



REPLIES OF THE EUROPEAN COMMISSION

TO THE EUROPEAN COURT OF
AUDITORS' SPECIAL REPORT

Data in the Common Agricultural Policy –
Unrealised potential of big data for policy
evaluations

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This document presents the replies of the European Commission to observations of a Special Report of the European Court of Auditors, in line with Article 259 of the [Financial Regulation](#) and to be published together with the Special Report.

I. GENERAL INTRODUCTION TO THE COMMISSION REPLIES

The Commission holds large amounts of data for the Common Agricultural Policy (CAP) design, monitoring and evaluation. This information is the result of past and current efforts to collect and use a wide range of data in the various phases of the (CAP) cycle: analysis, policy conception, impact assessment of alternative policy options, policy implementation and related monitoring, audit and evaluation, but also for other areas like international negotiations, communication, resources management etc.

As the CAP policy objectives evolved over the years, so have data needs evolved and broadened to other aspects like agro-environmental variables, emissions, bio-energy, etc. This wealth of data is used on a daily basis in the Directorate-General for Agriculture and Rural Development (AGRI) and across the Commission, but are more extensively used at the time of carrying out Impact Assessments. The latest Impact Assessment on the future CAP was based on an unprecedented amount of data, studies and other research, evaluations, modelling tools, advanced methodologies to gather quantitative and qualitative input and rank the options, etc. as well as an inclusive and extensive Inter-Service work which involved dozens of colleagues in AGRI and across the Commission for over a year. The Commission has undertaken various initiatives to make better use of existing data and to facilitate the data sharing of Member States.

The European Court of Auditors (ECA) report on the use of big data acknowledges that the Commission holds large amount of data and examines if the Commission makes a good use of them. This report is welcome for its relevance and timeliness, when progress in digital technologies generate an exponential amount of data. The Commission agrees with the ECA's call to gain better use of disaggregated data held by Member States and to collect and integrate these and other new data sources to address some remaining data gaps. The Commission will also continue to work on removing the barriers to data sharing and integration, developing proxies and modelling approaches.

Thanks to the large amount of data, relevant tools and methodologies and experienced and skilled officials, the Commission has been able to assess the broad policy performance and, through in-depth Impact Assessments, to address the shortcomings and develop evidence-based policy proposals.

Like for all businesses and institutions, the real main challenge for the coming years will be to have better access and enhanced use of the big data generated by the data/digital revolution, with the multitude of Internet-of-Things connected devices and sensors. The Commission is investing heavily in framework legislation (e.g. data act, data governance act, artificial intelligence act, etc.), targeted research and financial support for setting up needed infrastructures.

The Commission fully accepts the recommendations.

Since the completion of the audit by the ECA, there have been further advances in some key areas:

- Work on the transition from FADN – Farm Accountancy Data Network to FSDN – Farm Sustainability Data Network is progressing fast, in line with the Farm to Fork Strategy. Exchanges with Member States have intensified and a draft of the new FSDN basic act is being prepared for Commission adoption.

- The Implementing and Delegated acts related to IACS are reaching a maturity stage and will soon be submitted to vote or adoption. These include details of the new Area Monitoring System.
- The draft implementing regulation on Data for Monitoring and Evaluation has been discussed with Member States at Committees and Expert Groups and its adoption is planned for mid-2022.

II. COMMISSION REPLIES TO MAIN OBSERVATIONS OF THE ECA

1. A data-driven Common Agricultural Policy

The report acknowledges that *the Commission holds large amounts of data for CAP design, monitoring and evaluation.*¹ These data are the result of past and current efforts to collect a wide range of data, which it extensively used in the various phases of the Common Agricultural Policy cycle. With evolving CAP policy objectives to address emerging challenges over the last 60 years (e.g. food security, food safety, environment, climate, etc.) and citizen's expectations, the data needs have also progressed and broadened to other aspects like agro-environmental variables, emissions, bio-energy, etc.

2. Despite the few data gaps, the Commission has sufficient knowledge to carry out impact assessment and propose fit-for-purpose policies

While the ECA report acknowledges that the Commission holds large amounts of data for CAP design, monitoring and evaluation, it also mentions few areas for improvements. The Commission shares this assessment and, even though, as the report states, it holds large amount of relevant data, it has nevertheless been constantly trying to address the few areas where data is more difficult to obtain, by:

- Encouraging the Member States to collect these data,
- co-financing the collection of statistics (e.g. FADN – Farm Accountancy Data Network, FSS/IFS – Farm Structure Survey/Integrated Farm Survey, LUCAS –Land use and land cover survey),
- purchasing data sets,
- investing resources to facilitate data sharing from Member States
- tailored research and innovation actions and
- using proxies and modelling tools.

Among the data gaps, the ECA mentions household income, i.e. the fact that the Commission does not collect detailed data related to the other sources of revenue in the farm household. In reply to recent ECA special reports² the Commission had the opportunity to refer to what it considers to be the unfavorable cost/benefit analysis related to this specific data collection, the strong resistance of Member States to collect this information.

¹ See paragraphs 16-21 of the ECA report.

² Such as SR 01/2016 and SR 10/2018

Therefore, the Commission considers that the large amount of relevant data held (and the work to address the few remaining gaps) enables the Commission to have sufficient knowledge to carry out impact assessment and propose fit-for-purpose policies.

3. The Farm Accountancy Data Network is one of the main data assets

The FADN – Farm Accountancy Data Network – features among the main AGRI data assets and IT systems. It is one of the main AGRI data collections, gathers individual data, is widely used and is essential in the various phases of the policy cycle (impact assessment, policy implementation, evaluation). The transition to FSDN – Farm Sustainability Data Network, is a major development in DG AGRI data availability and is precisely aimed at filling important data gaps on environmental and social aspects of sustainability. It will also include an overall modernization with improved data sharing and use of the collected information also to provide advice and benchmarking for farmers.

4. From surveys to private sensors data

New technologies make it possible to generate an unprecedented amount of data through sensors and other Internet-of-things devices. Capitalising and exploiting the most relevant of these data can represent a huge step towards filling existing data gaps, and possibly replace burdensome and costly existing surveys. Over the last two years the Commission has adopted legal proposals in the area of data governance and data sharing (e.g. Data Governance Act, Data Act) with the objective to grasp the untapped potential of these big data. Any progress in achieving access to these new data sources is not automatic, but will require the setting up of incentives, infrastructures and win-win solutions.

In 2019, the Commission has proposed a Horizon Europe candidate partnership Agriculture of Data, with the ambition to link public and private interests in the use, re-use and capitalization of agricultural data and in the provision of data-based solutions.

Furthermore the Commission is working on the establishment of Common Data Spaces, including in agriculture, with the objective to develop a secure and trusted data space to allow the agricultural sector to share and access data transparently, enabling an increase in its economic and environmental performance. The prime objective of this data space will be to serve the private actors (e.g. farmers, machine manufacturers but also seed companies, insurers, banks, etc.) and the broader digital economy to generate new services; certain data could also be useful for policy-making. The Commission has recently launched a call for a Coordination and Support Action (CSA) that will explore possible options and conceptual approaches for the future deployment of the forthcoming data space involving stakeholders and Member States. Results of the CSA are expected for 2024.

5. Offering a single point of access to data is considered a good practice by the ECA

The Commission welcomes the ECA's positive assessment of the achievements in terms of making available to the broader public a wealth of data through the AGRI-Food Data Portal of the Directorate-General for Agriculture and Rural Development³. The effort to gather and use relevant data, also with advanced methods like large agro-economic models, is complemented by the effort to make the most relevant data available to the public. This is done via clear visualizations and user-friendly

³ <https://agridata.ec.europa.eu/extensions/DataPortal/home.html>

interfaces to download the data, also providing machine-to-machine capabilities and mobile/tablet accessibility.

III. COMMISSION REPLIES TO THE RECOMMENDATIONS OF THE ECA

1. Recommendation 1 – Establish a framework for using disaggregated data from IACS

The Commission accepts recommendation 1 and will further work towards a legal, technical and administrative framework for the sharing and re-using data from IACS and other data sources in the Member States, beyond what the Commission will receive in the Annual Performance Reports. This data will be useful to monitor and evaluate the policy.

Target implementation date: 2024

2. Recommendation 2– Make more use of and develop data sources to meet policy needs

a) Make more use of existing data considering new data sources, or combining existing ones

The Commission is constantly trying to re-use existing data set collected for other purposes. Therefore the Commission accepts the recommendation 2(a) to make more use of the existing data sources (e.g. administrative data and statistical surveys, and Copernicus data), considering new data sources, or combining existing ones.

b) Examine the possibility of using proxies or indirect data sources when the use of direct sources is not feasible for assessing key indicators or aspects

The Commission accepts recommendation 2(b) and will further work on more advanced methodologies to identify suitable proxies and other methods.

c) Assess the possibility of scaling up the use of farm-machinery data

The Commission accepts recommendation 2(c) to assess the possibility of scaling up the use of farm-machinery data. The Commission will further work to explore and use available farm-machinery data, developing tools for data harvesting.

Target implementation date: 2025