

Financial management of the future CAP

In the context of the future EU multiannual budget, the European Commission put forward a proposal on the financing, management and monitoring of EU farm policy on 1 June 2018, as part of a CAP reform package of three legislative proposals. Since then, discussions have highlighted the need to maintain at least the current level of agricultural expenditure, as well as to simplify the procedures while adapting them to the future CAP delivery model. The CAP proposals are scheduled for debate and vote during the October II plenary session.

Background

Besides being among the oldest and most iconic policies that have accompanied the EU integration process since the early 1960s, the common agricultural policy (CAP) is also one of the main spending programmes in the EU multiannual financial framework (MFF). Along with the 2014-2020 MFF, the CAP legislation in force (including [Regulation 1306/2013](#), also known as the CAP horizontal regulation), runs until the end of 2020. In past years, the Commission's reflections on the CAP highlighted a general perception of complex operations and excessive administrative burden, mostly linked to the procedures for aid applications and controls. According to the Commission, new rules on CAP financing, management and monitoring should help to reach the long-awaited objective of simplifying and modernising the functioning of the CAP.

European Commission proposal

As part of the preparation of the 2021-2027 MFF, the Commission proposed new CAP legislation on 1 June 2018. These include proposals for [CAP strategic plans](#), on the [common organisation of the markets](#), and a new [CAP horizontal regulation](#). The latter involves several changes to CAP financial management, in view of simplifying and adapting its functioning to the new delivery model envisaged by the proposed [CAP strategic planning](#). One key element is the shift from compliance to performance, such as in the case of the annual performance clearance that would replace the current conformity clearance for CAP transactions. Another major aspect is the increased subsidiarity in assigning responsibilities to the EU Member States, such as a greater say on penalties for non-compliance and examination of complaints.

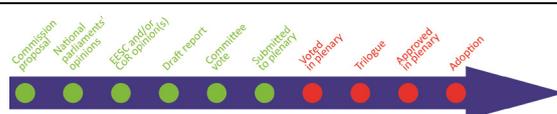
Council position

In the Council, following discussions about such issues as simplification and subsidiarity, as well as the future CAP budget, agreement on the text of the CAP horizontal regulation has progressed in view of reaching a general approach. The German Presidency's latest [compromise](#) deals with two articles on control and penalties. The Council is due to agree its general approach on the CAP reform package at its [meeting](#) on 20 October 2020.

European Parliament position

On 8 April 2019, Parliament's Agriculture & Rural Development (AGRI) Committee adopted its [report](#) on the CAP horizontal regulation, which did not reach the plenary due to the impending European elections. Parliamentary work on the file has continued, tackling issues such as the need to sustain CAP funding levels, better functioning of the crisis reserve, and the importance of maintaining a unique EU framework of rules on CAP financial management. Members will debate and vote on amendments to this report during the October II plenary session, with a view to opening negotiations with the Council.

First-reading report: [2018/0217\(COD\)](#); Committee responsible: AGRI; Rapporteur: Ulrike Müller (Renew Europe, Germany). For further information see our 'EU Legislation in progress' [briefing](#).



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