



21.11.2018

OPINION

of the Committee on Budgets

for the Committee on Agriculture and Rural Development

on the proposal for a regulation of the European Parliament and of the Council establishing rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council
(COM(2018)0392 – C8-0248/2018 – 2018/0216(COD))

Rapporteur for opinion: Nedzhmi Ali

PA_Legam

AMENDMENTS

The Committee on Budgets calls on the Committee on Agriculture and Rural Development, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation

Recital 1 a (new)

Text proposed by the Commission

Amendment

(1 a) Within the Multiannual Financial Framework for 2021-2027 a significant part of the Union budget should continue to be dedicated to agriculture, which is a common policy of strategic importance. Therefore, the financial envelope for the CAP should be EUR 383.255 billion in 2018 prices (EUR 431.946 billion in current prices).

Justification

In line with the decision of the Conference of Presidents of 13 September 2018, the compromise amendment reflects the latest breakdown of the MFF per programme as proposed by the MFF Rapporteurs and adopted on the interim report on the proposal for a Council regulation on the Multiannual Financial Framework 2021-2027 – Parliament's position with a view to an agreement.

Amendment 2

Proposal for a regulation

Recital 1 b (new)

Text proposed by the Commission

Amendment

(1b) On 14 March and 30 May 2018, the European Parliament stressed in its resolution on the 2021-2027 Multiannual Financial Framework (MFF) the importance of the horizontal principles that should underpin the MFF 2021-2027 and all related Union policies. Parliament reaffirmed, in that context, its position that the Union must deliver on its commitment to be a frontrunner in

implementing the UN Sustainable Development Goals (SDGs), and deplored the lack of a clear and visible commitment to that end in those proposals. Therefore, Parliament requested the mainstreaming of the SDGs into all Union policies and initiatives of the next MFF. It further underlined that the elimination of discrimination was vital to fulfil the EU's commitments towards an inclusive Europe and therefore called for gender mainstreaming and gender equality commitments to be incorporated in all Union policies and initiatives in the next MFF. It stressed in its resolution that, in response to the Paris Agreement, cross-cutting climate-related spending should be significantly increased in comparison with the current MFF and reach 30% as soon as possible and at the latest by 2027.

Amendment 3

Proposal for a regulation Recital 1 c (new)

Text proposed by the Commission

Amendment

(1c) In its resolution of 30 May 2018 on the Multiannual Financial Framework and own resources for 2021-2027, the European Parliament deplored the fact that the Commission proposal of 2 May 2018 on the MFF for 2021-2027 led directly to a 15% reduction in the level of the common agricultural policy, and stated that it was particularly opposed to any radical cuts that would adversely impact on the very nature and objectives of that policy. It also questioned, in this context, the proposal to drastically cut the European Agricultural Fund for Rural Development by more than 25 %;

Amendment 4

Proposal for a regulation

PE625.573v02-00

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Recital 2

Text proposed by the Commission

(2) Since the CAP needs to sharpen its responses to the challenges and opportunities as they manifest themselves at Union, international, national, regional, local and farm levels, it is necessary to streamline the governance of the CAP and improve its delivery on the Union objectives and to significantly decrease the administrative burden. In the CAP based on delivery of performance ('delivery model'), the Union should set the basic policy parameters, such as objectives of the CAP and basic requirements, while Member States should bear greater responsibility as to how they meet the objectives and achieve targets. Enhanced subsidiarity makes it possible to better take into account local conditions and needs, tailoring the support to maximise the contribution to Union objectives.

Amendment

(2) Since the CAP needs to sharpen its responses to the challenges and opportunities as they manifest themselves at Union, international, national, regional, local and farm levels, it is necessary to streamline the governance of the CAP and improve its delivery on the Union objectives and to significantly decrease the administrative burden. In the CAP based on delivery of performance ('delivery model'), the Union should set the basic policy parameters, such as objectives of the CAP and basic requirements, while Member States should bear greater responsibility as to how they meet the objectives and achieve targets. Enhanced subsidiarity makes it possible to better take into account local conditions and needs, tailoring the support to maximise the contribution to Union objectives. ***The CAP shall also contribute to fulfilling the commitment of the Union and its Member States to achieve the Sustainable Development Goals.***

Amendment 5

Proposal for a regulation Recital 5 a (new)

Text proposed by the Commission

Amendment

(5 a) The focus in the future of farming should be on producing high-quality food, as that is where Europe's competitive advantage lies. Union standards should be maintained and strengthened where feasible, and measures should be envisioned to further increase the long-term productivity and competitiveness of the food production sector, and to introduce new technologies and a more efficient use of resources, thereby strengthening the Unions role as a world

leader.

Amendment 6

Proposal for a regulation Recital 6

Text proposed by the Commission

(6) Synergies between the EAFRD and Horizon Europe should encourage that the EAFRD makes the best use of research and innovation results, in particular those stemming from projects funded by Horizon Europe and the European Innovation Partnership (EIP) for ‘agricultural productivity and sustainability’, leading to innovations in the farming sector and rural areas.

Amendment

(6) Synergies between the EAFRD and Horizon Europe, ***other Union policies and international commitments*** should encourage that the EAFRD makes the best use of research and innovation results, in particular those stemming from projects funded by Horizon Europe and the European Innovation Partnership (EIP) for ‘agricultural productivity and sustainability’, leading to innovations in the farming sector and rural areas.

Amendment 7

Proposal for a regulation Recital 7 a (new)

Text proposed by the Commission

Amendment

(7 a) In order to ensure a fair distribution of direct payments between Member States and to close the gaps between the different regions of the Union, reliable socio-economic indexes and production costs should be taken into account. In this respect it is crucial to ensure equal competition conditions for all farmers in the Union, taking into account the vulnerabilities and specificities of small-scale economies, as well as to implement measures in order to mitigate price volatility.

Amendment 8

Proposal for a regulation Recital 11 a (new)

PE625.573v02-00

6/17

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(11a) To achieve the Union's climate objectives, climate action targets should be overall of at least 25 % of the EU budget expenditures supporting climate objectives over the MFF 2021-2027 period, and an annual target of 30 % as soon as possible and at the latest by 2027. In order to address the European Court of Auditors recommendations, compulsory climate action targets should be laid out in programme specific legislations and require ex-ante earmarking in all programming and planning processes rather than ex-post accounting. Climate mainstreaming and climate proofing mechanisms should be unified by reforming, expanding and centralizing the Rio Marker system, in order to differentiate between mitigation and adaptation, and between sectors; and by 'Energy Efficiency first' assessments during infrastructure investment planning, as set out in the Regulation on the Governance of the Energy Union, as well as clear exclusion criteria. Performance frameworks should be based on adequate and elaborate output and result indicators, showing the level of ambition and putting results into perspective of national needs, objectives and opportunities.

Amendment 9

Proposal for a regulation

Recital 42

Text proposed by the Commission

(42) In the light of the need to fill the investment gap in the Union agricultural sector and improve access to financial instruments for priority groups, notably young farmers and new entrants with higher risk profiles, use of the InvestEU

Amendment

(42) In the light of the need to fill the investment gap in the Union agricultural sector and improve access to financial instruments for priority groups, notably young farmers, **women** and new entrants with higher risk profiles, use of the

guarantee and combination of grants and financial instruments should be encouraged. Since the use of financial instruments across Member States varies considerably as a result of differences in terms of access to finance, banking sector development, presence of risk capital, familiarity of public administrations and potential range of beneficiaries, Member States should establish in the CAP Strategic Plan appropriate targets, beneficiaries and preferential conditions, and other possible eligibility rules.

InvestEU guarantee and combination of grants and financial instruments should be encouraged. Since the use of financial instruments across Member States varies considerably as a result of differences in terms of access to finance, banking sector development, presence of risk capital, familiarity of public administrations and potential range of beneficiaries, Member States should establish in the CAP Strategic Plan appropriate targets, beneficiaries and preferential conditions, and other possible eligibility rules.

Amendment 10

Proposal for a regulation Recital 52

Text proposed by the Commission

(52) Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, this Program will contribute to mainstream climate action in the Union's policies and to the achievement of an overall target of **25%** of the EU budget expenditures supporting climate objectives. Actions under the CAP are expected to contribute **40 %** of the overall financial envelope of the CAP to climate objectives. Relevant actions will be identified during the Program's preparation and implementation, and reassessed in the context of the relevant evaluations and review processes.

Amendment

(52) Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, this Program will contribute to mainstream climate action in the Union's policies and to the achievement of an overall target of **at least 25 %** of the EU budget expenditures supporting climate objectives **over the MFF 2021-2027 period, and an annual target of 30 % as soon as possible and at the latest by 2027**. Actions under the CAP are expected to contribute **45 %** of the overall financial envelope of the CAP to climate objectives. Relevant actions will be identified during the Program's preparation and implementation, and reassessed in the context of the relevant evaluations and review processes.

Amendment 11

Proposal for a regulation Recital 55 a (new)

Text proposed by the Commission

Amendment

(55a) *The new delivery model must not call into question the integrity of the single market or the historically European nature of the CAP, which must remain a truly common policy, ensuring a European approach and a level playing field.*

Amendment 12

Proposal for a regulation Recital 79 a (new)

Text proposed by the Commission

Amendment

(79a) *After 2020, the CAP must support farmers more efficiently, in order to address price and income volatility.*

Amendment 13

Proposal for a regulation Recital 80 a (new)

Text proposed by the Commission

Amendment

(80a) *Trade agreements signed with non-EU countries relating to the agricultural sector should provide for arrangements and contain safeguard clauses to ensure a level playing field between EU and non-EU farmers and to protect consumers.*

Amendment 14

Proposal for a regulation Article 2 – paragraph 2

Text proposed by the Commission

Amendment

2. Chapter III of Title II, Chapter II of Title III and Articles 41 and 43 of Regulation (EU) [CPR] of the European

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Parliament and of the Council²⁶ shall apply to support financed by the EAFRD under this Regulation.

²⁶ Regulation (EU) [.../...] of the European Parliament and of the Council of [date] [full title] (OJ L).

Parliament and of the Council²⁶ shall apply to support financed by the EAFRD under this Regulation, ***in order to ensure continuity between the structural funds and the strategic plans.***

²⁶ Regulation (EU) [.../...] of the European Parliament and of the Council of [date] [full title] (OJ L).

Amendment 15

Proposal for a regulation

Article 5 – paragraph 1 – introductory part

Text proposed by the Commission

Support from the EAGF and EAFRD shall aim to further improve the sustainable development of farming, food and rural areas and shall contribute to achieving the following general objectives:

Amendment

CAP shall remain a common Union policy and shall be adequately funded in order to deliver its objectives and achieve the ambitions of a revised and efficient CAP. Support from the EAGF and EAFRD shall aim to further improve the sustainable development of farming, food and rural areas and shall contribute to achieving the following general objectives:

Amendment 16

Proposal for a regulation

Article 6 – paragraph 1 – point g

Text proposed by the Commission

(g) ***attract*** young farmers and ***facilitate*** business development in rural areas;

Amendment

(g) ***increased support for family farms, attraction of women and*** young farmers and ***facilitating*** business development in rural areas;

Amendment 17

Proposal for a regulation

Article 6 – paragraph 1 – point h

Text proposed by the Commission

Amendment

(h) promote employment, growth, social inclusion and local development in rural areas, including bio-economy and sustainable forestry;

(h) promote employment, growth, social inclusion and local development in rural, ***remote, naturally constrained and mountainous*** areas, including bio-economy and sustainable forestry;

Amendment 18

Proposal for a regulation

Article 6 – paragraph 1 – point h

Text proposed by the Commission

Amendment

(h) promote employment, growth, social inclusion and local development in rural areas, including bio-economy and sustainable forestry;

(h) promote employment, growth, social inclusion, ***gender equality, non-discrimination*** and local development in rural areas, including bio-economy and sustainable forestry;

Amendment 19

Proposal for a regulation

Article 6 – paragraph 2

Text proposed by the Commission

Amendment

2. When pursuing the specific objectives Member States shall ensure simplification and performance of the CAP support.

2. When pursuing the specific objectives Member States shall ensure simplification and performance of the CAP support.
Commission shall ensure that financial and performance control and audit functions are performed to the same high-level standards of continuous improvement across all Member States while fully respecting the principles of subsidiarity and flexibility.

Amendment 20

Proposal for a regulation

Article 7 – paragraph 1 – subparagraph 1 – introductory part

Text proposed by the Commission

Achievement of the objectives referred to in Articles 5 and 6(1) shall be assessed on the basis of common indicators related to output, result and impact. The set of common indicators shall include:

Amendment

Achievement of the objectives referred to in Articles 5 and 6(1) shall be assessed ***implementing results-based approach*** on the basis of common indicators related to output, result and impact. The set of common indicators shall include:

Amendment 21

**Proposal for a regulation
Article 22 – paragraph 1**

Text proposed by the Commission

1. Each Member State deciding to grant the basic income support based on payment entitlements shall manage a national reserve.

Amendment

1. Each Member State deciding to grant the basic income support based on payment entitlements shall manage a national reserve ***in accordance with the national legislation.***

Amendment 22

**Proposal for a regulation
Article 79 – paragraph 1 a (new)**

Text proposed by the Commission

Amendment

1 a. The total amount of Union support for types of interventions for EAGF under this Regulation for the period from 1 January 2021 to 31 December 2027 shall be EUR 286.543 billion in 2018 prices (EUR 322.948 billion in current prices).

Justification

In line with the decision of the Conference of Presidents of 13 September 2018, the compromise amendment reflects the latest breakdown of the MFF per programme as proposed by the MFF Rapporteurs and adopted on the interim report on the proposal for a Council regulation on the Multiannual Financial Framework 2021-2027 – Parliament's position with a view to an agreement.

Amendment 23

Proposal for a regulation Article 79 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2 a. The total amount of Union support for types of interventions for EAFRD under this Regulation for the period from 1 January 2021 to 31 December 2027 shall be EUR 96.712 billion in 2018 prices (EUR 108.999 billion in current prices).

Justification

In line with the decision of the Conference of Presidents of 13 September 2018, the compromise amendment reflects the latest breakdown of the MFF per programme as proposed by the MFF Rapporteurs and adopted on the interim report on the proposal for a Council regulation on the Multiannual Financial Framework 2021-2027 – Parliament's position with a view to an agreement.

Amendment 24

Proposal for a regulation Article 83 – paragraph 1

Text proposed by the Commission

Amendment

1. The total amount of Union support for types of interventions for rural development under this Regulation for the period from 1 January 2021 to 31 December 2027 shall be EUR 78 811 million in current prices in accordance with the multiannual financial framework for the years 2021 to 2027³⁸. **deleted**

³⁸ *Proposal for a Council Regulation laying down the multiannual financial framework for the years 2021-2027 Communication from the Commission to the European Parliament, the Council,*

Amendment 25

Proposal for a regulation Article 83 – paragraph 2

Text proposed by the Commission

2. 0,25% of the resources referred to in paragraph **1** shall be devoted to finance the activities of technical assistance on the initiative of the Commission referred to in Article 7 of the Regulation (EU) [HzR], including the European network for the Common Agricultural Policy referred to in Article 113(2) of this Regulation and the European Innovation Partnership for agricultural productivity and sustainability referred to in Article 114 of this Regulation. Those activities may concern previous and subsequent CAP Strategic Plan periods.

Amendment

2. 0,25% of the resources referred to in **Article 79** paragraph **3** shall be devoted to finance the activities of technical assistance on the initiative of the Commission referred to in Article 7 of the Regulation (EU) [HzR], including the European network for the Common Agricultural Policy referred to in Article 113(2) of this Regulation and the European Innovation Partnership for agricultural productivity and sustainability referred to in Article 114 of this Regulation. Those activities may concern previous and subsequent CAP Strategic Plan periods.

Amendment 26

Proposal for a regulation Article 91 – paragraph 2

Text proposed by the Commission

Based on the **SWOT** analysis referred to in Article 103(2) and an assessment of needs referred to in Article 96, Member State shall establish in the CAP Strategic Plans an intervention strategy as referred to in Article 97 in which quantitative targets and milestones shall be set to achieve the specific objectives set out to in Article 6. The targets shall be defined using a common set of result indicators set out in Annex I.

Amendment

Based on the **Strengths, Weaknesses, Opportunities and Threats (SWOT)** analysis referred to in Article 103(2) and an assessment of needs referred to in Article 96, Member State shall establish in the CAP Strategic Plans an intervention strategy as referred to in Article 97 in which quantitative targets and milestones shall be set to achieve the specific objectives set out to in Article 6. The targets shall be defined using a common set of result indicators set out in Annex I.

Amendment 27

Proposal for a regulation Article 127 – paragraph 2

Text proposed by the Commission

2. The Commission shall carry out an interim evaluation to examine the effectiveness, efficiency, relevance, coherence and Union added value of the EAGF and the EAFRD by the end of the third year following the start of implementation of the CAP Strategic Plans taking into account the indicators set out in Annex I. The Commission may make use of all relevant information already available in accordance with Article [128] of the [New Financial Regulation].

Amendment

2. The Commission shall carry out an interim evaluation to examine the effectiveness, efficiency, relevance, coherence and Union added value of the EAGF and the EAFRD, ***as well as the use by Member States of transfers between direct payments and EAFRD allocations in accordance with Article 90 of this Regulation***, by the end of the third year following the start of implementation of the CAP Strategic Plans taking into account the indicators set out in Annex I. The Commission may make use of all relevant information already available in accordance with Article [128] of the [New Financial Regulation].

Amendment 28

Proposal for a regulation Article 127 – paragraph 3

Text proposed by the Commission

3. The Commission shall carry out an ex post evaluation to examine the effectiveness, efficiency, relevance, coherence and Union added value of the EAGF and the EAFRD.

Amendment

3. The Commission shall carry out an ex post evaluation to examine the effectiveness, efficiency, relevance, coherence and Union added value of the EAGF and the EAFRD, ***as well as the use by Member States of transfers between direct payments and EAFRD allocations in accordance with Article 90 of this Regulation***.

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Establishing rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD)
References	COM(2018)0392 – C8-0248/2018 – 2018/0216(COD)
Committee responsible Date announced in plenary	AGRI 11.6.2018
Opinion by Date announced in plenary	BUDG 11.6.2018
Rapporteur Date appointed	Nedzhmi Ali 11.7.2018
Discussed in committee	26.9.2018
Date adopted	21.11.2018
Result of final vote	+: 27 –: 4 0: 2
Members present for the final vote	Nedzhmi Ali, Jean Arthuis, Lefteris Christoforou, Gérard Deprez, Manuel dos Santos, André Elissen, José Manuel Fernandes, Eider Gardiazabal Rubial, Ingeborg Gräßle, Iris Hoffmann, Monika Hohlmeier, John Howarth, Bernd Kölmel, Zbigniew Kuźmiuk, Vladimír Maňka, Jan Olbrycht, Răzvan Popa, Petri Sarvamaa, Jordi Solé, Patricija Šulin, Eleftherios Synadinos, Indrek Tarand, Isabelle Thomas, Inese Vaidere, Monika Vana, Daniele Viotti, Tiemo Wölken, Stanisław Żółtek
Substitutes present for the final vote	Karine Gloanec Maurin, Giovanni La Via, Ivana Maletić, Andrey Novakov, Tomáš Zdechovský

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

27	+
ALDE	Nedzhmi Ali, Jean Arthuis, Gérard Deprez
ECR	Zbigniew Kuźmiuk
PPE	Lefteris Christoforou, José Manuel Fernandes, Ingeborg Gräßle, Monika Hohlmeier, Giovanni La Via, Ivana Maletić, Andrey Novakov, Jan Olbrycht, Petri Sarvamaa, Patricija Šulin, Inese Vaidere, Tomáš Zdechovský
S&D	Eider Gardiazabal Rubial, Karine Gloanec Maurin, Iris Hoffmann, John Howarth, Vladimír Maňka, Răzvan Popa, Manuel dos Santos, Isabelle Thomas, Daniele Viotti, Tiemo Wölken
VERTS/ALE	Indrek Tarand

4	-
ECR	Bernd Kölmel
ENF	André Elissen, Stanisław Żółtek
NI	Eleftherios Synadinos

2	0
VERTS/ALE	Jordi Solé, Monika Vana

Key to symbols:

+ : in favour

- : against

0 : abstention