Commission Implementing Decision (EU) 2020/1734 of 18 November 2020 excluding from European Union financing certain expenditure incurred by the Member States under the European Agricultural Guarantee Fund (EAGF) and under the European Agricultural Fund for Rural Development (EAFRD) (notified under document number C(2020) 7860) (Only the Bulgarian, Czech, Dutch, English, Estonian, French, German, Greek, Hungarian, Italian, Lithuanian, Polish, Portuguese, Romanian, Slovak, Spanish and Swedish texts are authentic)

COMMISSION IMPLEMENTING DECISION (EU) 2020/1734

of 18 November 2020

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(notified under document number C(2020) 7860)

(Only the Bulgarian, Czech, Dutch, English, Estonian, French, German, Greek, Hungarian, Italian, Lithuanian, Polish, Portuguese, Romanian, Slovak, Spanish and Swedish texts are authentic)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1306/2013 of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008[(1)], and in particular Article 52 thereof, in conjunction with Article 131 of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community,

After consulting the Committee on the Agricultural Funds,

Whereas:

(1) In accordance with Article 52 of Regulation (EU) No 1306/2013, the Commission is to carry out the necessary verifications, communicate to the Member States the results of those verifications, take note of the comments of the Member States, initiate a bilateral discussion so that an agreement may be reached with the Member States in question and formally communicate its conclusions to them.

(2) The Member States have had an opportunity to request the launch of a conciliation procedure. That opportunity has been used in some cases and the reports issued on the outcome have been examined by the Commission.

(3) In accordance with Regulation (EU) No 1306/2013, only agricultural expenditure, which has been incurred in a way that has not infringed Union law may be financed.

(4) In the light of the verifications carried out, the outcome of the bilateral discussions and the conciliation procedures, part of the expenditure declared by the Member States does not fulfil this requirement and cannot therefore be financed under the EAGF and the EAFRD.

(5) The amounts that are not recognised as being chargeable to the EAGF and the EAFRD should be indicated. Those amounts do not relate to expenditure incurred more than twenty-four months before the Commission's written notification of the results of the verifications to the Member States.

(6) The amounts excluded from Union financing by the present Decision should also take into account any reductions or suspensions in accordance with Article 41 of Regulation (EU) No 1306/2013 due to the fact that such reductions or suspensions are of a provisional nature and without prejudice to decisions taken pursuant to Articles 51 or 52 of that Regulation.

(7) As regards the cases covered by this decision, the assessment of the amounts to be excluded on grounds of non-compliance with Union law was notified by the Commission to the Member States in a summary report on the subject[(2)].

(8) This Decision is without prejudice to any financial conclusions that the Commission may draw from the judgments of the Court of Justice of the European Union in cases pending on 30 September 2020,

HAS ADOPTED THIS DECISION:

Article 1

The amounts set out in the Annex and related to expenditure incurred by the Member States' accredited paying agencies and declared under the EAGF or the EAFRD shall be excluded from Union financing.

Article 2

This Decision is addressed to the Republic of Bulgaria, the Czech Republic, the Federal Republic of Germany, the Republic of Estonia, the Hellenic Republic, the Kingdom of Spain, the French Republic, the Italian Republic, the Republic of Cyprus, the Republic of Lithuania, Hungary, the Kingdom of the Netherlands, the Republic of Poland, the Portuguese Republic, Romania, the Slovak Republic, the Kingdom of Sweden and the United Kingdom of Great Britain and Northern Ireland.

Done at Brussels, 18 November 2020.

For the Commission

Janusz WOJCIECHOWSKI

Member of the Commission

***Changes to legislation:** There are currently no known outstanding effects for the Commission Implementing Decision (EU) 2020/1734. (See end of Document for details)*

ANNEX

Decision: 64 (budget lines will be aligned with the Annual Budget 2021, where appropriate)
Budget Item: 05046001

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
RO	Rural Development EAFRD measures subject to IACS	2017	FY 2017: Lifting of suspensions made by Commission Decision C(2017)6061 for Q4 2016, by Commission Decision C(2018)716 for Q1+Q2 2017 and by Commission Decision C(2018)3699 for Q3 2017	ONE OFF		EUR	0,00	-7 674 875,25	7 674 875,25
	Rural Development EAFRD measures subject to IACS	2018	FY2018: Lifting of suspensions made by Commission Decision C(2018)3699 for Q4 2017, by Commission Decision C (2018)7152 for Q1+Q2 2018 and by	ONE OFF		EUR	0,00	-10 958 924,68	10 958 924,68

***Changes to legislation:** There are currently no known outstanding effects for the Commission Implementing Decision (EU) 2020/1734. (See end of Document for details)*

			Commission Decision C(2019)4846 for Q3 2018						
	Rural Development EAFRD measures subject to IACS	2019	FY2019: Lifting of suspensions made by Commission Decision C(2019)4846 for Q4 2018	ONE OFF		EUR	0,00	- 83 675,15	83 675,15
					Total RO:	**EUR**	**0,00**	**-18 717 475,08**	**18 717 475,08**

Currency	Amount	Deductions	Financial Impact
EUR	0,00	-18 717 475,08	18 717 475,08

Budget Item: 05070107

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
GR	Decoupled Direct Aids	2013	Reimbursement following judgment in case C-797/18P	FLAT RATE	25,00%	EUR	99 103 011,64	0,00	99 103 011,64
	Decoupled Direct Aids	2014	Reimbursement following judgment in case C-797/18P	FLAT RATE	10,00%	EUR	30 531 692,8	0,00	30 531 692,8
	Decoupled Direct Aids	2014	Reimbursement following judgment in case C-797/18P	ONE OFF		EUR	37 163 161,78	0,00	37 163 161,78
					Total GR:	**EUR**	**166 797 866,22**	**0,00**	**166 797 866,22**
NL	Fruit and Vegetables -	2019	Soundness of estimates affecting	FLAT RATE	5,00%	EUR	801,80	0,00	801,80

***Changes to legislation:** There are currently no known outstanding effects for the Commission Implementing Decision (EU) 2020/1734. (See end of Document for details)*

	Operational programmes incl withdrawals		OP2013-2016 in FY2019					
					Total NL:	**EUR**	**801,80**	**0,00**	**801,80**

Currency	Amount	Deductions	Financial Impact
EUR	166 798 668,02	0,00	166 798 668,02

Budget Item: 6701

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
CY	Wine - Restructuring and conversion of vineyards	2017	Market measures – NSP for the wine sector – Restructuring and conversion of vineyards - OTSC covering all payment claims of sufficient quality - FY2017	ONE OFF		EUR	- 3 622,50	0,00	- 3 622,50
	Wine - Restructuring and conversion of vineyards	2018	Market measures – NSP for the wine sector – Restructuring and conversion of vineyards - OTSC covering all payment	ONE OFF		EUR	- 7 110,00	0,00	- 7 110,00