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*Committee on Agriculture and Rural Development*

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**2011/0288(COD)**

30.5.2012

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# **DRAFT REPORT**

on the proposal for a regulation of the European Parliament and of the Council  
on the financing, management and monitoring of the common agricultural  
policy  
(COM(2011)0628 – C7-0341/2011 – 2011/0288(COD))

Committee on Agriculture and Rural Development

Rapporteur: Giovanni La Via

### ***Symbols for procedures***

- \* Consultation procedure
- \*\*\* Consent procedure
- \*\*\*I Ordinary legislative procedure (first reading)
- \*\*\*II Ordinary legislative procedure (second reading)
- \*\*\*III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

### ***Amendments to a draft act***

In amendments by Parliament, amendments to draft acts are highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the draft act which may require correction when the final text is prepared – for instance, obvious errors or omissions in a language version. Suggested corrections of this kind are subject to the agreement of the departments concerned.

The heading for any amendment to an existing act that the draft act seeks to amend includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend. Passages in an existing act that Parliament wishes to amend, but that the draft act has left unchanged, are highlighted in **bold**. Any deletions that Parliament wishes to make in such passages are indicated thus: [...].

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## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy (COM(2011)0628 – C7-0341/2011 – 2011/0288(COD))**

**(Ordinary legislative procedure: first reading)**

*The European Parliament,*

- having regard to the Commission proposal to Parliament and the Council (COM(2011)0628),
  - having regard to Article 294(2) and Article 43(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0341/2011),
  - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
  - having regard to the opinion of the European Economic and Social Committee of 25 April 2012<sup>1</sup>,
  - having regard to the opinion of the Court of Auditors of 8 March 2012<sup>2</sup>,
  - having regard to the opinion of the Committee of the Regions of 4 May 2012<sup>3</sup>,
  - having regard to Rule 55 of its Rules of Procedure,
  - having regard to the report of the Committee on Agriculture and Rural Development and the opinions of the Committee on Regional Development, the Committee on Budgetary Control, the Committee on Development and the Committee on Budgets (A7-0000/2012),
1. Adopts its position at first reading hereinafter set out;
  2. Points out that the financial envelope specified in the legislative proposal constitutes only an indication to the legislative authority and cannot be fixed until agreement is reached on the proposal for a regulation laying down the multiannual financial framework for the years 2014-2020;
  3. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
  4. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

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<sup>1</sup> Not yet published in the Official Journal.

<sup>2</sup> Not yet published in the Official Journal.

<sup>3</sup> Not yet published in the Official Journal.

## Amendment 1

### Proposal for a regulation

#### Recital 3

##### *Text proposed by the Commission*

(3) In order to supplement or amend certain non-essential elements of this Regulation, the power to adopt delegated acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the accreditation of the paying agencies and coordinating bodies, the content of the Farm Advisory System, the measures to be financed by Union budget under public intervention and the valuation of the operations in connection with public intervention, the reductions and suspension of the reimbursements to the Member States, the compensation between expenditure and revenues under the Funds, the recovery of debts, the *penalties* applied to beneficiaries in case of non-compliance with the eligibility conditions, in respect of rules on securities, on the functioning of the integrated administration and control system, of the measures excluded from the scrutiny of transactions, the penalties applied under cross compliance, the rules on maintenance of permanent grassland, the rules on the operative event and the exchange rate to be used by the Member States not using the euro and in respect of the content of the common evaluation framework of the measures adopted under the CAP. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and Council.

##### *Amendment*

(3) In order to supplement or amend certain non-essential elements of this Regulation, the power to adopt delegated acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the accreditation of the paying agencies and coordinating bodies, the content of the Farm Advisory System, the measures to be financed by Union budget under public intervention and the valuation of the operations in connection with public intervention, the reductions and suspension of the reimbursements to the Member States, the compensation between expenditure and revenues under the Funds, the recovery of debts, the *administrative penalties* applied to beneficiaries in case of non-compliance with the eligibility conditions, in respect of rules on securities, on the functioning of the integrated administration and control system, of the measures excluded from the scrutiny of transactions, the penalties applied under cross compliance, the rules on maintenance of permanent grassland *and pasture*, the rules on the operative event and the exchange rate to be used by the Member States not using the euro and in respect of the content of the common evaluation framework of the measures adopted under the CAP. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and Council.

*(These two amendments, replacing 'penalty' with 'administrative penalty')*

*and ‘permanent grassland’ with ‘permanent grassland and pasture’, apply throughout the text; adopting them will necessitate corresponding changes throughout.)*

Or. en

## **Amendment 2**

### **Proposal for a regulation Recital 5 a (new)**

*Text proposed by the Commission*

*Amendment*

*(5a) This Regulation should provide, where appropriate, for exemptions in cases of force majeure and in exceptional circumstances. In connection with agricultural regulations, the concept of force majeure should be interpreted in light of the case-law of the Court of Justice.*

Or. en

## **Amendment 3**

### **Proposal for a regulation Recital 37 a (new)**

*Text proposed by the Commission*

*Amendment*

*(37a) In addition to Regulation (EC, Euratom) No 2988/95, more detailed provisions should be laid down in this Regulation dealing with irregularities in the field of the common agricultural policy. A beneficiary who receives aid without complying with the eligibility criteria or commitments for the grant of that aid should be considered to have wrongly obtained an advantage. Such advantages are to be withdrawn pursuant to Article 4 of Regulation (EC, Euratom) No 2988/95. In order to deter*

*beneficiaries from non-compliance, administrative penalties within the meaning of Article 5 of Regulation (EC, Euratom) No 2988/95 should apply, in the form of reduction or exclusion from aid, in particular in situations where intentional irregularities or those caused by negligence are involved. Those administrative penalties may affect aid for which eligibility conditions or commitments have been met. However, it is important that, in the case of irregularities related to Title III of Chapter 2 of Regulation (EU) No xxx/xxx (Direct Payments), the sum of all withdrawals and reductions of aid should not exceed the payment referred to in that Chapter.*

Or. en

#### *Justification*

*The link between Regulation (EC, Euratom) No 2988/95 and Article 65 of this Regulation should be explained.*

#### **Amendment 4**

##### **Proposal for a regulation Recital 53**

###### *Text proposed by the Commission*

(53) Statutory management requirements need to be fully implemented by Member States in order to become operational at farm level and ensure the necessary equal treatment between farmers.

###### *Amendment*

(53) Statutory management requirements need to be fully implemented by Member States in order to become operational at farm level and ensure the necessary equal treatment between farmers. ***The Commission should issue guidelines on the interpretation of the rules on animal identification and registration for cross-compliance purposes, which should, where appropriate, provide for flexibility at farm level in order to strike the necessary balance between safeguarding the spirit of the legislation and applying proportionate administrative penalties***



*only in the case of non-compliance directly and unequivocally attributable to the beneficiaries, in particular in respect of repeated failure of the technology in use.*

Or. en

## **Amendment 5**

### **Proposal for a regulation Recital 54**

*Text proposed by the Commission*

*Amendment*

*(54) As regards Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy the provisions will only be operational under cross compliance when all Member States will have fully implemented them in particular with clear obligations for farmers. According to the Directive the requirements at farm level will be applied at the latest by 1 January 2013.*

*deleted*

Or. it

## **Amendment 6**

### **Proposal for a regulation Recital 55**

*Text proposed by the Commission*

*Amendment*

*(55) As regards Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides the provisions will only be operational under cross compliance when all Member*

*deleted*

*States will have fully implemented them in particular with clear obligations for farmers. According to the Directive the requirements at farm level will be progressively applied following a time schedule and in particular the general principles of integrated pest management will be applied at the latest by 1 January 2014.*

Or. it

## **Amendment 7**

### **Proposal for a regulation**

#### **Article 2 – paragraph 1 – subparagraph 1**

*Text proposed by the Commission*

1. The definitions of "farmer", "agricultural activity", "agricultural area", "**holding**" laid down in Article 4 of Regulation (EU) xxx/xxx[DP] shall apply for the purposes of this Regulation, *save as otherwise provided for in this Regulation.*

*Amendment*

1. The definitions of "farmer", "agricultural activity" **and** "agricultural area" laid down in Article 4 of Regulation (EU) xxx/xxx[DP] shall apply for the purposes of this Regulation.

Or. it

## **Amendment 8**

### **Proposal for a regulation**

#### **Article 2 – paragraph 1 – subparagraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

*Save for the purpose of Title VI, as provided for in Article 91(3), the definition of "holding" laid down in Article 4 of Regulation (EU) xxx/xxx[DP] shall apply for the purposes of this Regulation.*

Or. en

## Amendment 9

### Proposal for a regulation

#### Article 2 – paragraph 1 – subparagraph 2 a (new)

*Text proposed by the Commission*

*Amendment*

***For the purposes of this Regulation, "sectoral agricultural legislation" means any applicable act adopted on the basis of Article 43 of the Treaty within the framework of the common agricultural policy as well as, where applicable, any delegated acts or implementing acts adopted on the basis of those acts.***

Or. en

## Amendment 10

### Proposal for a regulation

#### Article 2 – paragraph 2 – introductory phrase

*Text proposed by the Commission*

*Amendment*

2. Force majeure and exceptional circumstances as used in this Regulation in relation to Regulation (EU) xxx/xxx[DP], Regulation (EU) xxx/xxx[sCMO] and Regulation (EU) xxx/xxx[RD] may in particular be recognised in cases such as:

*(Does not affect English version.)*

Or. it

## Amendment 11

### Proposal for a regulation

#### Article 2 – paragraph 2 – point e a (new)

*Text proposed by the Commission*

*Amendment*

***(ea) a plant disease affecting part or all***

*of the beneficiary's crops;*

Or. it

*Justification*

*Although an open list, to be assessed on a case-by-case basis, is proposed, no reference is made to plant diseases, despite the fact that they occur frequently on farms.*

**Amendment 12**

**Proposal for a regulation**

**Article 6 – introductory sentence**

*Text proposed by the Commission*

*Amendment*

The EAGF and the EAFRD may each respectively finance on a direct manner, on the initiative of the Commission and/or on its behalf, the preparatory, monitoring, administrative and technical support, as well as evaluation, audit and inspection measures required to implement the common agricultural policy.

*(Does not affect English version.)*

Or. it

**Amendment 13**

**Proposal for a regulation**

**Article 7 – paragraph 1 – subparagraph 1**

*Text proposed by the Commission*

*Amendment*

1. Paying agencies shall be dedicated departments or bodies of the Member States responsible for the management and control of expenditure referred to in Article 4(1) and Article 5.

1. Paying agencies shall be dedicated departments or bodies of the Member States responsible for the management and control of **all** expenditure referred to in **both** Article 4(1) and Article 5.

Or. it

*Justification*

*Accredited paying agencies must be responsible for managing both pillars. The current*

*management arrangements have failed to make aid disbursement any more efficient.*

#### **Amendment 14**

##### **Proposal for a regulation**

##### **Article 7 – paragraph 3 – point b**

*Text proposed by the Commission*

(b) a management declaration of assurance as to the completeness, accuracy and veracity of the accounts, the proper functioning of the internal control systems as well as to the legality and regularity of the underlying transactions and the respect of the principle of sound financial management;

*Amendment*

(b) a management declaration of assurance as to the completeness, accuracy and veracity of the accounts, the proper functioning of the internal control systems, ***based on measurable performance criteria***, as well as to the legality and regularity of the underlying transactions and the respect of the principle of sound financial management;

Or. it

#### **Amendment 15**

##### **Proposal for a regulation**

##### **Article 7 – paragraph 4 – subparagraph 2 – introductory phrase**

*Text proposed by the Commission*

4. Where more than one paying agency is accredited, the Member State shall designate a body, hereinafter referred to as the "coordinating body", to which it assigns the following tasks:

*Amendment*

Where, ***on account of a Member State's constitutional system***, more than one paying agency is accredited, the Member State shall designate a body, hereinafter referred to as the "coordinating body", to which it assigns the following tasks:

Or. it

## Amendment 16

### Proposal for a regulation

#### Article 8 – paragraph 1 – point c a (new)

*Text proposed by the Commission*

*Amendment*

***(ca) the obligations of the paying agencies as regards public intervention, as well as the content of their management and control responsibilities;***

Or. it

*Justification*

*The paying agencies' obligations and the content of their responsibilities should be laid down by means of delegated acts, not implementing acts.*

## Amendment 17

### Proposal for a regulation

#### Article 8 – paragraph 2 – point a

*Text proposed by the Commission*

*Amendment*

***(a) the obligations of the paying agencies as regards public intervention, as well as on the content of their management and control responsibilities.*** *deleted*

Or. it

*Justification*

*The paying agencies' obligations and the content of their responsibilities should be laid down by means of delegated acts, not implementing acts.*

## Amendment 18

### Proposal for a regulation

#### Article 9 – paragraph 1 – subparagraph 1

*Text proposed by the Commission*

*Amendment*

1. The certification body shall be a public or private audit body ***designated*** by the

1. The certification body shall be a public or private audit body, ***selected by means of***

Member State which shall provide an opinion on ***the management declaration of assurance covering*** the completeness, accuracy and veracity of the annual accounts of the paying agency, the proper functioning of ***its internal control system***, the legality and regularity of the underlying transactions, ***as well as the respect of the principle of sound financial management***.

***a public tendering procedure*** by the Member State, which shall provide an opinion, ***drawn up in accordance with internationally accepted audit standards***, on the completeness, accuracy and veracity of the annual accounts of the paying agency, the proper functioning of ***the control systems put in place as well as*** the legality and regularity of the underlying transactions. ***This opinion shall state, inter alia, whether the examination puts in doubt the assertions made in the management declaration of assurance referred to in Article 7(3)(b)***.

Or. en

## Amendment 19

### Proposal for a regulation Article 9 – paragraph 2

*Text proposed by the Commission*

2. The Commission shall, ***by means of implementing acts***, lay down rules concerning the status of the certification bodies, the specific tasks, including the checks, which they have to carry out as well as the certificates and the reports, together with the documents accompanying them, to be drawn up by those bodies. ***Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 112(3)***.

*Amendment*

2. ***The Commission shall be empowered to adopt delegated acts in accordance with Article 111 laying down*** rules concerning the status of the certification bodies, the specific tasks, including the checks, which they have to carry out as well as the certificates and the reports, together with the documents accompanying them, to be drawn up by those bodies.

Or. it

*Justification*

*In line with the position adopted by the Committee on Agriculture and Rural Development (A7-0209/2011 of 25 May 2011) during the process of alignment with the Lisbon Treaty provisions.*

## Amendment 20

### Proposal for a regulation Article 12 – paragraph 1

*Text proposed by the Commission*

1. Member States shall establish a system of advising beneficiaries on land and farm management (hereinafter referred to as the ‘farm advisory system’) operated by one or more **designated** bodies. The **designated** bodies may be public or private.

*Amendment*

1. Member States shall establish a system of advising beneficiaries on land and farm management (hereinafter referred to as the ‘farm advisory system’) operated by one or more **selected** bodies. The **selected** bodies may be public **and/or** private.

Or. it

*Justification*

*Advisory services may also be provided by private bodies carrying out activities relating to the provision of CAP aid alongside public authorities, on a horizontal subsidiarity basis.*

## Amendment 21

### Proposal for a regulation Article 12 – paragraph 2 – point c

*Text proposed by the Commission*

***(c) the requirements or actions related to climate change mitigation and adaptation, biodiversity, protection of water, animal and plant disease notification and innovation at minimum as laid down in Annex I to this Regulation;***

*Amendment*

***deleted***

Or. it

*Justification*

*This item should be optional and has thus been moved to paragraph 3.*



## Amendment 22

### Proposal for a regulation

#### Article 12 – paragraph 2 – point c a (new)

*Text proposed by the Commission*

*Amendment*

***(ca) the sustainable development of farms' economic activities in line with all of the measures provided for in rural development programmes, including farm modernisation, competitiveness building, sectoral integration, innovation and market orientation;***

Or. it

*Justification*

*Farm advisory services need to be stepped up with a view to meeting the CAP objectives, in particular those covering local action under rural development programmes. This needs to be done in line with the expansion of the knowledge-based economy (research – advice – training – market) and, in particular, in order to extend the scope of advisory services beyond their current narrow focus on cross-compliance and mandatory measures, so as to provide support for more ambitious and innovative CAP objectives.*

## Amendment 23

### Proposal for a regulation

#### Article 12 – paragraph 2 – point d

*Text proposed by the Commission*

*Amendment*

(d) the sustainable development of the economical activity of ***the small*** farms as defined by the Member States ***and at least of the*** farms participating in the small farmers scheme referred to in Title V of Regulation (EU) No xxx/xxx[DP].

(d) the sustainable development of the economical activity of farms as defined by the Member States, ***with priority being given to*** farms participating in the small farmers scheme referred to in Title V of Regulation (EU) No xxx/xxx[DP].

Or. it

*Justification*

*This item should be optional and has thus been moved to paragraph 3.*

## Amendment 24

### Proposal for a regulation Article 12 – paragraph 3 – point a

*Text proposed by the Commission*

*Amendment*

***(a) the sustainable development of the economical activity of holdings other than those referred to in paragraph (2)(d);***

***deleted***

Or. it

## Amendment 25

### Proposal for a regulation Article 12 – paragraph 3 – point b a (new)

*Text proposed by the Commission*

*Amendment*

***(ba) the requirements or actions related to climate change mitigation and adaptation, biodiversity, protection of water, animal and plant disease notification and innovation at minimum as laid down in Annex I to this Regulation;***

Or. it

## Amendment 26

### Proposal for a regulation Article 13 – paragraph 1

*Text proposed by the Commission*

*Amendment*

1. Member States shall ensure that the advisors within the farm advisory system are suitably qualified and regularly trained.

1. Member States shall ensure that the advisors within the farm advisory system are suitably qualified and regularly ***undergo in-service training.***

Or. it

## Amendment 27

### Proposal for a regulation Article 13 – paragraph 3

*Text proposed by the Commission*

3. The competent national authority shall provide the beneficiary, where appropriate by the use of electronic means, with the appropriate list of *designated* bodies.

*Amendment*

3. The competent national authority shall provide the *potential* beneficiary, where appropriate by the use of electronic means, with the appropriate list of *selected* bodies.

Or. it

## Amendment 28

### Proposal for a regulation Article 15 – paragraph 1

*Text proposed by the Commission*

1. In order to guarantee the proper functioning of the farm advisory system, the Commission shall be empowered to adopt delegated acts in accordance with Article 111 concerning provisions aiming at rendering that system fully operational. Those provisions may relate, amongst others, to the accessibility criteria for farmers.

*Amendment*

*(Does not affect English version.)*

Or. it

## Amendment 29

### Proposal for a regulation Article 15 – paragraph 2

*Text proposed by the Commission*

***2. The Commission may, by means of implementing acts, adopt rules for the uniform implementation of the farm advisory system. Those implementing acts shall be adopted in accordance with the***

*Amendment*

***deleted***

*examination procedure referred to in Article 112(3).*

Or. it

*Justification*

*The scope of this paragraph is too extensive, and there is a risk of confusion with the delegated acts provided for in Article 8(1).*

**Amendment 30**

**Proposal for a regulation  
Article 19**

*Text proposed by the Commission*

Expenditure relating to administrative and personnel costs incurred by Member States and by beneficiaries of aid from the EAGF shall not be borne by the Fund.

*Amendment*

*(Does not affect English version.)*

Or. it

**Amendment 31**

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

*Text proposed by the Commission*

1. The measures financed pursuant to point (c) of Article 6 shall aim to give the Commission the means to manage Union agricultural markets in a global context, to ensure agri-economic monitoring of agricultural land and of the condition of crops so as to enable estimates to be made, in particular as regards yields and agricultural production, to share the access to such estimates in an international context, such as initiatives coordinated by United Nations organisations or other international agencies, to contribute to transparency of world markets, and to ensure *technological* follow-up of the agri-

*Amendment*

1. The measures financed pursuant to point (c) of Article 6 shall aim to give the Commission the means to manage Union agricultural markets in a global context, to ensure agri-economic monitoring of agricultural land and of the condition of crops so as to enable estimates to be made, in particular as regards yields and agricultural production, to share the access to such estimates in an international context, such as initiatives coordinated by United Nations organisations or other international agencies, to contribute to transparency of world markets, and to ensure follow-up of the agri-

meteorological system.

meteorological system.

Or. it

### **Amendment 32**

#### **Proposal for a regulation**

#### **Article 24 – paragraph 1 – subparagraph 2**

##### *Text proposed by the Commission*

All legislative instruments proposed by the Commission and adopted by the European Parliament and the Council, the Council or the Commission and having an influence on the EAGF budget shall comply with the amount referred to in Article 16.

##### *Amendment*

*(Does not affect English version.)*

Or. it

### **Amendment 33**

#### **Proposal for a regulation**

#### **Article 25 – paragraph 2**

##### *Text proposed by the Commission*

2. The Council, acting on a proposal from the Commission presented no later than 31 March of the calendar year in respect of which the adjustment referred to in paragraph 1 applies, shall determine the adjustment no later than 30 June of the same calendar year.

##### *Amendment*

2. The Council **and the European Parliament**, acting on a proposal from the Commission presented no later than 31 March of the calendar year in respect of which the adjustment referred to in paragraph 1 applies, shall determine the adjustment no later than 30 June of the same calendar year.

Or. it

##### *Justification*

*In line with the position adopted by the Committee on Agriculture and Rural Development (A7-0209/2011 of 25 May 2011) during the process of alignment with the Lisbon Treaty provisions.*

## Amendment 34

### Proposal for a regulation Article 25 – paragraph 3

*Text proposed by the Commission*

3. If by 30 June in any year the adjustment rate has not been set, the Commission shall set it by means of an implementing act and shall inform the Council immediately. Such implementing act shall be adopted in accordance with the advisory procedure referred to in Article 112(2).

*Amendment*

3. If by 30 June in any year the adjustment rate has not been set, the Commission shall set it by means of an implementing act and shall inform the Council **and the European Parliament** immediately. Such implementing act shall be adopted in accordance with the advisory procedure referred to in Article 112(2).

Or. it

*Justification*

*In line with the position adopted by the Committee on Agriculture and Rural Development (A7-0209/2011 of 25 May 2011) during the process of alignment with the Lisbon Treaty provisions.*

## Amendment 35

### Proposal for a regulation Article 25 – paragraph 4

*Text proposed by the Commission*

4. Until 1 December, **on a proposal by the Commission, on the basis of new information in its possession, the Council may** adapt the adjustment rate for direct payments set in accordance with paragraphs 2 or 3.

*Amendment*

4. **Should new material information become available after the decision referred to in paragraphs 2 and 3 has been taken, on the basis of that information the Commission may, until 1 December, by means of implementing acts and without using either of the procedures referred to in Article 112(2) and (3),** adapt the adjustment rate for direct payments set in accordance with paragraphs 2 or 3.

Or. it

## Amendment 36

### Proposal for a regulation Article 25 – paragraph 6

*Text proposed by the Commission*

6. Before **applying this Article, account shall first be taken of the amount authorised by the budget authority** for the Reserve for crises in the agricultural sector referred to in point 14 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management.

*Amendment*

6. Before **submitting the proposal referred to in paragraph 2, the Commission shall determine whether the conditions** for the **mobilisation of the** Reserve for crises in the agricultural sector referred to in point 14 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management **have been met, and, if they have, shall submit a proposal to that effect.**

Or. it

*Justification*

*The purpose of this amendment is to ensure that financial discipline is not used as a substitute for the reserve for crisis when extraordinary market developments lead to increased expected expenditure on the measures referred to in article 159 Single CMO.*

## Amendment 37

### Proposal for a regulation Article 26 – paragraph 2

*Text proposed by the Commission*

2. If, on drawing up the draft budget for financial year N, there appears to be a risk that the amount referred to in Article 16 for financial year N will be exceeded, the Commission shall propose to the European Parliament and the Council **or to the Council** the measures necessary to ensure compliance with that amount.

*Amendment*

2. If, on drawing up the draft budget for financial year N, there appears to be a risk that the amount referred to in Article 16 for financial year N will be exceeded, the Commission shall propose to the European Parliament and the Council the measures necessary to ensure compliance with that amount.

Or. it

### *Justification*

*In line with the position adopted by the Committee on Agriculture and Rural Development (A7-0209/2011 of 25 May 2011) during the process of alignment with the Lisbon Treaty provisions.*

#### **Amendment 38**

##### **Proposal for a regulation Article 26 – paragraph 3**

###### *Text proposed by the Commission*

3. At any time, if the Commission considers that there is a risk of the amount referred to in Article 16 being exceeded and that it cannot take adequate measures to remedy the situation under its powers, it shall propose other measures to ensure compliance with that amount. These measures shall be adopted **by the Council on the basis of Article 43(3) of the Treaty** or by the European Parliament and the Council on the basis of Article 43(2) of the Treaty.

###### *Amendment*

3. At any time, if the Commission considers that there is a risk of the amount referred to in Article 16 being exceeded and that it cannot take adequate measures to remedy the situation under its powers, it shall propose other measures to ensure compliance with that amount. These measures shall be adopted by the European Parliament and the Council on the basis of Article 43(2) of the Treaty.

Or. it

### *Justification*

*In line with the position adopted by the Committee on Agriculture and Rural Development (A7-0209/2011 of 25 May 2011) during the process of alignment with the Lisbon Treaty provisions.*

#### **Amendment 39**

##### **Proposal for a regulation Article 29**

###### *Text proposed by the Commission*

Without prejudice to the eligibility for support under **Article 30(2)** of Regulation (EU) No RD/xxx, expenditure financed under the EAFRD shall not be subject of any other financing under the EU budget.

###### *Amendment*

Without prejudice to the eligibility for support under **Articles 29 and 30** of Regulation (EU) No RD/xxx, expenditure financed under the EAFRD shall not be subject of any other financing under the



EU budget.

Or. it

#### **Amendment 40**

##### **Proposal for a regulation Article 34 – paragraph 1**

*Text proposed by the Commission*

1. Following the Commission decision approving the programme, an initial prefinancing amount for the whole programming period shall be paid by the Commission. This initial pre-financing amount shall represent **4%** of the EAFRD contribution to the programme concerned. It may be split into a maximum of three instalments depending on budget availability. The first instalment shall represent 2% of the EAFRD contribution to the programme concerned.

*Amendment*

1. Following the Commission decision approving the programme, an initial prefinancing amount for the whole programming period shall be paid by the Commission. This initial pre-financing amount shall represent **7%** of the EAFRD contribution to the programme concerned. It may be split into a maximum of three instalments depending on budget availability. The first instalment shall represent 2% of the EAFRD contribution to the programme concerned.

Or. it

#### **Amendment 41**

##### **Proposal for a regulation Article 37 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***1a. Member States which, on account of the fact that they have a federal system of government, submit several rural development programmes, may offset amounts not used by 31 December of the second year following that of the budget commitment for one or more rural development programmes against amounts spent after that date under other rural development programmes. Should any amounts remain to be decommitted***

*after such offsetting, they shall be charged, on a proportional basis, to the rural development programmes in respect of which underspends have been recorded.*

Or. it

*Justification*

*In line with the position adopted by the Committee on Agriculture and Rural Development (A7-0209/2011 of 25 May 2011) during the process of alignment with the Lisbon Treaty provisions. This principle is essential in order to ensure that Member States with a federal system of government are not penalised, by allowing them to apply the decommitment rule in such a way as to simplify procedures and save time.*

**Amendment 42**

**Proposal for a regulation**  
**Article 44**

*Text proposed by the Commission*

**When** sectoral agricultural legislation requires Member States to submit, within a specific period of time, information on the numbers of checks carried out and their outcome and the Member States overrun that period, the Commission may suspend the monthly payments referred to in Article 18 or the interim payments referred to in Article 35 for which the relevant statistical information has not been sent in time.

*Amendment*

**Where** sectoral agricultural legislation requires Member States to submit, within a specific period of time, information on the number of checks carried out **under Article 61** and their outcome and **where** the Member States overrun that period, the Commission may suspend, **in accordance with the principle of proportionality, taking account of the extent of the delay and according to the detailed rules it has adopted on the basis of Article 48(5)**, the monthly payments referred to in Article 18 or the interim payments referred to in Article 35 for which the relevant statistical information has not been sent in time.

Or. en

## Amendment 43

### Proposal for a regulation

#### Article 47 – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

It shall supply coherent, objective and comprehensive information, both inside and outside the Union, in order to give an overall picture of that policy.

*Amendment*

It shall supply coherent, objective and comprehensive information, both inside and outside the Union, in order to give an **accurate** overall picture of that policy.

Or. it

## Amendment 44

### Proposal for a regulation

#### Article 48 – paragraph 6

*Text proposed by the Commission*

6. The Commission **may lay down, by means of implementing acts**, further details on the obligation laid down in Article 46 as well as the specific conditions applying to the information to be booked in the accounts kept by the paying agencies. **Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 112(3).**

*Amendment*

6. The Commission **shall be empowered to adopt delegated acts in accordance with Article 111 laying down** further details on the obligation laid down in Article 46 as well as the specific conditions applying to the information to be booked in the accounts kept by the paying agencies.

Or. it

*Justification*

*The obligation laid down in Article 46, should be supplemented by means of delegated acts.*

## Amendment 45

### Proposal for a regulation

#### Article 48 – paragraph 6 a (new)

*Text proposed by the Commission*

*Amendment*

**6a. The Commission shall be empowered to adopt delegated acts in accordance with**



## Amendment 48

### Proposal for a regulation Article 51 – paragraph 1

*Text proposed by the Commission*

The accredited paying agencies shall keep supporting documents relating to payments made and documents relating to the performance of the administrative and physical checks required by Union legislation, and shall make the documents and information available to the Commission.

*Amendment*

The accredited paying agencies shall keep supporting documents relating to payments made and documents relating to the performance of the administrative and physical checks required by Union legislation, and shall make the documents and information available to the Commission. ***Such supporting documents may be kept in electronic form.***

Or. it

## Amendment 49

### Proposal for a regulation Article 52 – paragraph 1 – introductory part

*Text proposed by the Commission*

The Commission ***may, by means of implementing acts, lay down*** rules regarding:

*Amendment*

The Commission ***shall be empowered to adopt delegated acts in accordance with Article 111 laying down*** rules regarding:

Or. en

## Amendment 50

### Proposal for a regulation Article 52 – paragraph 1 – point c a (new)

*Text proposed by the Commission*

*Amendment*

***(ca) the conditions, under which the electronic storage of supporting***

*documents referred to in the first subparagraph of Article 51 is to be performed, including its form and duration.*

Or. en

## **Amendment 51**

### **Proposal for a regulation Article 52 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

The implementing acts provided for in the first paragraph shall be adopted in accordance with the examination procedure referred to in Article 112(3).

*deleted*

Or. it

## **Amendment 52**

### **Proposal for a regulation Article 54 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

2. The Commission shall assess the amounts to be excluded on the basis of the gravity of the non-conformity recorded. It shall take due account of the nature and gravity of the infringement ***and of the financial damage caused to the Union.***

2. The Commission shall assess the amounts to be excluded on the basis of the gravity of the non-conformity recorded. It shall take due account of the nature and gravity of the infringement.

Or. it

## Amendment 53

### Proposal for a regulation

#### Article 54 – paragraph 3 – subparagraph 2

##### *Text proposed by the Commission*

If agreement is not reached, the Member State may request opening of a procedure aimed at reconciling each party's position within four months. A report of the outcome of the procedure shall be given to the Commission, which shall **examine** it before deciding on any refusal of financing.

##### *Amendment*

If agreement is not reached, the Member State may request opening of a procedure aimed at reconciling each party's position within four months. A report of the outcome of the procedure shall be given to the Commission, which shall **take it into account** before deciding on any refusal of financing.

Or. it

##### *Justification*

*To give the conciliation body greater influence in the conformity clearance procedure.*

## Amendment 54

### Proposal for a regulation

#### Article 55 – paragraph 1 – introductory part

##### *Text proposed by the Commission*

The Commission shall, **by means of implementing** acts, **lay down rules for the implementation of:**

##### *Amendment*

The Commission shall **be empowered to adopt delegated** acts **in accordance with Article 111** laying down **objectives for the various phases of the clearance of accounts procedure, the respective roles and responsibilities of the different parties involved as well as** rules concerning:

Or. en

## Amendment 55

### Proposal for a regulation Article 55 – paragraph 2

*Text proposed by the Commission*

*Amendment*

*The implementing acts provided for in the first paragraph shall be adopted in accordance with the examination procedure referred to in Article 112(3).*      *deleted*

Or. it

## Amendment 56

### Proposal for a regulation Article 56 – paragraph 1

*Text proposed by the Commission*

*Amendment*

1. For any undue payment following the occurrence of irregularity or negligence, Member States shall request recovery from the beneficiary within one year of ***the first indication that such an irregular has taken place and shall record*** the corresponding amounts in the debtors' ledger of the paying agency.

1. For any undue payment following the occurrence of irregularity or negligence, Member States shall request recovery from the beneficiary within one year ***from its first documentation in a control report or similar document, or, where applicable, from the reception of that report or similar document by the paying agency or body responsible for the recovery.*** The corresponding amounts ***shall at the same time be recorded*** in the debtors' ledger of the paying agency.

Or. en

#### *Justification*

*The term 'first indication' is too vague and could give rise to implementation problems.*



## Amendment 57

### Proposal for a regulation Article 57 – paragraph 2

*Text proposed by the Commission*

When the Union budget is credited as referred in the first paragraph, the Member State may retain **10 %** of the corresponding amounts as flat rate recovery costs, except in cases of irregularity or negligence attributable to its administrative authorities or other official bodies.

*Amendment*

When the Union budget is credited as referred in the first paragraph, the Member State may retain **20 %** of the corresponding amounts as flat rate recovery costs, except in cases of irregularity or negligence attributable to its administrative authorities or other official bodies.

Or. it

## Amendment 58

### Proposal for a regulation Article 60 – paragraph 2

*Text proposed by the Commission*

2. Member States shall set up efficient management and control systems in order to ensure compliance with the legislation governing Union support schemes.

*Amendment*

2. Member States shall set up efficient, ***proportionate and risk-based*** management and control systems in order to ensure compliance with the legislation governing Union support schemes.

Or. en

## Amendment 59

### Proposal for a regulation Article 60 – paragraph 4 – subparagraph 1

*Text proposed by the Commission*

***The Commission may, by means of implementing acts, adopt rules aiming at reaching a uniform*** application of paragraphs 1 and 2 of this Article.

*Amendment*

***In order to ensure correct and efficient achievement of the objectives*** of paragraphs 1 and 2 of this Article, ***the Commission shall be empowered to adopt delegated acts, in accordance with Article 111, laying down specific obligations for***

*the Member States.*

Or. en

## **Amendment 60**

### **Proposal for a regulation**

#### **Article 60 – paragraph 4 – subparagraph 2**

*Text proposed by the Commission*

*Amendment*

***Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 112(3).***

***deleted***

Or. it

## **Amendment 61**

### **Proposal for a regulation**

#### **Article 61 – paragraph 1**

*Text proposed by the Commission*

*Amendment*

1. The system set up by the Member States in accordance with Article 60(2) shall include, except where otherwise provided, systematic administrative checking of all aid applications and shall be supplemented by on-the-spot checks.

1. The system set up by the Member States in accordance with Article 60(2) shall include, except where otherwise provided, systematic administrative checking of all aid applications ***and payment claims*** and shall be supplemented by on-the-spot checks.

Or. it

## **Amendment 62**

### **Proposal for a regulation**

#### **Article 61 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

2. As regards the on-the-spot checks, the

2. As regards the on-the-spot checks, the

authority responsible shall draw its check sample from the entire population of applicants comprising, where appropriate, a random part and a risk-based part in order to obtain a representative error rate, while targeting also highest *errors*.

authority responsible shall draw its check sample from the entire population of applicants comprising, where appropriate, a random part and a risk-based part in order to obtain a representative error rate, while targeting also *the areas in which the risk of error is* highest.

*To ensure that the checks are proportional, account needs to be taken of factors including:*

- the size of the sums involved;*
- the outcome of earlier audits of the management and control systems;*
- the reliability of the national authorities carrying out the checks;*
- voluntary participation in management schemes certified on the basis of recognised international standards.*

Or. it

#### *Justification*

*It is important to spell out a few of the factors that need to be taken into account in order to ensure that checks are proportional.*

### **Amendment 63**

#### **Proposal for a regulation Article 61 – paragraph 4 a (new)**

*Text proposed by the Commission*

*Amendment*

***4a. Member States may reduce the number of on-the-spot checks where the error rate is at an acceptable level and the management and control systems in place work properly. The Commission shall adopt delegated acts, in accordance with Article 111, laying down the precise conditions and rules that Member States are to apply. In addition, the Commission shall be empowered to adopt delegated acts, in accordance with Article 111***

*laying down the rules on the minimum number of on-the-spot checks necessary for an effective management of the risks, as well as the conditions under which Member States are to increase the number of such checks.*

Or. en

## Amendment 64

### Proposal for a regulation Article 64 – paragraph 1

#### *Text proposed by the Commission*

1. In order to ensure correct and efficient **application of the checks** and that the verification of the eligibility conditions is carried out in an efficient, coherent and non-discriminatory way which protects the financial interest of the Union, the Commission shall be empowered to adopt delegated acts in accordance with Article 111 concerning **the situations where beneficiaries or their representatives prevent checks from being carried out.**

#### *Amendment*

1. In order to ensure **that the application of the checks is** correct and efficient and that the verification of the eligibility conditions is carried out in an efficient, coherent and non-discriminatory way which protects the financial interest of the Union, the Commission shall be empowered to adopt delegated acts in accordance with Article 111, concerning, **in particular, the following:**

**(a) the rules concerning situations where beneficiaries or their representatives prevent checks from being carried out;**

**(b) the rules concerning administrative and on-the-spot checks to be conducted by the Member States which shall include an appropriate and proportionate risk-based approach, with regard to the respect of obligations, commitments and eligibility criteria resulting from the application of Union legislation;**

**(c) the rules and methods on the reporting of the checks and verification carried out and their results;**

**(d) rules on the designation of authorities responsible for performing the checks for compliance as well as the content, the**

*frequency and the marketing stage to which such checks shall apply;*

*(e) where the proper management of the system so requires, rules introducing additional requirements with respect to customs procedures, in particular as laid down in Regulation (EC) No 450/2008 of the European Parliament and of the Council;*

*(f) with regard to hemp as referred to in Article 38 of Regulation (EU) No xxx/xxx [DP], rules on the specific control measures and methods for determining tetrahydrocannabinol levels;*

*(g) with regard to cotton as referred to in Article 42 of Regulation (EU) No xxx/xxx [DP], a system for checks on the approved interbranch organisations;*

*(h) with regard to wine as referred to in Regulation (EU) No sCMO/xxx, rules on the measurement of areas, as well as relating to checks and rules governing the specific financial procedures for the improvement of checks;*

*(i) the tests and methods to be applied for establishing the eligibility of products for public intervention and private storage, as well as the use of tendering procedures, for both.*

Or. en

## **Amendment 65**

### **Proposal for a regulation Article 64 – paragraph 2**

*Text proposed by the Commission*

*Amendment*

***2. The Commission shall, by means of implementing acts, adopt the necessary rules aiming at reaching a uniform application of this Chapter in the Union. Those rules may, in particular, relate to***

*deleted*

*the following:*

*(a) the rules concerning administrative and on-the-spot checks to be conducted by the Member States with regard to the respect of obligations, commitments and eligibility criteria resulting from the application of Union legislation;*

*(b) the rules on the minimum level of on-the-spot checks necessary for an effective management of the risks, as well as the conditions under which Member States have to increase such checks, or may reduce them where the management and control systems function properly and the error rates are at an acceptable level;*

*(c) the rules and methods on the reporting of the checks and verification carried out and their results;*

*(d) the authorities responsible for performing the checks for compliance as well as to the content, the frequency and the marketing stage to which those checks shall apply;*

*(e) where the specific needs for proper management of the system so require, rules introducing additional requirements with respect to customs procedures, in particular as laid down in Regulation (EC) No 450/2008 of the European Parliament and of the Council ;*

*(f) with regard to hemp as referred to in Article 38 of Regulation (EU) No xxx/xxx [DP], rules on the specific control measures and methods for determining tetrahydrocannabinol levels ;*

*(g) with regard to cotton as referred to in Article 42 of Regulation (EU) No xxx/xxx [DP], a system for checks on the approved interbranch organisations;*

*(h) with regard to wine as referred to in Regulation (EU) No sCMO/xxx, rules on the measurement of areas, as well as relating to checks and rules governing the specific financial procedures for the*

*improvement of checks;*

*(i) the tests and methods to be applied for establishing the eligibility of products for public intervention and private storage, as well as the use of tendering procedures, both for public intervention and for private storage.*

*The implementing acts provided for in the first subparagraph shall be adopted in accordance with the examination procedure referred to in Article 112(3) or in the corresponding Article of Regulation (EU) No xxx/xxx[DP], Regulation (EU) No xxx/xxx[RD] or Regulation (EU) No xxx/xxx[sCMO] respectively.*

Or. en

## Amendment 66

### Proposal for a regulation Article 65 – paragraph 1

*Text proposed by the Commission*

1. Where it is found that a beneficiary does not comply with the eligibility criteria *or the commitments relating to the conditions for granting the aid* as provided for in the sectoral agricultural legislation the aid shall be withdrawn in full *or in part*.

*Amendment*

1. Where it is found that a beneficiary does not comply, *in whole or in part*, with the eligibility criteria *for a certain aid scheme*, as provided for in the sectoral agricultural legislation, the *corresponding non-compliant part of the aid* shall be withdrawn in full.

Or. en

## Amendment 67

### Proposal for a regulation Article 65 – paragraph 1 – subparagraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

*In particular, in the case of non-*

*compliance with eligibility criteria relating to countable units such as hectares of land or number of animals the aid shall be withdrawn in full for those units, for which the eligibility criteria are not fulfilled.*

Or. en

## Amendment 68

### Proposal for a regulation

#### Article 65 – paragraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

*1a. Where aid is linked to the fulfilment of specific commitments and it is found that a beneficiary does not comply with these commitments the corresponding aid shall be withdrawn in full or in part.*

Or. en

*Justification*

*Paragraph 1 is split in two paragraphs, one concerning the non-respect of "eligibility conditions" and one concerning the non-respect of "commitments", because the consequences should be different in each of these cases.*

## Amendment 69

### Proposal for a regulation

#### Article 65 – paragraph 2 – subparagraph 1

*Text proposed by the Commission*

*Amendment*

2. Where **Union law** so provides, Member States shall also impose penalties by way of reductions or exclusions of the payment or part of the payment granted or to be granted in respect of which the eligibility criteria or the commitments have been met.

2. Where **legislative acts within the meaning of Article 289(3) of the Treaty** so provide - **where relevant, subject to further details laid down in delegated acts**- Member States shall also impose **administrative** penalties by way of reductions or exclusions of the payment or part of the payment granted or to be



granted in respect of which the eligibility criteria or the commitments have been met.

Or. en

*Justification*

*It should be specified that the principle of applying penalties can only be established in legislative acts (a term which according to Article 289(3) TFEU covers only acts adopted by the ordinary or special legislative procedure), and further details concerning the application of those penalties can then be laid down by implementing or delegated acts.*

**Amendment 70**

**Proposal for a regulation**

**Article 65 – paragraph 2 – subparagraph 2**

*Text proposed by the Commission*

**2. The amount of the reduction of aid shall be graduated according to the severity, extent, duration and reoccurrence of the non compliance found and** may go as far as total exclusion from one or several aid schemes or support measures for one or more calendar years.

*Amendment*

**2. These administrative penalties** may go as far as total exclusion from one or several aid schemes or support measures for one or more calendar years.

Or. en

*Justification*

*The proportionality principle (penalty graduated in accordance with severity, etc...) should apply not only to the penalties imposed pursuant to paragraph 2, but also in respect of the withdrawal referred to in paragraph 1a.*

**Amendment 71**

**Proposal for a regulation**

**Article 65 – paragraph 3**

*Text proposed by the Commission*

3. The amounts concerned by the withdrawal **referred to in paragraph 1** and by the penalties referred to in **paragraph 2** shall be recovered in full.

*Amendment*

3. The amounts concerned by the withdrawal and by the **administrative penalties** referred to in **the previous paragraphs** shall be recovered in full.

**Amendment 72**

**Proposal for a regulation**

**Article 65 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

***3a. The amounts concerned by the withdrawal referred to in paragraph 1a and by the administrative penalties referred to in paragraph 2 shall be graduated according to the severity, extent, duration and reoccurrence of the non compliance found.***

Or. en

**Amendment 73**

**Proposal for a regulation**

**Article 65 a (new)**

*Text proposed by the Commission*

*Amendment*

***Article 65a***

***Withdrawals and reductions as regards payment for agricultural practices beneficial for the climate and the environment***

***Notwithstanding Article 65, the sum of the withdrawals and reductions applied in accordance with that Article as a result of non-compliance with the obligations referred to in Title III of Chapter 2 of Regulation ... (Direct Payments) shall not exceed the amount of the payment referred to in that Chapter.***

Or. en

### *Justification*

*The green payment referred to in Title III, Chapter 2, of the Regulation on Direct Payments should be clearly separated from the basic payment. The detailed rules on reductions and withdrawals as regards the green payment should not lead to a de facto increase of the percentage of funding devoted to that payment. Therefore the non-respect of the greening requirements should not affect the basic payment.*

### **Amendment 74**

#### **Proposal for a regulation**

#### **Article 66 – paragraph 1 – point a**

##### *Text proposed by the Commission*

(a) the suspension of the right to participate in an aid scheme, the exclusion and suspension of payment or a reduction rate of aids, payments or refunds ***or any other penalty, in particular*** in case time limits have not been respected, the product, size or quantity is not in conformity with the application, the evaluation of a scheme or the notification of information did not take place, is incorrect or is not notified on time;

##### *Amendment*

(a) the suspension of the right to participate in an aid scheme, the exclusion and suspension of payment or a reduction rate of aids, payments or refunds, in case time limits have not been respected, the product, size or quantity is not in conformity with the application, the evaluation of a scheme or the notification of information did not take place, is incorrect or is not notified on time;

Or. en

### *Justification*

*The types of applicable sanctions and the types of infringements covered should be laid down in legislative acts, and the listing to be included in delegated acts should not be left open-ended.*

### **Amendment 75**

#### **Proposal for a regulation**

#### **Article 66 – paragraph 1 – point g**

##### *Text proposed by the Commission*

(g) the withdrawal or suspension of an approval or a recognition, ***in particular*** when an operator, producer organisation, association of producer organisations, producer group or inter-branch

##### *Amendment*

(g) the withdrawal or suspension of an approval or a recognition, when an operator, producer organisation, association of producer organisations, producer group or inter-branch

organisation fails to respect or no longer meets the conditions required, including failure to make notifications;

organisation fails to respect or no longer meets the conditions required, including failure to make notifications;

Or. en

*Justification*

*The types of applicable sanctions and the types of infringements covered should be laid down in legislative acts, and the listing to be included in delegated acts should not be left open-ended.*

**Amendment 76**

**Proposal for a regulation**

**Article 66 – paragraph 2 – point a**

*Text proposed by the Commission*

(a) the procedures *and technical criteria* related to the measures and penalties referred to in paragraph 1 where non-compliance with any of the obligations resulting from the application of the relevant legislation is found;

*Amendment*

(a) the procedures related to the measures and penalties referred to in paragraph 1 where non-compliance with any of the obligations resulting from the application of the relevant legislation is found;

Or. en

**Amendment 77**

**Proposal for a regulation**

**Article 66 – paragraph 2 – point b**

*Text proposed by the Commission*

(b) the *rules and* procedures regarding the recovery of undue payments resulting from the application of the relevant legislation.

*Amendment*

(b) the procedures regarding the recovery of undue payments resulting from the application of the relevant legislation.

Or. en

*Justification*

*The scope of the implementing acts should be precisely defined in order to avoid any overlap with the delegated acts adopted in accordance with the first paragraph.*

## Amendment 78

### Proposal for a regulation Article 68 – paragraph 3 a (new)

*Text proposed by the Commission*

*Amendment*

***3a. Member States shall make maximum use of technology when setting up their integrated system, particularly in connection with cross-compliance controls.***

Or. en

## Amendment 79

### Proposal for a regulation Article 73 – paragraph 2 a (new)

*Text proposed by the Commission*

*Amendment*

***2a. Member States may decide that an aid application or a payment claim that fulfils the requirements laid down in paragraph 1 is to remain valid for a number of years provided that beneficiaries concerned are under the obligation to report any change to the information they first submitted. The validity of the multiannual application shall however be conditional upon annual confirmation by the beneficiary in the form of a statement of participation.***

Or. en

## Amendment 80

### Proposal for a regulation Article 75 – paragraph 1

*Text proposed by the Commission*

1. In accordance with Article 61, Member States, through the paying agencies or the bodies delegated by them, shall carry out administrative checks on the aid application to verify the eligibility conditions for the aid. Those checks shall be supplemented by on-the-spot checks.

*Amendment*

1. In accordance with Article 61, Member States, through the paying agencies or the bodies delegated by them, shall carry out administrative checks on the aid application to verify the eligibility conditions for the aid. Those checks shall be supplemented by on-the-spot checks ***whose purpose shall be to monitor the level of inherent risk and whose number shall be adjusted in the light of the inherent and control risks.***

Or. en

## Amendment 81

### Proposal for a regulation Article 75 – paragraph 2

*Text proposed by the Commission*

2. For the purpose of on the spot checks Member States shall draw up a sampling plan of ***agricultural holdings and/or*** beneficiaries.

*Amendment*

2. For the purpose of on the spot checks Member States shall draw up a sampling plan of beneficiaries ***randomly selected, which enables a primary focus on high-risk claims.***

Or. en

*Justification*

*In line with the wording used in Article 74, this paragraph should refer to beneficiaries rather than ‘agricultural holdings and/or beneficiaries’.*

## Amendment 82

### Proposal for a regulation

#### Article 76 – paragraph 2 a (new)

*Text proposed by the Commission*

*Amendment*

***2a. By way of derogation from paragraph 2, Member States may decide, taking into account the risk of overpayment, to pay up to 50 % as regards of the payment referred to in Title III of Chapter 2 of Regulation ... (Direct payments) and 75 % for the support granted under rural development as referred to in Article 68(2) after finalisation of the administrative checks provided for in Article 61(1). The percentage of payment shall be the same for all beneficiaries of the measure or set of operations.***

Or. en

*Justification*

*The farmers in many countries often have to make late changes to their sowing plans because of reasons like the climatic conditions. This means that the controls can be started quite late, and they may also be finished quite late. Late payments create serious difficulties for the beneficiaries.*

## Amendment 83

### Proposal for a regulation

#### Article 76 – paragraph 2 b (new)

*Text proposed by the Commission*

*Amendment*

***2b. The Commission may, at the request of one or more Member State, under exceptional circumstances and where the necessary budgetary resources are available, give authorisation for advances to be paid before 16 October.***

Or. it

## Amendment 84

### Proposal for a regulation

#### Article 77 – paragraph 1 – point a a (new)

*Text proposed by the Commission*

*Amendment*

***(aa) rules as regards use of technology when setting up the integrated system to ensure an optimisation of the systems;***

Or. en

## Amendment 85

### Proposal for a regulation

#### Article 91 – paragraph 2 – point a

*Text proposed by the Commission*

*Amendment*

(a) the non-compliance is the result of an act or omission directly attributable to the beneficiary concerned;

a) the non-compliance is the result of an act or omission directly ***and unequivocally*** attributable to the beneficiary concerned;

Or. en

## Amendment 86

### Proposal for a regulation

#### Article 91 – paragraph 3 a (new)

*Text proposed by the Commission*

*Amendment*

***3a. Member States may set up a warning system whereby beneficiaries concerned receive an initial letter of warning to allow them to remedy an irregularity before any administrative penalty is imposed. Such warning system shall only apply to cases of first non-compliance that are not considered to be severe. The impact of such system shall be limited to holding the beneficiary responsible for the non-compliance. Letters of warning shall be systematically followed by appropriate***



*checks to verify that the non-compliance has been remedied.*

Or. en

## **Amendment 87**

### **Proposal for a regulation Article 93 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***Without prejudice to Article 97, technical failure of the systems for identification and registration of animals referred to in Annex II, SMR 7 and SMR 8, shall not be considered as non-compliance attributable to the beneficiary and shall not lead to the imposition of an administrative penalty.***

Or. en

*Justification*

*Taking into account that the electronic system of identification may produce errors, this has to be taken into account when imposing sanctions to farmers. Farmers should not be penalized for technical failure, which is out of their control.*

## **Amendment 88**

### **Proposal for a regulation Article 93 – paragraph 3**

*Text proposed by the Commission*

*Amendment*

***Directive 2000/60/EC of 23 October 2000 establishing a framework for Community action in the field of water policy will be considered as being part of Annex II once this Directive is implemented by all Member States and the obligations directly applicable to farmers have been identified. In order to take account of those elements the Commission shall be***

***deleted***

*empowered to adopt delegated acts in accordance with Article 111 for the purpose of amending the Annex II within 12 months starting at the moment the last Member State has notified the implementation of the Directive to the Commission.*

Or. it

*Justification*

*In this area, leaving to one side the binding aspects applied by the Member States, action will need to be taken in future to harmonise the rules across the EU under the ordinary legislative procedure.*

**Amendment 89**

**Proposal for a regulation  
Article 93 – paragraph 4**

*Text proposed by the Commission*

*Amendment*

*Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides will be considered as being part of Annex II once this Directive is implemented by all Member States and the obligations directly applicable to farmers have been identified. In order to take account of those elements the Commission shall be empowered to adopt delegated acts in accordance with Article 111 for the purpose of amending the Annex II within 12 months starting at the moment the last Member State has notified the implementation of the Directive to the Commission, including the obligations relating to integrated pest management.*

*deleted*

Or. it

## *Justification*

*In this area, leaving to one side the binding aspects applied by the Member States, action will need to be taken in future to harmonise the rules across the EU under the ordinary legislative procedure.*

### **Amendment 90**

#### **Proposal for a regulation Article 93 – paragraph 8**

##### *Text proposed by the Commission*

*Furthermore, the Commission shall, **by means of implementing acts, adopt** the methods for the determination of the ratio of permanent grassland and agricultural land that has to be maintained. **Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 112(3).***

##### *Amendment*

The Commission shall ***be empowered to adopt delegated acts in accordance with Article 111 laying down*** the methods for the determination of the ratio of permanent grassland and agricultural land that has to be maintained.

Or. it

### **Amendment 91**

#### **Proposal for a regulation Article 94**

##### *Text proposed by the Commission*

Member States shall ensure that all agricultural area, ***including land which is no longer used for production purposes***, is maintained in good agricultural and environmental condition. Member States shall define, at national or regional level, minimum standards for beneficiaries for good agricultural and environmental condition of land on the basis of Annex II, taking into account the specific characteristics of the areas concerned, including soil and climatic condition, existing farming systems, land use, crop rotation, farming practices, and farm structures. Member States shall not define

##### *Amendment*

Member States shall ensure that all agricultural area is maintained in good agricultural and environmental condition. Member States shall define, at national or regional level, minimum standards for beneficiaries for good agricultural and environmental condition of land on the basis of Annex II, taking into account the specific characteristics of the areas concerned, including soil and climatic condition, existing farming systems, land use, crop rotation, farming practices, and farm structures. Member States shall not define minimum requirements which are

minimum requirements which are not established in Annex II.

not established in Annex II.

Or. it

## Amendment 92

### Proposal for a regulation

#### Article 96 – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

Member States may make use of their existing administration and control systems to ensure compliance with the rules on cross compliance.

*Amendment*

Member States may make use of their existing administration and control systems to ensure compliance with the rules on cross compliance ***and shall define a set of verifiable requirements and standards to be applied at farm level.***

Or. en

## Amendment 93

### Proposal for a regulation

#### Article 96 – paragraph 3

*Text proposed by the Commission*

3. Member States shall carry out on-the-spot checks to verify whether a beneficiary complies with the obligations laid down in this Title.

*Amendment*

3. Member States shall carry out on-the-spot checks to verify whether a beneficiary complies with the obligations laid down in this Title. ***In doing so, Member States shall focus primarily on claims with the highest risks according to the principle of proportionality.***

Or. en

## Amendment 94

### Proposal for a regulation

#### Article 97 – paragraph 1 – subparagraph 1

##### *Text proposed by the Commission*

1. The penalty provided for in Article 91 shall be applied when the rules on cross compliance are not complied with at any time in a given calendar year (hereinafter referred to as ‘the calendar year concerned’), and the non-compliance in question is attributable to the beneficiary who submitted the aid application or the payment claim in the calendar year concerned.

##### *Amendment*

1. The penalty provided for in Article 91 shall be applied when the rules on cross compliance are not complied with at any time in a given calendar year (hereinafter referred to as ‘the calendar year concerned’), and the non-compliance in question is **directly and unequivocally** attributable to the beneficiary who submitted the aid application or the payment claim in the calendar year concerned.

Or. en

## Amendment 95

### Proposal for a regulation

#### Article 99 – paragraph 3

##### *Text proposed by the Commission*

3. In the case of **intentional** non-compliance, the percentage of reduction shall in principle not be less than 20 % and may go as far as total exclusion from one or several aid schemes and apply for one or more calendar years.

##### *Amendment*

3. In the case of non-compliance **resulting from gross negligence**, the percentage of reduction shall not in principle be less than 20 % and may go as far as total exclusion from one or several aid schemes and apply for one or more calendar years.

Or. it

##### *Justification*

*Use of the term ‘intentional non-compliance’ will not necessarily solve the problem, as intent is impossible to establish with any degree of certainty.*

## Amendment 96

### Proposal for a regulation Article 101 – paragraph 2

*Text proposed by the Commission*

2. In order to ensure that cross compliance is carried out in an efficient, coherent and non discriminatory way, the Commission shall be empowered to adopt delegated acts in accordance with Article 111 concerning the calculation and application of penalties.

*Amendment*

2. In order to ensure that cross compliance is carried out in an efficient, **risk-based and proportionate**, coherent and non discriminatory way, the Commission shall be empowered to adopt delegated acts in accordance with Article 111 concerning the calculation and application of penalties.

Or. en

## Amendment 97

### Proposal for a regulation Article 107 – paragraph 1 – subparagraph 1

*Text proposed by the Commission*

1. The Commission **may, by means of implementing acts**, adopt measures **in order** to safeguard the application of Union legislation if exceptional monetary practices related to national currency are likely to jeopardise it. Those measures may, where necessary, derogate from the existing rules.

*Amendment*

1. The Commission shall **be empowered to** adopt **delegated acts in accordance with Article 111 concerning** measures to safeguard the application of Union legislation if exceptional monetary practices related to national currency are likely to jeopardise it. Those measures may, where necessary, derogate from the existing rules.

Or. it

## Amendment 98

### Proposal for a regulation Article 110 – paragraph 1 – subparagraph 1

*Text proposed by the Commission*

1. A common monitoring and evaluation framework shall be established with a view

*Amendment*

1. A common monitoring and evaluation framework shall be established with a view

to measuring the performance of the common agricultural policy. ***It shall include all instruments related to the monitoring and evaluation of common agricultural policy measures***, and in particular of:

the direct payments provided for in Regulation (EU) No DP/xxx,  
the market measures provided for in Regulation (EU) No CMO/xxx,  
the rural development measures provided for in Regulation (EU) No RD/xxx and of,  
the application of the cross compliance provided for in this Regulation.

to measuring the performance of the common agricultural policy, and in particular of:

**(a)** the direct payments provided for in Regulation (EU) No DP/xxx,  
**(b)** the market measures provided for in Regulation (EU) No CMO/xxx,  
**(c)** the rural development measures provided for in Regulation (EU) No RD/xxx and of,  
**(d)** the application of the cross compliance provided for in this Regulation.

***The impact of the common agricultural policy measures referred to in paragraph 1 shall be measured in relation to the following objectives:***

- (a) viable food production, with a focus on agricultural income, agricultural productivity and price stability;***
- (b) sustainable management of natural resources and climate action, with a focus on greenhouse gas emissions, biodiversity, soil and water;***
- (c) balanced territorial development, with a focus on rural employment, growth and poverty in rural areas.***

***In order to ensure an efficient application of this paragraph the Commission shall be empowered to adopt delegated acts, in accordance with Article 111, regarding the content and construction of that framework, including the set of indicators and the methods for their calculation.***

Or. en

## Amendment 99

### Proposal for a regulation

#### Article 110 – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

*Amendment*

*In order to ensure an effective performance measurement the Commission shall be empowered to adopt delegated acts in accordance with Article 111 regarding the content and construction of that framework.* *deleted*

Or. en

## Amendment 100

### Proposal for a regulation

#### Article 110 – paragraph 2 – subparagraph 1

*Text proposed by the Commission*

*Amendment*

*2. The impact of the common agricultural policy measures referred to in paragraph 1 shall be measured in relation to the following objectives:* *deleted*

*(a) viable food production, with a focus on agricultural income, agricultural productivity and price stability;*

*(b) sustainable management of natural resources and climate action, with a focus on greenhouse gas emissions, biodiversity, soil and water;*

*(c) balanced territorial development, with a focus on rural employment, growth and poverty in rural areas.*

Or. en



## Amendment 101

### Proposal for a regulation

#### Article 110 – paragraph 2 – subparagraph 2

*Text proposed by the Commission*

*Amendment*

*The Commission shall define, by means of implementing acts, the set of indicators specific to the objectives referred to in the first subparagraph. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 112(3).*

*deleted*

Or. en

## Amendment 102

### Proposal for a regulation

#### Annex II – GAEC 8

*Text proposed by the Commission*

*Amendment*

Retention of landscape features, including where appropriate, hedges, ponds, ditches, trees in line, in group or isolated, field margins and terraces, and including a ban on cutting hedges and trees during the bird breeding and rearing season ***and possible measures for avoiding invasive species and pests.***

Retention of landscape features, including where appropriate, hedges, ponds, ditches, trees in line, in group or isolated, field margins and terraces, and including a ban on cutting hedges and trees during the bird breeding and rearing season.

Or. en

#### *Justification*

*Preventing invasive species requires well-planned, multiannual efforts, which are very costly. Preventing invasive species should be eligible for support under the rural development measures. It would be important to allow that, because the costs of preventing invasive species are very high and support is needed for compensating for them. This is why preventing invasive species should not be included in the cross compliance requirements.*

## EXPLANATORY STATEMENT

Back in May 2010, in the own-initiative report on simplification of the CAP (A7-0051/2010), Parliament pointed to the urgent need to make life easier for farmers. This was further stressed in July 2010, in the report on the future of the common agricultural policy after 2013 (A7-0204/2010), and in May 2011, in the report on the CAP towards 2020: meeting the food, natural resources and territorial challenges of the future (A7-0202/2011), in which Parliament restated its commitment to simplifying the complex administrative system and lightening the burden on farmers under the post-2013 CAP. The main aim is to ensure that the action taken is more effective and to promote more efficient use of resources in order to make the EU farm sector more competitive, protect and create jobs and help to secure the balanced development of rural areas.

With a view to meeting these ambitious but necessary goals, farmers need to be given more comprehensive assistance extending to market- and innovation-related issues, so as to enable them to understand and make use of tools that will enable them to become more competitive.

Synergies need to be found between CAP funding and CAP management and monitoring mechanisms, on the basis of an approach under which progress towards objectives is measured using practical tools that can be easily used by farmers and provide clear benefits for EU citizens and consumers.

A system that is flexible enough to cope with market requirements and contingencies that can disrupt the implementation of the relevant procedures will be more in tune with farmers' requirements, as it will be able to ensure that failings, and where the responsibility for those failings lie, are detected at an earlier stage, thus making sure that it is not always the final beneficiary who is penalised.

Repeated mention is made of the principle of proportionality in this draft report. When applied to the system of penalties and checks, this forms the *leitmotif* of a new approach under which the action taken on infringements should be in proportion not just to the infringement committed but also to the extent of the delay and the degree of responsibility that may be attributed to the farmer.

Last but not least, attention should be drawn to the fact that this draft report was drawn up on the basis of the ceilings laid down for the CAP in the Commission proposal concerning the multiannual financial framework (Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee on the Regions: A budget for Europe 2020, COM(2011)0500 of 29 June 2011). Accordingly, if substantial changes are made to that proposal, this draft report will need to be revised.