

Questions and Answers on the Performance Framework as follow up of the February RDC (second batch)

No	MS	Act	Element	MS comment	Commission reply
61	HU	215/2014	Article 5(3)	Shall the Member States apply the new rules during the submission of the Annual Implementation Report 2018?	Reporting according to the new rules will better reflect the actual implementation on the ground. Although there is not a formal obligation to do so, MAs are therefore strongly encouraged to apply the new method of calculation for the AIR submitted in 2018.
62	HU	215/2014	Article 5(3)	Concerning the output indicators, shall we take into consideration the beneficiaries with supported contracts or with at least one approved payment claim?	<p>The new method of calculation refers to "values achieved by operations, where all the actions leading to outputs have been implemented in full, but for which not all the related payments have necessarily been made, or to the values achieved by operations which have been started, but where some of the actions leading to outputs are still ongoing, or to the both".</p> <p>As general rule, as it should be verifiable that an operation has in fact started, it seems plausible to take into account operations for which a payment has been made, excluding advance payments (as those are generally not linked to "ongoing actions leading to outputs").</p> <p>For example, in relation to indicator O.4 "Number of holdings/beneficiaries supported", it can be assumed that one holding is "supported"</p>

					(and can therefore be counted towards the output indicators) if the 1st installment has been paid.
63	HU	215/2014	Article 5(3)	Can we take into account the beneficiaries who received advanced payments regarding financial and output indicators or only if the project has started and they can prove the achieved values with invoices or with any other documentations?	Advance payments alone are generally not considered matching a "started" operation, as they are generally made before the starting of any action linked to that operation. Operations having received (only) advance payments could be taken into account in the corresponding output indicators when otherwise verified that the operation has started, but some of the actions leading to outputs are still ongoing.
64	HU	215/2014	Article 5(3)	<ul style="list-style-type: none"> • If there is a project of HUF 10.000.000 and the owner has submitted a payment claim of 5.000.000 (which was approved), can we take into consideration it as 1 client/holding in respect of output indicator and HUF 5.000.000 in respect of financial indicator or the output indicator should be just 0,5 in proportion of the payment claim approved in 2018? 	<p>Assuming that the example falls under the new rules, all installments paid during year N should be reported in the AIR covering this Year N, specifically 5 000 000 HUF in your example. The left amount would be reported in a following year.</p> <p>If "client/ holding" refers to indicator O.4 "Number of holdings/beneficiaries supported", the respective operation can be counted in the output indicator when the 1st installment is paid – as at that point there is 1 beneficiary/holding who receives support. By the time of the second installment in the following year, obviously there is still only 1 beneficiary/holding who receives</p>

					support.
65	HU			<p>It is important to clarify what data will be included in the performance framework after the planned change of EU 215/2014 Implementation Regulation. The beneficiaries with support decision or the beneficiaries with the approved payment claim. On the basis of the RDC meeting of 6 December 2017, the Managing Authority believes that the supported holdings/clients must submit at least one payment claim and the payment must be fulfilled in order to appear in our CMES system. As an example, we would mention the 2A focus area, the Paying Agency has 4195 supported clients, 4396 supported applications, 293 of which have submitted payment claim and in 228 cases payments were fulfilled. After the planned modification how much beneficiaries will appear in the performance framework regarding the output indicator for 2A focus area?</p>	<p>The new method of calculation permits to report "values achieved by operations, where all the actions leading to outputs have been implemented in full, but for which not all the related payments have necessarily been made, or to the values achieved by operations which have been started, but where some of the actions leading to outputs are still ongoing, or to the both"</p> <p>In your example, it is unclear how you could have already supported 4195 beneficiaries and 4396 applications while providing payments only to 228 beneficiaries. Please refer to answers above as possible concrete examples on how counting operations.</p>
66	HU			<p>If the amendment of RDP affected Chapter 11, the target values and milestones in Chapter 7 can be changed as well and differ from the target and milestones values set at the time of Programme approval in August 2015. During the achievement of 2018 milestones shall we take into consideration the values of milestones and targets of the relevant chapter 7 of RDP? (eg. target value for output indicator was 7800 at the time of programme approval</p>	<p>In the AIR to be submitted in 2018 the values included in section 7.1 of the RDP in force on 31 Dec 2017 have to be taken into consideration.</p> <p>Analogously, the performance review will be based on the AIR submitted in 2019 for which the reference target values will be those defined in the RDP version that is in force on 31 Dec 2018.</p>

				($2A + 2B = 4800 + 3000 = 7800$) and now it is 8300 holdings ($2A+2B= 5300 + 3000 = 8300$).	
67	HU			Following the previous example can the target values and the milestones of the Performance Framework be modified at the time of Programme Modifications in duly justified cases?	<p>Targets and milestones of the performance framework can be modified in duly justified cases and in accordance with the relevant Regulatory requirements.</p> <p>For further details, the MS are invited to consult the Commission Guidance fiche "Performance Framework review and Reserve".</p>
68	HU			Do we interpret it correctly that the performance reserve of the priorities which meet 65%-85% percent of milestone values can be moved to those that achieve more than 85%?	<p>According to article 22(3) of Regulation 1303/2013, where a given priority has achieved its milestones the respective amount of the performance reserve is allocated to that priority.</p> <p>The method based on which the milestones or targets of a priority shall be deemed to be "achieved" is detailed in article 6(2) of Commission Regulation 215/2014. Article 6(3) of the same Regulations deals with possible cases of "serious failure to achieve milestones".</p> <p>According to article 22(4) of Regulation 1303/2013, where priorities have not "achieved" their milestones, the Member State shall propose the reallocation of the corresponding amount of the performance reserve to priorities that have "achieved" their milestones.</p>

					<p>Possible consequences in case of "serious failure to achieve milestones" are detailed in article 22(6) of Regulation 1303/2013.</p> <p>For further details, the MS are invited to consult the Commission Guidance fiche "Performance Framework review and Reserve"</p>
69	RO	215/2014	Article 5(3)	<p>Can be considered as a started operation an (investment) operation for which first payment has been made, but this first payment is entirely linked to reimbursement of actions such as consultancy and technical assistance for project (only services not constructions works)?</p> <p>Such operation can be counted as realised output contributing for milestones and targets in the Performance Framework?</p>	<p>The new method of calculation permits to report "values achieved by operations, where all the actions leading to outputs have been implemented in full, but for which not all the related payments have necessarily been made, or to the values achieved by operations which have been started, but where some of the actions leading to outputs are still ongoing, or to the both".</p> <p>As general rule, as it should be verifiable that an operation has in fact started, it seems plausible to take into account operations for which payment(s) linked to concrete actions carried out as part of the implementation of the operation has been made. There should be no need to distinguish between different categories of expenditure, provided that they are eligible in relation to the investment operation according to the regulation and the RDP.</p>

70	RO	215/2014	Article 5(3)	Is it any deadline for MA to decide which method to apply? For example is it possible to apply the old method (reporting when the operation has been completed, meaning fully implemented and fully paid) for the AIR 2017 (send in June 2018) and then to switch to first option described in the WD for the AIR 2018 (send in June 2019)?	See answer to question 61.
71	RO			Who will decide if the programme should be adjusted or not (in terms of increasing the milestones in the PF), if MA decide to change the method for counting realised outputs (from completed projects to on-going projects)? Commission or the MS based on a specific analyse?	The Managing Authorities should assess whether any changes in the values of milestones and targets should be introduced as result of the application of the new counting method.
72	SE	215/2014	Article 5(3)	Did we get the correct impression from the Commission's previous answer that a first instalment must have been paid out (excluding advance payments) before an operation can be counted as ongoing? Reading through the working document we have received, and the suggested new version of the Commission Implementing Regulation 215/2014, we did not make that interpretation. Only after going through the large excel-file we received after the last RDC meeting (7 Feb) we noticed this reporting condition.	See answers to questions 62 and 63

73	SE	215/2014	Article 5(3)	Do advance payments count as regular first instalments for area-based payment schemes?	Advance payments for area-based measures cannot be considered as first instalments. However, as they are granted after the verification of the eligibility conditions through administrative checks, there is sufficient evidence that the implementation of the operation is on-going. Therefore it can be accepted that they are counted towards the reporting requirements in the context of the AIR.
74	SE	215/2014	Article 5(3)	If we are to include on-going operations we need to report predicted values from the application for support as we do not include such questions in the application for partial instalments of the support. Is that an acceptable solution?	As it follows of the amended regulation, the output indicator must refer to <u>achieved</u> values, meaning concrete outputs – no matter if an operation is fully implemented or still ongoing. Therefore, no predicted values can be used in case information on achieved values is not available. At what point in time there is a concrete output depends on the indicator in question. At what point in time such information is available depends on the type of operation and administrative systems in place.
75	SE	215/2014	Article 5(3)	If we can count both operations that are on-going and operations that are completed, the monitoring reports will contain a mixture of realised outcomes (from the completed operations) and predicted outcomes (from the on-going ones), implying that we would mix different types of figures. Is that how it is intended to work?	The new counting method gives the possibility to the MS to count the achieved values of outputs even for operations that are not fully implemented and not fully paid. Accordingly, while the new system will allow to count certain operations earlier than under the current rules, it will not introduce any inconsistent reporting on

					"different types of figures", as the nature of reported indicators will not change.
76	SE			What does the various colours and symbols mean in the large excel sheet we received after the last RDC?	Please see last amended version of the document (spread sheet) for further information.
77	SE			Are these new reporting options available for all output-indicators or only those connected to the performance framework? Or are they supposed to be used also for result-indicators and target indicators (e.g. T9, T10 and T12)?	The new counting method will be equally applied in the context of the reporting on the performance framework and of reporting on CMES indicators.
82	IT			[...] During last 7th February RDC, DG Agri said that advances can be taken on board "in full" (in relation to Output indicator O.1) only after 1st instalment has been paid. In our opinion such interpretation is too strict [...]. It does not seem to cover neither cases where MAs can verify and ensure that an operation is on-going (that it has produced concrete outputs) before having paid the final balance, nor cases where MAs can verify and ensure that an operation is on-going (that it has produced concrete output) after having paid an advance but before the 1st instalment has been paid.	See answers to questions 62 and 63
83	IT			In our understanding, the approach applied to non-IACS measures could be extended to (annual) on-going operation: advances paid for year (n) according to	See reply to question 73

				<p>article 75 of Reg. (Eu) 1306/2013 could be counted and reported in relation to output indicator O.1 even before their (annual) final balance has been paid (which usually occurs at the very beginning of the year (n+1). This is because such advances can be paid only after verified commitments in due course.</p>	
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The present opinion is provided on the basis of the facts as set out above 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.