 917/2004 of 29 April 2004 on actions in the field of beekeeping

Sector concerned	Beekeeping
Measure / legal basis	Commission Regulation (EC) No 917/2004 of 29 April 2004 on detailed rules to implement Council Regulation (EC) No 797/2004 on actions in the field of beekeeping
Type of action	Sectoral
Description of action	Member States programmes approved by the Commission contain a financial indication for each measure. This financial limits may be increased or reduced by a maximum of 20 % provided the respect of certain conditions. Higher modification imply a Commission decision amending the programme. This ceiling of 20% is too constraining to permit a flexible implementation of the programme. It is proposed to suppress the 20% rule and to remplace it by an simple information send to the Commission.
Simplification impact	This involves mainly simplification for the Member States. It would permit a more rapid adaptation of the financial allocation for the various actions allowing thus better realisation of the programme. Operators will benefit indirectly from this improvement since actions aim to improve production and marketing conditions of products of apiculture.
Implementation (decision making process)	Modification of Article 6 of R 917/2004 (opinion of the Management Committee for eggs and poultry)
Timing	In 2006 or in 2007 in the framework of the next report on the implementation of the basic Regulation

Proposal 9: simplification in the framework of monitoring on export refunds

In the framework of monitoring on export refunds, Member States carry out physical checks on goods for which export refunds are claimed at the time export formalities are completed and before authorisation is given for the goods in question to be exported. These physical checks are made at customs offices. The regime requires Member States' authorities to carry out physical checks on goods at a rate of 5% per customs office, per calendar year and per product sector.

A first simplification was brought in 1994: when a Member State applies risk analysis, the minimum rate may be set on 2% per sector and 5% covering all sectors. A second simplification is now proposed, by which a Member State applying risk analysis covering all exporters may opt for applying the 5% average rate covering all sectors for the complete Member State instead of setting the rate per customs office.

Simplification of Council Regulation (EEC) No 386/90 of 12 February 1990 (Physical checks of export declarations)

Sector concerned	All sectors concerned by export of agricultural products receiving refunds or other amounts
Measure / legal basis	Council Regulation (EEC) No 386/90 of 12 February 1990 on the monitoring carried out at the time of export of agricultural products receiving refunds or other amounts
Type of action	Horizontal- amendment of an horizontal measure
Description of action	<p>Amendment of the rules concerning physical checks by customs on export declarations</p> <p><u>Scope</u> Export of agricultural products receiving refunds or other amounts</p> <p><u>Measure</u> Replace the obligation of 5 percent physical checks of the export declarations for each customs office by a global 5 percent rule for the Member State. The rate should cover all product sectors, by which a minimum rate of 2% per product sector shall be compulsory, and risk analysis shall be applied in a stringent manner. This will make checks more targeted and lead to a more effective control system.</p>
Simplification impact	<p>Simplify the management and reporting of the physical checks of the export declarations.</p> <p>Reduce the risks of fraud (possibilities to target control efforts in areas with highest risk).</p>
Implementation (decision making process)	Article 37 EC
Timing	2007 (proposal will be available for the end of 2006)

Proposal 10: simplification of standard periodic agricultural instruments

The management of the market instruments of the CAP requires several legislative acts each day. These acts concern national administrations and economic operators directly.

For example: allocation of the quantities for import tariff quotas; invitations to tender for export refunds; invitations to tender for the disposal of public stocks; blocking of the common right refunds within the framework of the respect of WTO commitments; and fixing of the common right refunds.

Each market sector has traditionally had its own specific acts for the same instruments. It is now proposed to adopt these acts on a single basis: only one model of act per CAP instrument with the same terminology for all the sectors.

Standard regulations will clarify the management of CAP instruments for economic operators and national administrations. Indeed, common terminology and common model for instruments of comparable nature will avoid confusion and consequently reduce the risk of errors.

Simplification of standard periodic agricultural instruments

Sector concerned	All sectors concerned by import tariff quotas managed by a system of import licences; tenders for export refunds; tenders for public storage; exports refunds.
Measure / legal basis	Legal basis: CMO regulations
Type of action	Horizontal
Description of action	<p>Replacing multiple sectoral rules by horizontal ones and simplify management mechanisms</p> <p><u>Scope:</u> To simplify the periodic agricultural instruments for these measures:</p> <ul style="list-style-type: none"> - allocation quantities for import tariff quotas - tendering procedures for export refunds - tendering procedures for public storage - fixing export refunds (including respect of WTO commitments) <p><u>Measure:</u> To adopt standard regulations (standard periodic agricultural instruments) for each measures in order to have a single standard text for all sectors.</p>
Simplification impact	<p>Clarify management mechanisms for operators and Members States</p> <p>Reduce risks of errors</p>
Implementation (decision making process)	Written procedure/ Commission Regulation/ Legal Basis: CMO regulations
Timing	Mid 2007

Proposal 11: simplification of agrimonetary system

Since January 1999, CAP prices and subsidies have been fixed in Euro. EU subsidies are distributed by Member States' governments. There is no need to convert the national currencies of the participating Member States into Euro because parity with the euro was fixed irrevocably on 1 January 1999.

For the Member States, not participating in the Euro zone, the amount of subsidies has to be transposed from an amount in Euro to an amount in the national currency, using a certain exchange rate which is based on the operative event.

With the CAP Reform of 2003 the agrimonetary regime was amended as a result of the establishment of a direct aid system. The new direct aid system is based on a single payment request, the amount of which is always expressed in euros. The operative event of the exchange rate for all direct aids is now the same: 1 October of the year for which the aid is granted. The exchange rate to be used is the last exchange rate established by the European Central Bank, preceding the date of the operative event.

The simplification of the agrimonetary regime should continue with a harmonization of operative events for the exchange rate for all subsidies such as support for private storage in the different CAP sectors.

Simplification of Commission Regulation (EC) n° 2808/98 and other implementing rules of Regulation n° 2799/98 (operative events and exchange rate for amounts, prices or aids)

Sector concerned	All sectors and structural, environmental schemes of aids
Measure / legal basis	Council Regulation (EC) NO 2799/98 of 15 December 1998 establishing agrimonetary arrangements for the euro, and in particular Article 9 thereof
Type of action	Horizontal - amendment of an horizontal measure Harmonisation of operative events and exchange rates in the different CAP sectors.
Description of action	<u>Scope</u> amounts, prices and aids to be converted in euros or in an other national currency of Member States, <u>Measure</u> To repeal sectoral regulations. To modify Article 4 (3) of Regulation (EC) No 2808/98 in order to use a single exchange rate instead of an average rate for amounts referred in Article 4 (2).
Simplification impact	Harmonise and simplify the calculating of the exchange rate used to convert amounts expressed in euros into the national currencies of the Member States
Implementation (decision making process)	Commission Regulation/ Legal Basis: Council Regulation (EC) NO 2799/98 of 15 December 1998 establishing agrimonetary arrangements for the euro, and in particular Article 9 thereof
Timing	end of 2006

Proposal 12: Information System for Agricultural Market Management and Monitoring- ISAMM project

The management of the common agricultural policy and of its various markets requires an information flow between Member States and DG AGRI.

The ISAMM (Information System for Agricultural Market Management and Monitoring) project aims to build a new integrated and extended system to support the management of CAP processes. The system will cover the business processes supporting the management of agricultural markets, excluding the budget and monitoring processes (already covered by existing systems) and those linked to rural development measures.

It is proposed to develop a management tool as harmonised as possible, by replacing multiple existing systems or current practices, with a common one. As a consequence, ISAMM will facilitate the exchange of information with Member States.

The ISAMM (Information System for Agricultural Market Management and Monitoring) project

Sector concerned	All sectors
Measure / legal basis	CMO (Council Regulations) Decision 2004/387/EC; Decision 2004/563/EC
Type of action	Horizontal
Description of action	<p>The ISAMM (Information System for Agricultural Market Management and Monitoring) project aims to build a new integrated and extended system to support the management of the CAP processes.</p> <p><u>Scope:</u> The system will cover the business processes supporting the management of agricultural markets, excluding the budget and control processes (already covered by existing systems) and those linked to the rural development measures.</p> <p><u>Measure:</u> Developing a management tool as harmonised as possible, by replacing multiple existing systems or current practices, with a common one.</p>
Simplification impact	<p><u>Expected Benefits</u></p> <p>Rationalise and (<u>technically</u>) simplify the management of the CAP processes.</p> <p>Facilitate the management of various CAP markets, through a more efficient CAP business processes support.</p> <p>A more effective, controlled, and secure electronic exchange of data for all relevant CAP processes.</p> <p>IT functions opened up to MS Administrations</p> <p>An IT system capable of growing to accommodate future business needs</p> <p>More transparency and traceability on both processes and data.</p> <p>Collect historical data for impact analysis and support to CAP decision process</p>
Implementation (decision making process)	Framework contract (DG DIGIT)
Timing	March 2009 (put in production)

Proposal 13: AMIS-Quota project

Some import tariff quotas for agricultural products are managed by the Commission's Directorate-General responsible for Agriculture and Rural Development (DG AGRI) through a system of import licences.

For these import tariff quotas, the importer should submit to the Member State competent authority a request for an import licence. DG AGRI gives authorisation to the body of the Member State to issue a specific licence, which allows import within the quota. In order to respect tariff quota limits, there is an information exchange concerning import tariff quotas and import licences between Member States and DG AGRI.

It has been proposed to develop a single notification and management tool which is more secure than the existing ones, notably as far as the Member States' notifications to the Commission are concerned, and to facilitate the dissemination of information from the Commission to the Member States and economic operators. Public information will be published on the Europa web site. All the exchange of information between Member States and DG AGRI necessary to manage the import tariff quotas will be done electronically. Additionally, it will be examined whether it could be possible to replace information published in the OJ of the EU by information made available on line.

Work in progress: the AMIS QUOTA project

Sector concerned	All sectors
Measure / legal basis	Provisions opening and administrating specific Community agricultural import tariff quotas are laid down in various Council and Commission Regulations. Decision 2004/387/EC; Decision 2004/563/EC
Type of action	Horizontal
Description of action	<p>The AMIS Quota project will form part of ISAMM.</p> <p>AMIS QUOTA is a structured IT system under development that will be used to improve the management of agricultural import tariff quotas subject to import licences.</p> <p><u>Scope:</u> The system will cover the business processes supporting the management of agricultural import tariff quotas subject to import licences. Import licences serve as a tool in the management of tariff quotas.</p> <p>The system does not cover the agricultural import tariff quotas, which are managed by DG TAXUD's "First Come, First Served" system.</p> <p><u>Measure:</u> Developing a single notification and management tool more secure than the existing ones, notably as far as the Member States' notifications to the Commission are concerned, and facilitating the dissemination of information from the Commission to the Member States and economic operators. Public information will be published on the Europa web site. All the exchange of information between Member States and DG AGRI necessary to manage the import tariff quotas will be done electronically.</p>
Simplification impact	Simplification and securisation of the exchange of information between Member States and DG AGRI. In the near future, it will be examined whether it could be possible to replace information published in the OJ of the EU by information made available on line.
Implementation (decision making process)	<ul style="list-style-type: none"> - Funded under the IDABC program of DG ENTR. - Approval of Management Committee required for project plan. - Implemented via S4FA (DG AGRI framework contract).
Timing	AMIS Quota prototype in test now. Scheduled for production January 2007.

Proposal 14: Horizontal rules for the private storage system

Private storage is one of the oldest instruments of the common agricultural policy. It is an instrument for intervention: it removes products from the market where the market situation so requires.

The common approach at the start of the system has developed gradually into a multitude of different conditions, aims, means, etc. Each common market organisation has its own rules regarding payments, advances, guarantees, etc.

To create more clarity for the Member States' administrations and economic operators, it is proposed to draw up a common model for private storage in a single regulation. A sectoral part would be kept to allow for details required for specific products (as quality criteria and methods of storage) but a common part regarding monitoring, payments and communications could be adopted.

Horizontal rules for private storage of agricultural products

Sector concerned	All sectors concerned by private storage
Measure / legal basis	Legal basis: CMO regulations
Type of action	Horizontal
Description of action	<p>Replacing multiple sectoral rules by horizontal ones and simplify management mechanisms</p> <p><u>Scope</u> System of private storage for agricultural products</p> <p><u>Measures</u> To carry out a legal review of the existing sectoral provisions with a view to eliminating unnecessary provisions and to harmonising the system of private storage. To adopt an horizontal regulation for the rules concerning private storage.</p>
Simplification impact	<p>Clarify management mechanisms for operators and Members States</p> <p>Reduce complexity of the management of system of private storage</p>
Implementation (decision making process)	Commission Regulation/ Legal Basis: CMO regulations
Timing	September 2007

Proposal 15: simplification of the framework of promotion of agricultural products

The European Union can co-finance information and promotion campaigns for European agricultural products carried out in the European Union by trade or inter-trade organisations. Moreover, the European Union may contribute to financing measures promoting European agricultural products carried out in third countries by trade or inter-trade organisations.

Promotion has to be generic and must not support a particular brand or specific origin except in the case of Community schemes and special logos provided for in Community rules. The actions eligible for co-financing by the Commission take the form of public relations work, participation in events, information about Community classifications of certain agricultural products and publicity or promotion at points of sale.

Member States and organisations involved in promotion actions for agricultural products currently have to deal with two legal frameworks. It is proposed to draw up a single legal framework, which will clarify rules for applying these programmes. Additionally, this will facilitate the management of the programmes for Member States and for organisations.

Simplification of the framework of Promotion of Agricultural Products

Sector concerned	All sectors
Measure / legal basis	Council Regulations (EC) No 2826/2000 on information and promotion actions for agricultural products on the internal market and 2702/1999 on measures to provide information on, and to promote, agricultural products in third countries.
Type of action	Horizontal
Description of action	Elaborate of a single Council regulation and a single Commission Regulation concerning promotion of EU agricultural products replacing the existing regulations (Council Regulations (EC) No 2826/200 and 2702/1999) without changing the substance of the existing schemes for promotion of EU agricultural products outside the EU and on the Internal market. In a second step, merging the corresponding application rules (Commission Regulation (EC) No 1071/2005 and Commission Regulation (EC) No 1346/2005).
Simplification impact	Clarify rules for applying the information and promotion programmes Facilitate the management of the programmes for Commission, Member States and for organisations. Improve the structure and presentation of schemes of promotion of EU agricultural products.
Implementation (decision making process)	Article 37 EC
Timing	2007 (proposal will be available for the end of 2006)

Proposal 16: Rules for the labelling of eggs

The current Commission Regulation concerning the labelling of eggs lays down in a detailed way how eggs are to be collected, marked and packaged. A Council Regulation on the marketing of eggs was adopted in June 2006 which creates a new framework for the labelling of eggs.

It is proposed to redraft the existing Commission Regulation to save costs for farmers and operators by creating more flexibility with regard to the rules concerning:

- the collection of eggs
- the marking on origin and laying date
- the obligations with regard to packaging, and
- the obligation to keep records.

Rules for the labelling of eggs

Sector concerned	Eggs and poultry
Measure / legal basis	Article 11 of Council Regulation (EC) No 1028/2006 on marketing standards for eggs
Type of action	sectoral
Description of action	The existing implementing Regulation (EC) No 2295/2003 will be redrafted to take into account the changes introduced by the new Council Regulation (EC) No 1028/2006.
Simplification impact	<p>Currently, collection, marking and packaging of eggs is regulated to quite some detail. The new implementing regulation will leave greater flexibility with regard to:</p> <ul style="list-style-type: none"> - collection of eggs from production sites; - rules with regard to the marking of origin, laying date, etc.; - obligations concerning packaging - obligations to keep records. <p>As a result the obligations and costs for producers and the downstream sector will decrease and the control costs for Member States will be reduced.</p>
Implementation (decision making process)	Commission Regulation. Legal Base: Council Regulation (EC) 1028/2006 (management committee procedure)
Timing	2006/2007; entry into force 1 July 2007

Proposal 17: Horizontal rules concerning tenders for export refunds

Export refunds are paid to exporters of agricultural products to countries outside the EU. For certain product sectors (e.g. cereals and sugar) exporters are invited to participate in a tendering procedure for the export refund rate and the quantity to be exported at the tendered rate.

The sectors concerned by this procedure have their own specific conditions and rules for the same instrument. To provide for greater clarity for the economic operators it is now proposed to come to a common model in a single regulation. This will create common rules concerning the opening of tender procedures; publication or not of the evaluation of tenders, the lodging of the proposal and guarantees.

Horizontal rules for establishing a tender procedure concerning export refunds for certain agricultural products

Sector concerned	All sectors concerned by export refunds
Measure / legal basis	Legal basis: CMO regulations
Type of action	Horizontal
Description of action	<p>Replacing multiple sectoral rules by horizontal ones and simplify management mechanisms</p> <p><u>Scope</u> Sectors concerned by export refunds</p> <p><u>Measures</u> To carry out a legal review of the existing sectoral provisions with a view to eliminating unnecessary provisions and to harmonising the tender procedure concerning export refunds for certain agricultural products. To adopt an horizontal regulation for the tender procedure concerning export refunds for certain agricultural products.</p>
Simplification impact	<p>Clarify management mechanisms for operators and Members States</p> <p>Reduce complexity of the management of the tender procedure concerning export refunds for certain agricultural products.</p>
Implementation (decision making process)	Commission Regulation/ Legal Basis: CMO regulations
Timing	Mid 2007

Proposal 18: Horizontal rules for import tariff quotas managed through a system of import licences

Import tariff quotas constitute an exception to the normal state of affairs since they permit, during the period of validity of the measure and for a limited quantity, the total or partial waiver of the normal duties applicable to imported goods (antidumping duties are not affected by these suspensions). In the framework of several agreements that the European Community has concluded with third countries, as well as in the framework of autonomous preferential arrangements for some beneficiary countries, tariff concessions are provided for a pre-determined volume of goods.

Some import tariff quotas of agricultural products are managed by the Commission's Directorate-General responsible for Agriculture and Rural Development through a system of import licences. Various Council and Commission Regulations contain the specific provisions for the management of these tariff quotas.

Each agricultural common market organisation has gradually developed a multitude of different conditions. To create more clarity for the Member States' administrations and for the economic operators as well, it is now proposed to replace multiple sectoral rules by horizontal ones and simplify management mechanisms.

A first simplification was brought in by an horizontal regulation adopted in July 2006, which lay down common rules for the administration of import tariff quotas managed. Now, it is proposed to modify the existing implementing rules to take into account the rules introduced by the new horizontal regulation and to carry out a legal review of the existing sectoral provisions with a view to eliminating unnecessary provisions and to harmonising regulations opening the import tariff quotas.

Horizontal rules for management of import tariff quotas for agricultural products managed by a system of import licences

Sector concerned	All sectors concerned by import tariff quotas managed by a system of import licences (excepted bananas)
Measure / legal basis	Legal basis: CMO regulations
Type of action	Horizontal
Description of action	<p>Replacing multiple sectoral rules by horizontal ones and simplify management mechanisms</p> <p><u>Scope</u> All import tariff quotas managed by a system of import licences (excepted bananas)</p> <p><u>Measures</u> To carry out a legal review of the existing sectoral provisions with a view to eliminating unnecessary provisions and to harmonising regulations opening the import tariff quotas.</p>
Simplification impact	<p>Clarify management mechanisms for operators and Members States</p> <p>Reduce complexity of the management of import tariff quotas</p> <p>Reduce risks of errors</p> <p>Ensure a better verification of a good implementation of the import quotas</p>
Implementation (decision making process)	Commission Regulation/ Legal Basis: CMO regulations
Timing	By the end of 2006

Proposal 19: AMIS Web Direct Payments- AWDIP project

The management of direct payments introduced by the 2003 reform of the Common agricultural policy needs an exchange of information between Member States and DG AGRI.

It is proposed to develop a management tool which is as simple as possible, by replacing multiple existing systems or practices in the various sectors with a common approach.

AWDIP is an IT application to support the management of communications received by Member States concerning direct payments. AWDIP will simplify the communications process between Member States and DG AGRI.

The AMIS Web Direct Payments (AWDIP) project will form part of ISAMM (see proposal 12).

The AMIS Web Direct Payments (AWDIP) project

Sector concerned	All sectors
Measure / legal basis	CMO (Council Regulations) Decision 2004/387/EC; Decision 2004/563/EC
Type of action	Horizontal
Description of action	The AMIS Web Direct Payments (AWDIP) project will form part of ISAMM. AWDIP is an IT application to support the management of communications received by Member States concerning Direct payments <u>Scope:</u> Regulations (EC) n° 1782/2003; 795/2004;796/2004; 1973/2004 <u>Measure:</u> Developing a management tool as simple as possible, by replacing multiple existing systems or current practices, with a common one.
Simplification impact	AWDIP: Simplification of the communications process between Member States and DG AGRI. Gathering, consolidating, storing and reporting on MS communication on Regulations (EC) n° 1782/2003, 795/2004, 796/2004, 1973/2004
Implementation (decision making process)	- Framework contract (DG DIGIT) - amendment of Reg. 1973/2004 (Direct Payment Management Committees)
Timing	AWDIP: End of 2006 - amendment of Reg. 1973/2004 (Direct Payment Management Committees): June 2006

Proposal 20: Conditions for support under the dried fodder Common Market Organisation

Support to the dried fodder sector (e.g. alfalfa to be dried and processed into feed products) is granted to the processing industry. However, this support is linked to certain conditions on the farmers growing the raw material to be used by the industry. Farmers should for instance have contracts with the industry concerned and checks on farmers and the downstream sector (the buyers of the dried fodder produced by the processors) need to be made regularly.

Following logic of decoupled support for farmers it is no longer considered necessary to have such strict conditions.

To reduce monitoring costs for all parties concerned it is proposed to lighten the conditions for farmers, the processing industry and the downstream sector.

Conditions for support under the dried fodder CMO

Sector concerned	Dried fodder
Measure / legal basis	Article 20 of Council Regulation (EC) No 1786/2003 on the common organisation of the market in dried fodder
Type of action	Sectoral
Description of action	The existing implementing regulation (EC) No 382/2005 will be amended to reduce obligations for non-processors (farmers and downstream sector) under the regulation and to remove obsolete provisions
Simplification impact	<p>The current regulation lays down conditions for the raw material to be processed into dried fodder. This has to be produced on land that is not used for the production of fruits and vegetables, table potatoes or permanent crops. Secondly, the production of the raw material may not be benefiting from one of the coupled aid schemes under Title IV of Council Regulation (EC) No 1782/2003 (with two exceptions).</p> <p>As the aid is only granted to processors and as the support for farmers is decoupled, there is no need to maintain conditions related to the land used to produce the raw material that is processed into dried fodder. Removing these conditions will reduce the administrative and control costs for farmers, industry and national administrations.</p> <p>The current regulation also obliges the Member States to make on the spot checks on suppliers of raw material and the downstream sector (Article 27 of Commission regulation (EC) No 382/2005). These on the spot checks serve to cross check the processing undertakings. The obligation to systematically conduct on the spot checks on farmers on the downstream sector will be lightened.</p> <p>The amendments will reduce administration and control costs for farmers, the downstream sector and national administrations.</p>
Implementation (decision making process)	Commission Regulation. Legal Base: Council Regulation (EC) 1786/2003 (management committee procedure)
Timing	First half 2007