



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Deputy Director General, in charge of Directorates D, E and F

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Subject: Challenges with wetland projects and geospatial aid application

[Art 4.1 (b) - privacy]

Thank you for your letter of 6 March 2018 addressed to Mr Pierre Bascou in which you explain the situation faced by Danish farmers in relation to support schemes for wetland projects, in particular, the combination of multiannual contracts and the requirement to use a geospatial aid application, which seems to create challenges.

You put forward different ideas to address these issues, touching upon elements relating to the requirements for multiannual contracts, the Land Parcel Identification System (LPIS), eligibility rules etc. Please find below my comments in relation to these different elements.

DG AGRI considers that the EU legislation and implementation flexibilities already provide a basis to address to a significant extent the challenges of managing multiannual contracts in Pillar II. Article 47(1) of Regulation (EU) No 1305/2013 provides for the variability of areas under multiannual commitments, where such variability does not jeopardise the achievement of the objectives pursued and where the commitments in question do not apply to fixed parcels.

In case of commitments applicable to fixed parcels, the issue of dynamic features (i.e. features which change their size throughout the lifespan of commitments) could be addressed by modifying respective commitments through requiring to follow them on less than 100% of the area concerned (e.g. 90%). This requires the adaptation of premia in order to avoid overcompensation. Any such modification requires an amendment of the rural development programme concerned.

The use of a pro-rata system on areas under multiannual commitments can be applied to parcels that are classified as permanent grassland.

Concerning rules on the Integrated Administration and Control System (IACS), in particular the update of the LPIS and the geo-spatial aid application (GSAA), recital (6) of Commission Delegated Regulation (EU) No 640/2014 states that, in order to avoid instability of the system, flexibility should be given to Member States in view of small changes in the maximum eligible area (MEA). The corresponding legal provision – Article 5(3) of Regulation (EU) No 640/2014 – foresees that reference parcels shall be correctly quantified within a margin of maximum 2%. Hence, any difference between the

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new MEA value and the existing LPIS values that is below 2%, does not require an update of the LPIS. If the difference exceeds the 2% margin or a Member State decides not to use the stability threshold, the LPIS has to be updated and any potential consequences for the eligible area under Rural Development support measures must be considered.

Concerning the use of the GSAA, there is a possibility to use a tolerance margin for possible differences between the area drawn in the GSAA and the declared alphanumerical data. A Commission guidance document states that the GSAA system should calculate the area based on the surface covered by the polygon of the agricultural parcel drawn by the beneficiary and display it alphanumerically to the beneficiary ("calculated area"). Based on this "calculated area" the beneficiary should either confirm this calculated area as his/her declared area or change the drawn polygon on the map or change the calculated area alphanumerically into the area s/he intends to declare. While DG AGRI services believe that this flexibility may mitigate the challenges described in your letter, the same guidance document states that Member States may decide not to allow for the possibility to change alphanumerically the calculated area.

The present opinion is provided on the basis of the facts as set out in your letter of 6 March 2018 and expresses the view of the Commission services and does not commit the European Commission. In the event of a dispute involving Union law it is, under the Treaty on the Functioning of the European Union, ultimately for the European Court of Justice to provide a definitive interpretation of the applicable Union law.

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