Implementation of and assurance in the New Delivery Model

25th MARS Conference

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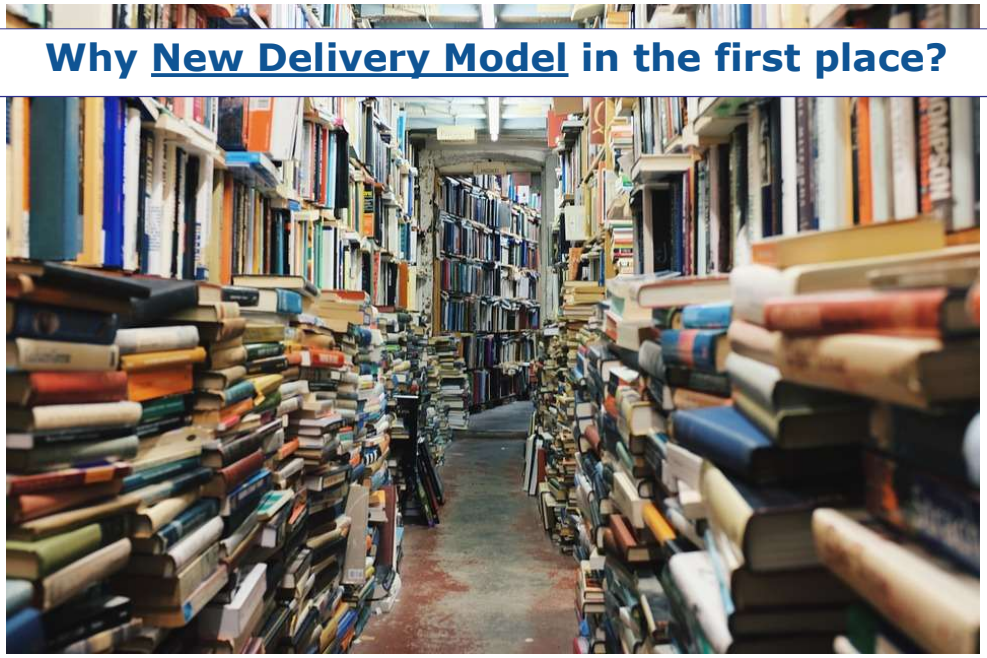
Why New Delivery Model in the first place?



Instead a New Delivery Model

Building on what works well

- Continuity of **governance bodies**
  - accredited Paying Agencies & Coordinating Bodies
  - Competent Authorities
  - Certification Bodies
- Integrated Administration and Control System (**IACS**), including Land Parcel Identification System (**LPIS**) the robust and well-functioning tool supporting the performing agricultural policy and making the lives of farmers easier

- **Management and control system** vis-à-vis beneficiaries becomes responsibility of Member States

Integrated Administration and Control System (IACS) in the post 2020

- Part of the **compulsory governance structure** with Land Parcel Identification System (**LPIS**) and Geospatial Aid Application (**GSAA**) and the **monitoring** approach
- Significant **simplification**
  - MS free to design control and penalties systems and rules on calculation of payments (keeping proportionality of sanctions)
  - MS free to define rules on management of applications
- **Modernisation**
  - Full integration of new technologies and digital tools in IACS
  - Claimless system for area-based interventions
  - Goal - better policy monitoring and efficiency in controls/less administrative burden
- **IACS/LPIS data sharing**
  - For environmental-climate purposes
  - For policy monitoring, for statistical purposes

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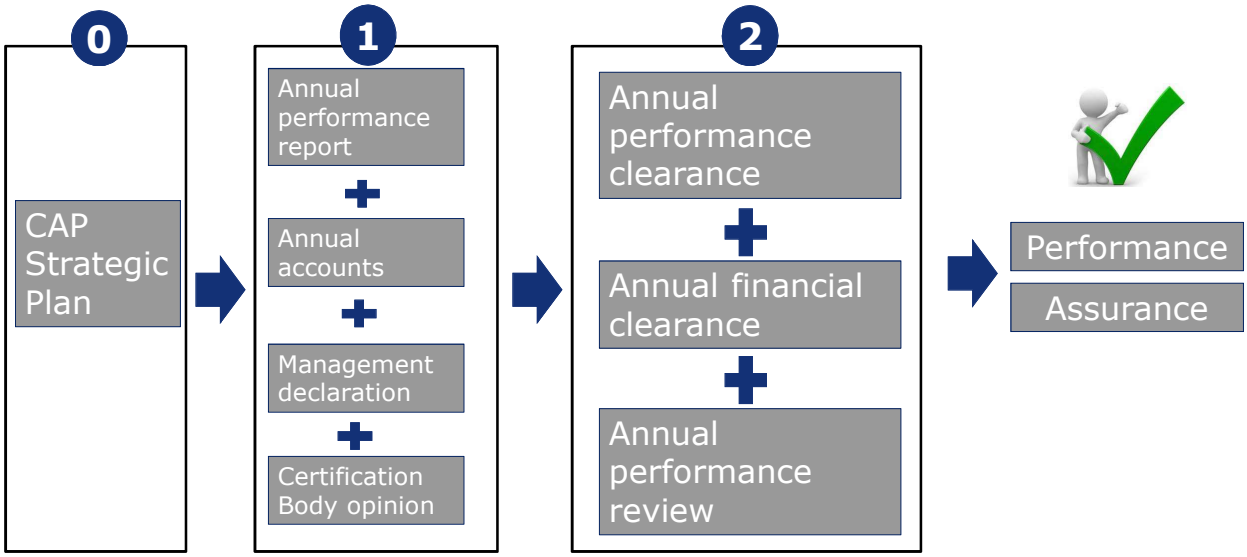
From planning through reporting to performance and **assurance**



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New Delivery Model – what is it in practical terms?

- **Eligibility of expenditure**
  - Effected by accredited Paying Agencies in accordance with EU rules
  - For interventions in the CAP Plan:
    - Matched by a **corresponding reported output**
    - In accordance with **governance systems**
- Annual Performance Clearance
  - **CB's opinion** on the reliability of the performance reporting
  - **Annual Performance Report** - Correspondence expenditure/outputs
- Annual Performance Clearance – **performance on track** with the Stategic Plan
- Corrective measures - **reductions and suspensions**
  - **Reduction of payments** - expenditure declared without corresponding output
  - In **annual performance clearance** – variation expenditure declared/relevant outputs more than 50% -> **no assurance**
  - In **multiannual performance** - targets deviate more than 25% from the plan

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Annual financial and performance clearance and performance review

NB: Impacts are only assessed through evaluation – not annually!

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Annual financial clearance **EXPENDITURE**		Annual performance clearance **OUTPUTS**		Annual performance review **RESULTS**
• Completeness, accuracy and veracity of the annual accounts	+	• Correspondence of outputs and expenditure	+	• Possibly action plans in cases of deviations >25%

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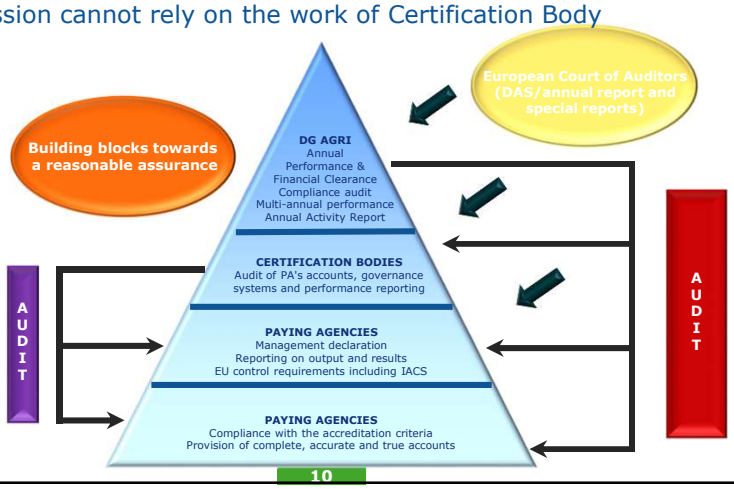
Overview of possible corrective measures

Governance systems	Action plans / Suspensions Conformity procedures
Outputs	Reductions / Suspensions
Results	Action plans / Suspensions

Single audit principle

- Financial Regulation - Article 127, applicable since 2/08/2018
- HZR proposal Article 46
  - "shall" requirement for the Commission to take assurance from the work of the Certification Body
  - unless Commission cannot rely on the work of Certification Body



- The current **focus on compliance** with detailed rules at a beneficiary level

  replaced with

  the performance at the Member States level in the future.
- Thanks to **solid structures,** continuously **high level of assurance and stable systems**

BUT

- No ***carte blanche***
  - **Part of the clearance package - Certification Bodies' opinion** on
    - the proper functioning of the Member States' **governance systems** and
    - proper functioning of **performance reporting systems**
  - **Corrective actions** embedded in the system.

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A few words on the Transitional Regulation

- **Adopted on 31 October 2019**
- **Prolong current system by 1 year**
- **Flexibility for Rural Development**

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