EUROPEAN PARLIAMENT

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Committee on Budgetary Control

2011/028(COD)

21.6.2012

DRAFT OPINION

of the Committee on Budgetary Control

for the Committee on Agriculture and Rural Development

on the proposal for a regulation of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy
(COM(2011)0625 – C7-0336/2011 – 2011/028(COD))

Rapporteur: Monika Hohlmeier

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SHORT JUSTIFICATION

As regards the Budgetary Control aspect of direct payments to farmers under support schemes within the framework of the CAP, CONT rapporteur's priority is transparency, simplification and reduction of the administrative burden, while maintaining the policy objectives of food security, environmental sustainability and territorial cohesion.

The need for simplification has been outlined in Parliaments resolution of 18 May 2010 on simplification of the CAP (2009/2155(INI)), which contains the following requests and suggestions to the Commission:
- when introducing new regulation, to simultaneously seek to remove unnecessary burdens,
- further simplification of the CAP is necessary to reduce its implementation costs for EU institutions, Member States and the beneficiaries,
- CAP measures should be proportionate to the objective and that the legislative path should be chosen only where it is genuinely justifiable,
- the Member States should have the option, in rural development plans, to introduce a flat-rate land parcels scheme, particularly for small farms,
- in order to simplify the rules for the single payment scheme, the provision of the same detailed information on an annual basis should be abolished,
- the future system should take into account the principles of simplification and that simplification, transparency and fairness should be the key priorities of the CAP reform.

CONT raporteur's concerns are that the current proposal, if examined in the context of the findings of the Commissions impact assessment (SEC(2011) 1153 final), comprises several provisions which may compromise the aim of reduction of the administrative burden, in particular as regards the provision for greening, active farmers, compulsory young farmers and small farmers schemes, etc.

To substantiate her position and the amendments tabled, rapporteur would like to draw attention to several noteworthy elements in the Annex 8 to the Commissions impact assessment, "Simplification of the CAP".

In particular, point 2.4.2. "Results of the stakeholder consultation for the impact assessment", mentions that "*Many found that it is important to reduce the administrative burden. Many argued that especially greening would increase the administrative burden [..]*"

Furthermore, point 2.4.3." Results of the ad hoc simplification consultative group" include the following: "*There was a clear message from the participants at the Conference that certain of the novel elements being discussed (in particular, a definition of active farmer, a special support scheme for small farmers and greening) would not represent a simplification as such, but would, rather, lead to an increase in the administrative and control burdens as well as in the risk of errors in the transactions*" In this context the stakeholders have suggested that "*novel elements should be as simple as possible without too many complicated conditions and which Member States' authorities should be able to manage and control as automatically as possible and with existing tools [..]*" and *"[..] the envisaged new elements will only be manageable and controllable if Member States are given the necessary flexibility to adapt to the very different national and regional situations [..]*".

CONT rapporteur is also concerned by observation under point 4.2.3. "*Results of the quantification of administrative costs of changes in the legal obligations for direct payments post 2013", in particular, where it staes that "results [..] show that the overall administrative cost of the future direct payment system would approximately represent a 15% increase in the administrative cost*".

Finally, the point 4.3. "Assessment per broad policy scenarios" says that "*Expected increase of administrative burden for some new key concepts allowing a better targeting of the 1st pillar payments (greening and active farmers) are likely to be partly offset by the simplification achieved with the small farmer scheme and the new distribution of direct payments via a flat rate per hectare at national or regional level.*" However, the rapporteur is of the opinion that the Commission tries to compensate cumbersome elements as greening and active farmers in their proposed forms by means of oversimplification as regards the small farmers scheme, which is proposed as compulsory for Member States and exempt from cross-compliance provisions. Therefore Rapporteur seeks to strike a differnt balance by a voluntary small farmers scheme and less burdensome provisions as regards greenning and active farmers.

To further substantiate her point, the rapporteur refers to the Sub-Annex of Annex 8, "results of the simplification conference", where on the topics of active farmer and eligibity of land outcome of the conference was that " *[..] it has become clear that no single one of the criteria suggested as a possible approach for definition of an active farmer would serve as a common indicator at EU level due to the unique nature of the structures and situations which prevail at national level.*"

AMENDMENTS

The Committee on Budgetary Control calls on the Committee on Agriculture and Rural Development, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1
Proposal for a regulation
Recital 1 a (new)

Text proposed by the Commission	*Amendment*
	(1 a) One of the core objectives and key requirements of the CAP reform is reducing administrative burden. This aim should be taken firmly into account when shaping the relevant provisions for the direct support scheme. The number of support schemes shall not exceed the

extent necessary and farmers and member states must be able to fulfil respective requirements and obligations without excessive bureaucracy. Practice-oriented levels of tolerance, reasonable de minimis limits and an appropriate balance between trust and control shall reduce the future administrative burden of Member States and the beneficiaries.

Or. en

Amendment 2
Proposal for a regulation
Recital 2 a (new)

Text proposed by the Commission	*Amendment*
	(2 a) Administrative and other costs of control linked to the direct payments need to be considered at all levels and well-functioning management and control systems shall be rewarded thus, member states who proved to have a reliable and effective control system shall have the possibility to lower the on the spot control rate. The administrative burden for farmers shall be reduced and additional control requirements arising from this regulation shall be integrated as far as possible into existing control structures without increase of farm inspections. The need for effectiveness applies also regarding the application process for the different payment component for which the application shall be possible as part of a single application for direct payments. Any application for direct payments should be valid for multiple years and only need to be reapplied if there are changes to the original application

Or. en

Amendment 3
Proposal for a regulation
Recital 3

Text proposed by the Commission	*Amendment*
(3) It should be clarified that Regulation (EU) No [**…**] of the European Parliament and of Council of**…** on the financing, management and monitoring of the common agricultural policy[13] [horizontal CAP Regulation: HZR] and the provisions adopted pursuant to it should apply in relation to the measures set out in this Regulation. For the sake of consistency with other legal instruments relating to the CAP, some rules currently provided for in Regulation (EC) No 73/2009, are now laid down in Regulation (EU) No [**…**][HZR], in particular rules to guarantee compliance with the obligations laid down by direct payment provisions, including checks and the application of administrative measures and administrative penalties in case of non-compliance, rules related to cross-compliance such as the statutory management requirements, the good agricultural and environmental condition, the monitoring and evaluation of relevant measures and rules related to the recovery of undue payments.	(3) It should be clarified that Regulation (EU) No [**...**] of the European Parliament and of Council of**...** on the financing, management and monitoring of the common agricultural policy[13] [horizontal CAP Regulation: HZR] and the provisions adopted pursuant to it should apply in relation to the measures set out in this Regulation. For the sake of consistency with other legal instruments relating to the CAP, some rules currently provided for in Regulation (EC) No 73/2009, are now laid down in Regulation (EU) No [**...**][HZR], in particular rules to guarantee compliance with the obligations laid down by direct payment provisions, including checks and the application of administrative measures and administrative penalties in case of non-compliance, rules related to cross-compliance such as the statutory management requirements, the good agricultural and environmental condition, the monitoring and evaluation of relevant measures and rules related to the recovery of undue payments. ***The tasks of the certification body and the obligation to provide an opinion on the legality and regularity of the underlying transactions, as well as the respect of the principle of sound financial management, shall not lead to a further increase of the administrative burden in Member States.***

Or. en

Amendment 4
Proposal for a regulation
Recital 4

Text proposed by the Commission	*Amendment*
(4) 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. 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.	(4) 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. ***Only the power to adopt non-legislative acts of general application to supplement or amend certain non-essential elements of the legislative act is delegated. The objectives, content, scope and duration of the delegation of power shall be explicitly defined in the legislative act and the essential elements of an area shall be reserved for the legislative act and accordingly shall not be subject of a delegation of power. Thus, all important legal aspects shall be defined in the basic act. The Commission ensures that the administrative burden linked to delegated acts does not exceed the extent strictly required. Moreover, legal certainty must be guaranteed.*** It is of particular importance that the Commission ***reduces administrative costs and carries*** 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.

Or. en

Amendment 5
Proposal for a regulation
Recital 8

Text proposed by the Commission	*Amendment*
(8) In order to take into account new legislation on support schemes that may be adopted after the entry into force of this	(8) In order to take into account new legislation on support schemes that may be adopted after the entry into force of this

Regulation, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of amending the list of support schemes ***covered by*** this Regulation.	Regulation, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of amending the list of support schemes ***set out in Annex I to*** this Regulation.

Or. en

Amendment 6
Proposal for a regulation
Recital 9

Text proposed by the Commission	*Amendment*
(9) In order to take into account specific new elements and to guarantee the protection of the rights of beneficiaries, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of ***laying down further definitions regarding the access to support under this Regulation***, establishing ***the framework within which Member States shall define the minimum activities to be carried out on areas naturally kept in a state suitable for grazing or cultivation as well as*** the criteria to be met by farmers in order to be deemed to have respected the obligation of maintaining the agricultural area in the state suitable for production and the criteria to determine the predominance of grasses and other herbaceous forage as regards permanent grassland.	(9) In order to take into account specific new elements and to guarantee the protection of the rights of beneficiaries, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of, establishing the criteria to be met by farmers in order to be deemed to have respected the obligation of maintaining the agricultural area in the state suitable for production and the criteria to determine the predominance of grasses and other herbaceous forage as regards permanent grassland.

Or. en

Justification

Definitions involving politically relevant elements should not be subject of a delegation of power and should be laid down in the basic act. This concerns e.g. definitions regarding crops, ecological focus areas or permanent grass land. Thus the Draftsperson for the opinion suggests to the responsible lead committee to define concrete provisions in the basic act.

Amendment 7
Proposal for a regulation
Recital 12 a (new)

Text proposed by the Commission	*Amendment*
	(12 a) So far, landscape features are eligible only, if they are subject to cross compliance or to certain specific derogations. Consequently, landscape features, as a general rule, must be subtracted from the eligible area or must be included in cross compliance control. Determining the size of the often numerous and small landscape features is quite time consuming especially, as their size changes over time. A solution considerably reducing the administrative burden needs to be found especially, as landscape features have a positive impact on nature. Thus, in future, landscape features should be included more generously than to date into the eligible area of a respective agricultural parcel.

Or. en

Amendment 8
Proposal for a regulation
Recital 13

Text proposed by the Commission	*Amendment*
(13) Experience from the application of the various support schemes for farmers has shown that support was in a number of cases granted to beneficiaries whose business purpose was not or only marginally targeted at an agricultural activity, such as airports, railway companies, real estate companies and companies managing sport grounds. To ensure the better targeting of support, Member States should refrain from granting direct payments to such natural and legal persons. Smaller part-time	(13) Experience from the application of the various support schemes for farmers has shown that support was in a number of cases granted to beneficiaries whose business purpose was not or only marginally targeted at an agricultural activity, such as airports, railway companies, real estate companies and companies managing sport grounds. To ensure the better targeting of support, Member States should refrain from granting direct payments to such natural and legal persons. ***However, such rules***

farmers contribute directly to the vitality of rural areas, for that reason they should not be prevented from being granted direct payments.	***shall maintain cost-effectiveness and avoid excessive administrative burden for member states and beneficiaries.*** Smaller part-time farmers contribute directly to the vitality of rural areas, for that reason they should not be prevented from being granted direct payments.

Or. en

Amendment 9
Proposal for a regulation
Recital 15

Text proposed by the Commission	*Amendment*
(15) The distribution of direct income support among farmers is characterised by the allocation of disproportionate amounts of payments to a rather small number of large beneficiaries. Due to economies of size, larger beneficiaries do not require the same level of unitary support for the objective of income support to be efficiently achieved. Moreover, the potential to adapt makes it easier for larger beneficiaries to operate with lower levels of unitary support. It is therefore fair to introduce a system for large beneficiaries where the support level is gradually reduced and ultimately capped to improve the distribution of payments between farmers. Such system should however take into account salaried labour intensity to avoid disproportionate effects on large farms with high employment numbers. Those maximum levels should not apply to payments granted to agricultural practices beneficial for the climate and the environment since the beneficial objectives they pursue could be diminished as a result. In order to make capping effective, Member States should establish some criteria in order to avoid abusive operations by farmers seeking to	***deleted***

evade its effects. The proceeds of the reduction and capping of payments to large beneficiaries should remain in the Member States where they were generated and should be used for financing projects with a significant contribution to innovation under Regulation (EU) No […] of the European Parliament and of the Council of….on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)[15] [RDR].

Or. en

Justification

The provision for progressive reduction and capping can be easily circumvented and therefore, it may not achieve the desired effect. Moreover, it would impose further bureaucratic burdens and would be problematic as regards the principle of equal treatment of beneficiaries.

Amendment 10
Proposal for a regulation
Recital 16

Text proposed by the Commission	*Amendment*
(16) In order to facilitate the implementation of capping, notably with regard to the procedures for granting direct payments to farmers and the corresponding transfers to rural development, net ceilings should be determined for each Member State to limit the payments to be made to farmers following the application of capping. To take into account the specificities of CAP support granted in accordance with Council Regulation (EC) No 247/2006 of 30 January 2006 laying down specific measures for agriculture in the outermost regions of the Union[16] and Council Regulation (EC) No 1405/2006 of 18 September 2006 laying down specific measures for agriculture in favour of the	***deleted***

smaller Aegean islands and amending Regulation (EC) No 1782/2003[17] , and the fact that these direct payments are not subject to capping, the net ceiling for the Member States concerned should not include those direct payments.

Or. en

Justification

The provision for progressive reduction and capping can be easily circumvented and therefore, it may not achieve the desired effect. Moreover, it would impose further bureaucratic burdens and would be problematic as regards the principle of equal treatment of beneficiaries.

Amendment 11
Proposal for a regulation
Recital 22

Text proposed by the Commission	*Amendment*
(22) The experience gained with the application of the single payment scheme shows that some of its main elements should be kept, including the determination of national ceilings to ensure that the total level of support does not exceed current budgetary constraints. Member States should also continue to operate a national reserve that ***should*** be used to facilitate the participation of young new farmers in the scheme or may be used to take account of specific needs in certain regions. Rules on the transfer and use of payment entitlements should be kept but, where possible, simplified.	(22) The experience gained with the application of the single payment scheme shows that some of its main elements should be kept, including the determination of national ceilings to ensure that the total level of support does not exceed current budgetary constraints. Member States should also continue to operate a national reserve that ***may*** be used to facilitate the participation of young new farmers in the scheme or may be used to take account of specific needs in certain regions. Rules on the transfer and use of payment entitlements should be kept but, where possible, simplified.

Or. en

Justification

The different payment entitlements granted directly to farmers under the support schemes listed in Annex I lead to a complex system. Eligibility criteria for each of these components need to be controlled. Thus, Member States should have the possibility to decide whether they

would like to grant a payment for young farmers.

Amendment 12
Proposal for a regulation
Recital 24

Text proposed by the Commission	*Amendment*
(24) In order to ensure the proper management of payment entitlements, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of adopting rules on the declaration and activation of payment entitlements.	***deleted***

Or. en

Justification

Definitions involving politically relevant elements should not be subject of a delegation of power and should be laid down in the basic act. This concerns e.g. definitions regarding crops, ecological focus areas or permanent grass land. Thus, the Draftsperson of the opinion suggests to the responsible lead committee to define concrete provisions in the basic act.

Amendment 13
Proposal for a regulation
Recital 26

Text proposed by the Commission	*Amendment*
(26) One of the objectives of the new CAP is the enhancement of environmental performance through a ***mandatory*** ‘greening’ component of direct payments which will support agricultural practices beneficial for the climate and the environment applicable throughout the Union. For that purpose, Member States should use part of their national ceilings for direct payments to grant an annual payment, on top of the basic payment, for ***compulsory*** practices to be followed by farmers addressing, as a priority, both	(26) One of the objectives of the new CAP is the enhancement of environmental performance through a ′greening′ component of direct payments which will support agricultural practices beneficial for the climate and the environment applicable throughout the Union. For that purpose, Member States should use part of their national ceilings for direct payments to grant an annual payment, on top of the basic payment, for practices to be followed by farmers addressing, as a priority, both climate and environment policy goals.

climate and environment policy goals. Those practises should take the form of simple, generalised, non-contractual and annual actions that go beyond cross-compliance and are linked to agriculture such as crop diversification, maintenance of permanent grassland and ecological focus areas. ***The compulsory nature*** of ***those*** practises should also concern farmers whose holdings are fully or partly situated in ***'***Natura 2000***'*** areas covered by Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and ***flora***[19] and by Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild ***birds***[20] , as long as these practises are compatible with the objectives of those Directives. Farmers who fulfil the conditions laid down in Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No ***2092/91***[21] should benefit from the ***'***greening***'*** component without fulfilling any further obligation, given the recognised environmental benefits of the organic farming systems. ***Non-respect*** of the ***'***greening***'*** component ***should lead to penalties on*** the ***basis*** of ***Article 65 of Regulation (EU) No […] [HZR]***.

Those practises should take the form of simple, generalised, non-contractual and annual actions that go beyond cross-compliance and are linked to agriculture such as crop diversification, maintenance of permanent grassland and ecological focus areas***, while taking into adequate account national and regional specificites***. ***For reasons*** of ***transparency and efficiency practical hurdles for farmers and administrative complexity for authorities must be avoided; in order to streamline the administrative procedures associated with these measures, all agricultural controls should be, as far as possible, operated at the same time. Those*** practises should also concern farmers whose holdings are fully or partly situated in ***'***Natura 2000***'*** areas covered by Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and ***flora19*** and by Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild ***birds20*** , as long as these practises are compatible with the objectives of those Directives. Farmers who fulfil the conditions laid down in Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No ***2092/9121*** should benefit from the ***'***greening***'*** component without fulfilling any further obligation, given the recognised environmental benefits of the organic farming systems. ***Areas which are cultivated with crops not subject to any nitrogen fertilization or areas where perennial energy crops have been planted shall be considered as ecological focus areas. The same applies to areas which are farmed under 'Natura 2000' or subject to farming requirements under the water framework directive or where more than 75 %*** of the ***agricultural area is subject to obligations regarding agri-environmental measures.***

Possible sanction imposed by non-respect of the 'greening' component ***shall not go beyond*** the ***'greening component'. Any reduction or penalties imposed by non-respect*** of ***the greening components shall remain in the Member States and regions where it originated if the Member state's error rate within the agricultural policy area does not exceed 2 %***.

Or. en

Justification

The exceptions proposed would considerably reduce the administrative burden while taking into adequate account national and regional specificities.

Amendment 14
Proposal for a regulation
Recital 27

Text proposed by the Commission	*Amendment*
(27) In order to ensure that the obligations referred to the crop diversification measure are applied in a proportionate and non-discriminatory way and lead to an enhanced environmental protection, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of the adoption of the definition of 'crop' and of rules concerning the application of the measure.	***deleted***

Or. en

Justification

Definitions involving politically relevant elements should not be subject of a delegation of power and should be laid down in the basic act. This concerns e.g. definitions regarding crops, ecological focus areas or permanent grass land. Thus, the Draftsperson for the opinion suggests to the responsible lead committee to define concrete provisions in the basic act.

Amendment 15
Proposal for a regulation
Recital 28

Text proposed by the Commission	*Amendment*
(28) In order to ensure that the land under permanent grassland is maintained as such by the farmers, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of the adoption of rules concerning the application of the measure.	***deleted***

Or. en

Justification

Definitions involving politically relevant elements should not be subject of a delegation of power and should be laid down in the basic act. This concerns e.g. definitions regarding crops, ecological focus areas or permanent grass land. Thus, the Draftsperson for the opinion suggests to the responsible lead committee to define concrete provisions in the basic act.

Amendment 16
Proposal for a regulation
Recital 29

Text proposed by the Commission	*Amendment*
(29) In order to ensure the implementation of the ecological focus area measure in an efficient and coherent way, while taking into account Member States' specificities, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission for the purpose of the further definition of the types of ecological focus areas mentioned under that measure and the addition and definition of other types of ecological focus areas that can be taken into account for the respect of the percentage referred to in that measure.	***deleted***

Or. en

Justification

Definitions involving politically relevant elements should not be subject of a delegation of power and should be laid down in the basic act. This concerns e.g. definitions regarding crops, ecological focus areas or permanent grass land. Thus, the Draftsperson for the opinion suggests to the responsible lead committee to define concrete provisions in the basic act.

Amendment 17
Proposal for a regulation
Recital 30

Text proposed by the Commission	*Amendment*
(30) In order to promote the sustainable development of agriculture in areas with specific natural constraints, Member States should be able to use part of their national ceilings for direct payments to grant an annual area-based payment, on top of the basic payment, to all farmers operating in such areas. That payment should not replace the support given under rural development programs and should not be granted to farmers in areas which were designated in accordance with Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)22 but have not been designated in accordance with Article 46(1) of Regulation (EU) No [**…**] of the European Parliament and of the Council of **….** on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)[23] [RDR].	(30) In order to promote the sustainable development of agriculture in areas with specific natural constraints, Member States should be able to use part of their national ceilings for direct payments to grant an annual area-based payment, on top of the basic payment, to all farmers operating in such areas. That payment should not replace the support given under rural development programs and should not be granted to farmers in areas which were designated in accordance with Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)22 but have not been designated in accordance with Article 46(1) of Regulation (EU) No [**...**] of the European Parliament and of the Council of **....** on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)[23] [RDR]. ***The criteria used to define areas with specific natural contraints shall not increase the current level of bureaucracy, build up on existing systems which meet the objectives and shall lead to a comparable system within the EU.***

Or. en

Amendment 18
Proposal for a regulation
Recital 31

Text proposed by the Commission	*Amendment*
(31) The creation and development of new economic activity in the agricultural sector by young farmers is financially challenging and constitutes an element that ***should*** be considered in the allocation and targeting of direct payments. This development is essential for the competitiveness of the agricultural sector in the Union and, for that reason, an income support to young farmers commencing their agricultural activities ***should*** be established in order to facilitate the initial establishment of young farmers and the structural adjustment of their holdings after the initial setting up. Member States should be ***able*** to use part of their national ceilings for direct payments to grant an annual area-based payment, on top of the basic payment, to young farmers. That payment should only be granted during a period of maximum five years, since it should only cover the initial period of the life of the business and should not become an operating aid.	(31) The creation and development of new economic activity in the agricultural sector by young farmers is financially challenging and constitutes an element that ***may*** be considered in the allocation and targeting of direct payments. This development is essential for the competitiveness of the agricultural sector in the Union and, for that reason, an income support to young farmers commencing their agricultural activities ***may*** be established in order to facilitate the initial establishment of young farmers and the structural adjustment of their holdings after the initial setting up. Member States should be ***allowed*** to use part of their national ceilings for direct payments to grant an annual area-based payment, on top of the basic payment, to young farmers. That payment should only be granted during a period of maximum five years, since it should only cover the initial period of the life of the business and should not become an operating aid.

Or. en

Justification

The different payment entitlements granted directly to farmers under the support schemes listed in Annex I lead to a complex system. Eligibility criteria for each of these components need to be controlled. Thus, Member States should have the possibility to decide whether they would like to grant a payment for young farmers.

Amendment 19
Proposal for a regulation
Recital 38

Text proposed by the Commission	*Amendment*
(38) A simple and specific scheme for	(38) A simple and specific scheme for

small farmers ***should*** be put in place in order to reduce the administrative costs linked to the management and control of direct support. For that purpose, a lump-sum payment replacing all direct payments ***should*** be established. Rules seeking simplification of formalities should be introduced by reducing, amongst others, the obligations imposed on small farmers such as those related to the application for support**,** to agricultural practices beneficial for the climate and the environment, ***to cross-compliance and to controls as laid down in Regulation (EU) No […] [HZR]*** without endangering the achievement of the overall objectives of the reform, it being understood that Union legislation as referred to in Annex II to Regulation (EU) No [**…**] [HZR] applies to small farmers. The objective of that scheme should be to support the existing agricultural structure of small farms in the Union without countering the development towards more competitive structures. For that reason, access to the scheme should be limited to existing holdings.

small farmers ***may*** be put in place in order to reduce the administrative costs linked to the management and control of direct support. For that purpose, a lump-sum payment replacing all direct payments ***may*** be established ***by Member States***. Rules seeking simplification of formalities should be introduced by reducing, amongst others, the obligations imposed on small farmers such as those related to the application for support ***and*** to agricultural practices beneficial for the climate and the environment, without endangering the achievement of the overall objectives of the reform, it being understood that Union legislation as referred to in Annex II to Regulation (EU) No [**...**] [HZR] applies to small farmers. The objective of that scheme should be to support the existing agricultural structure of small farms in the Union without countering the development towards more competitive structures. For that reason, access to the scheme should be limited to existing holdings.

Or. en

Justification

The different payments granted directly to farmers under the support schemes listed in Annex I lead to a complex system. Eligibility criteria for each of these components need to be controlled. Thus, Member States should have the possibility to decide whether they would like to grant a payment for young farmers.

Amendment 20
Proposal for a regulation
Article 1 – paragraph 1 – point b – point iv

Text proposed by the Commission	*Amendment*
(iv) a payment for young farmers who commence their agricultural activity;	(iv) a ***voluntary*** payment for young farmers who commence their agricultural activity;

Or. en

Justification

The different payments granted directly to farmers under the support schemes listed in Annex I lead to a complex system. Eligibility criteria for each of these components need to be controlled. Therefore Member States should have the possibility to decide whether they would like to grant a payment for young farmers.

Amendment 21
Proposal for a regulation
Article 1 – paragraph 1 – point b – point vii

Text proposed by the Commission	*Amendment*
(vii) a simplified scheme for small farmers;	(vii) a ***voluntary*** simplified scheme for small farmers;

Or. en

Justification

The different payments granted directly to farmers under the support schemes listed in Annex I lead to a complex system. Eligibility criteria for each of these components need to be controlled. The requirements and needs for such a provision differ significantly between member states. Thus, Member States should have the possibility to decide whether they would like to apply a simplified scheme for small farmers.

Amendment 22
Proposal for a regulation
Article 2 – paragraph 1

Text proposed by the Commission	*Amendment*
The Commission shall be empowered to adopt delegated acts in accordance with Article 55 for the purpose of amending the list of support schemes set out in Annex I.	***In accordance with article 290 of the Treaty a legislative act may delegate to the Commission the power to adopt non-legislative acts of general application to supplement or amend certain non-essential elements of the legislative act.*** The ***objectives, content, scope and duration of the delegation of power shall be explicitly defined in the legislative acts. The essential elements of an area shall be reserved for the legislative act and***

accordingly shall not be subject of a delegation of power. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 for the purpose of amending the list of support schemes set out in Annex I.

Or. en

Amendment 23
Proposal for a regulation
Article 4 – paragraph 1 – point e

Text proposed by the Commission	*Amendment*
(e) ***'***agricultural area***'*** means any area taken up by arable land, permanent grassland or permanent crops***;***	(e) ***"***agricultural area***"*** means any area taken up by arable land, permanent grassland or permanent crops***, as well as any landscape features situated within or directly adjacent to the aforementioned areas provided that these landscape features do not exceed 25 % of the "agricultural area" of an agricultural parcel.***

Or. en

Justification

Determining the size of the often numerous and small landscape features is quite time consuming especially, as their size changes over time. A solution considerably reducing the administrative burden should be found. Thus, in future, landscape features should be included more generously than to date into the eligible area of a respective agricultural parcel especially, as landscape features have a positive impact on nature.

Amendment 24
Proposal for a regulation
Article 4 – paragraph 2 – point a

Text proposed by the Commission	*Amendment*
(a) laying down further definitions regarding the access to support under this Regulation;	***deleted***

Or. en

Justification

Definitions involving politically relevant elements should not be subject of a delegation of power and should be laid down in the basic act. This concerns e.g. definitions regarding crops, ecological focus areas or permanent grass land. Thus, the Draftsperson for the opinion suggests to the responsible lead committee to define concrete provisions in the basic act.

Amendment 25
Proposal for a regulation
Article 4 – paragraph 2 – point b

Text proposed by the Commission	*Amendment*
(b) establishing the framework within which Member States shall define the minimum activities to be carried out on areas naturally kept in a state suitable for grazing or cultivation;	***deleted***

Or. en

Justification

Definitions involving politically relevant elements should not be subject of a delegation of power and should be laid down in the basic act. This concerns e.g. definitions regarding crops, ecological focus areas or permanent grass land. Thus, the Draftsperson for the opinion suggests to the responsible lead committee to define concrete provisions in the basic act.

Amendment 26
Proposal for a regulation
Article 7 – paragraph 1 – subparagraph 1

Text proposed by the Commission	*Amendment*
Without prejudice to Article 8, the total amount of direct payments which may be granted in a Member State pursuant to Titles III, IV and V in respect of a calendar year***, after application of Article 11***, shall not be higher than the ceilings set out in Annex III to this Regulation.	Without prejudice to Article 8, the total amount of direct payments which may be granted in a Member State pursuant to Titles III, IV and V in respect of a calendar year, shall not be higher than the ceilings set out in Annex III to this Regulation.

Or. en

Justification

The provision for progressive reduction and capping can be easily circumvented and therefore, it may not achieve the desired effect. Moreover, it would impose further bureaucratic burdens and would be problematic as regards the principle of equal treatment of beneficiaries.

Amendment 27
Proposal for a regulation
Article 7 – paragraph 2

Text proposed by the Commission	*Amendment*
2. For each Member State and each year, the estimated product of capping as referred to in Article 11, which is reflected by the difference between the national ceilings set out in Annex II, to which is added the amount available in accordance with Article 44, and the net ceilings set out in Annex III, is made available as Union support for measures under rural development programming financed under the EAFRD as specified in Regulation (EU) No […] [RDR].	***deleted***

Or. en

Justification

The provision for progressive reduction and capping can be easily circumvented and therefore, it may not achieve the desired effect. Moreover, it would impose further bureaucratic burdens and would be problematic as regards the principle of equal treatment of beneficiaries.

Amendment 28
Proposal for a regulation
Article 9 – paragraph 1 – introductory part

Text proposed by the Commission	*Amendment*
1. No direct payments shall be granted to natural or legal persons, or to groups of natural or legal persons, ***where one of the following applies:***	1. No direct payments shall be granted to natural or legal persons, or to groups of natural or legal persons ***which are placed onto a 'negative list' partly decided at EU level***, ***identifying non-active farmers. In***

addition, Member States may define additional non-discriminative criteria at their discretion to exclude applicants who are economically marginally engaged in agricultural activities.

Or. en

Justification

In the past, support was in a number of cases granted to beneficiaries whose business purpose was not or only marginally targeted at an agricultural activity, such as airports or companies managing sport grounds. In the future, support should be better targeted. However, rules shall maintain cost-effectiveness and avoid excessive administrative burden for member states and beneficiaries.

Amendment 29
Proposal for a regulation
Article 9 – paragraph 1 – point a

Text proposed by the Commission	*Amendment*
(a) the annual amount of direct payments is less than 5 % of the total receipts they obtained from non-agricultural activities in the most recent fiscal year; or	***deleted***

Or. en

Justification

This provision would increase administrative burden significantly and disproportionately. Areas that are not intended to be supported should be excluded within the EU legislation. The Court in its opinion 1/2012 has expressed doubts as to whether the measures proposed can be implemented effectively without imposing an excessive administrative burden on managing agencies and farmers.

Amendment 30
Proposal for a regulation
Article 9 – paragraph 1 – point b

Text proposed by the Commission	*Amendment*
(b) their agricultural areas are mainly areas naturally kept in a state suitable for	***deleted***

grazing or cultivation and they do not carry out on those areas the minimum activity established by Member States in accordance with Article 4(1)(c).

Or. en

Amendment 31
Proposal for a regulation
Article 9 – paragraph 2

Text proposed by the Commission	*Amendment*
2. Paragraph 1 shall not apply to farmers who received less than EUR 5 000 of direct payments for the previous year.	***deleted***

Or. en

Amendment 32
Proposal for a regulation
Article 9 – paragraph 3

Text proposed by the Commission	*Amendment*
3. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 for the purposes of laying down:	***deleted***
(a) criteria to establish the amount of direct payments relevant for the purpose of paragraphs 1 and 2, in particular in the first year of allocation of payment entitlements where the value of the payment entitlements is not yet definitively established as well as for new farmers;	
(b) exceptions from the rule that the receipts during the most recent fiscal year are to be taken into account where those figures are not available; and	
(c) criteria to establish when a farmer's agricultural area is to be considered as mainly areas naturally kept in a state	

suitable for grazing or cultivation.

Or. en

Amendment 33
Proposal for a regulation
Article 11

Text proposed by the Commission	*Amendment*
Article 11	***deleted***
Progressive reduction and capping of the payment	
1. The amount of direct payments to be granted to a farmer under this Regulation in a given calendar year shall be reduced as follows:	
– by 20 % for the tranche of more than EUR 150 000 and up to EUR 200 000;	
– by 40 % for the tranche of more than EUR 200 000 and up to EUR 250 000;	
– by 70 % for the tranche of more than EUR 250 000 and up to EUR 300 000;	
– by 100 % for the tranche of more than EUR 300 000.	
2. The amount referred to in paragraph 1 shall be calculated by subtracting the salaries effectively paid and declared by the farmer in the previous year, including taxes and social contributions related to employment, from the total amount of direct payments initially due to the farmer without taking into account the payments to be granted pursuant to Chapter 2 of Title III of this Regulation.	
3. Member States shall ensure that no payment is made to farmers for whom it is established that, as from the date of publication of the Commission proposal for this Regulation, they artificially created the conditions to avoid the effects of this Article.	

Or. en

Justification

The provision for progressive reduction and capping can be easily circumvented and therefore, it may not acieve the desired effect. Moreover, it would impose further bureaucratic burdens and would be problematic as regards the principle of equal treatment of beneficiaries.

Amendment 34
Proposal for a regulation
Article 12 – paragraph 1 a (new)

Text proposed by the Commission	*Amendment*
	The application for any other direct payment shall be possible within the framework of the application for a basic payment. Any application for direct payments should be valid for multiple years and only need to be reapplied if there are changes to the original application.

Or. en

Amendment 35
Proposal for a regulation
Article 21 – paragraph 1

Text proposed by the Commission	*Amendment*
1. ***Subject to paragraph 2, payment*** entitlements shall be allocated to farmers if they apply for allocation of payment entitlements under the basic payment scheme by 15 May 2014 except in case of force majeure and exceptional circumstances.	1. ***Payment*** entitlements shall be allocated to farmers if they apply for allocation of payment entitlements under the basic payment scheme by 15 May 2014 except in case of force majeure and exceptional circumstances.

Or. en

Justification

Member states should have the possibility to opt for the reference year 2011 or 2014 otherwise some member states may face cumbersome administrative procedures with many special cases (e.g. no payment entitlement under the current system, allocation of payment entitlement after 2011 etc.) These suggestions take up discussions in the Council.

Amendment 36
Proposal for a regulation
Article 21 – paragraph 2 – subparagraph 1

Text proposed by the Commission	*Amendment*
Farmers who, in 2011, activated at least one payment entitlement under the single payment scheme or claimed support under the single area payment scheme, both in accordance with Regulation (EC) No 73/2009, shall receive payment entitlements the first year of application of the basic payment scheme provided they are entitled to be granted direct payments in accordance with Article 9.	***Member States may, before first of August 2013, decide that only farmers*** who, in 2011, activated at least one payment entitlement under the single payment scheme or claimed support under the single area payment scheme, both in accordance with Regulation (EC) No 73/2009, shall receive payment entitlements the first year of application of the basic payment scheme provided they are entitled to be granted direct payments in accordance with Article 9.

Or. en

Justification

Member states should have the possibility to opt for the reference year 2011 or 2014 otherwise some member states may face cumbersome administrative procedures with many special cases (e.g. no payment entitlement under the current system, allocation of payment entitlement after 2011 etc.) These suggestions take up discussions in the Council.

Amendment 37
Proposal for a regulation
Article 21 – paragraph 2 – subparagraph 2 – introductory part

Text proposed by the Commission	*Amendment*
By way of derogation from ***the first*** subparagraph, farmers shall receive payment entitlements the first year of application of the basic payment scheme, provided they are entitled to be granted	***Where Member States have made the decision referred to in the first subparagraph, and by*** way of derogation from ***that*** subparagraph, farmers shall receive payment entitlements the first year

direct payments in accordance with Article 9 and that in 2011:	of application of the basic payment scheme, provided they are entitled to be granted direct payments in accordance with Article 9 and that in 2011:

Or. en

Justification

Member states should have the possibility to opt for the reference year 2011 or 2014 otherwise some member states may face cumbersome administrative procedures with many special cases (e.g. no payment entitlement under the current system, allocation of payment entitlement after 2011 etc.) These suggestions take up discussions in the Council.

Amendment 38
Proposal for a regulation
Article 23 – paragraph 4 – subparagraph 1

Text proposed by the Commission	*Amendment*
Member States ***shall*** use the national reserve to allocate payment entitlements, as a matter of priority, to young farmers who commence their agricultural activity.	Member States ***may*** use the national reserve to allocate payment entitlements, as a matter of priority, to young farmers who commence their agricultural activity.

Or. en

Justification

The different payments granted directly to farmers under the support schemes listed in Annex I lead to a complex system. Eligibility criteria for each of these components need to be controlled. Therefore Member States should have the possibility to decide whether they would like to grant a payment for young farmers.

Amendment 39
Proposal for a regulation
Article 25 – paragraph 1

Text proposed by the Commission	*Amendment*
1. Support under the basic payment scheme shall be granted to farmers upon activation, by means of declaration in accordance with Article 26(1), of a payment entitlement per eligible hectare in the Member State where	1. Support under the basic payment scheme shall be granted to farmers upon activation, by means of declaration in accordance with Article 26(1), of a payment entitlement per eligible hectare in the Member State where

it has been allocated. Activated payment entitlements shall give a right to the annual payment of the amounts fixed therein, without prejudice to the application of financial discipline, ***progressive reduction and capping,*** linear reductions in accordance with Article 7, 37(2) and 51(1), and any reductions and exclusions imposed pursuant to Regulation (EU) No [**…**] [HZR].	it has been allocated. Activated payment entitlements shall give a right to the annual payment of the amounts fixed therein, without prejudice to the application of financial discipline, linear reductions in accordance with Article 7, 37(2) and 51(1), and any reductions and exclusions imposed pursuant to Regulation (EU) No [**...**] [HZR].

Or. en

Justification

The provision for progressive reduction and capping can be easily circumvented and therefore, it may not achieve the desired effect. Moreover, it would impose further bureaucratic burdens and would be problematic as regards the principle of equal treatment of beneficiaries.

Amendment 40
Proposal for a regulation
Article 28 – paragraph 1 – point g

Text proposed by the Commission	*Amendment*
(g) rules on the declaration and activation of payment entitlements;	***deleted***

Or. en

Justification

Definitions involving politically relevant elements should not be subject of a delegation of power and should be laid down in the basic act. This concerns e.g. definitions regarding crops, ecological focus areas or permanent grass land. Thus, the Draftsperson for the opinion suggests to the responsible lead committee to define concrete provisions in the basic act.

Amendment 41
Proposal for a regulation
Article 29 – paragraph 1 – introductory part

Text proposed by the Commission	*Amendment*
1. ***Farmers*** entitled to a payment under the	1. ***Member states shall grant an annual***

basic payment scheme referred to in Chapter 1 ***shall*** observe on their eligible hectares as defined in Article 25(2) the following agricultural practises beneficial for the climate and the environment:	***payment for agricultural practices beneficial for the climate and the environment to farmers who are*** entitled to a payment under the basic payment scheme referred to in Chapter 1 ***when they*** observe on their eligible hectares as defined in Article 25(2) the following agricultural practises beneficial for the climate and the environment:

Or. en

Justification

For reasons of transparency and cutting red tape there should be a clear separation of the basic and greening component. The rapporteur supports the position of the AGRI rapporteur expressed in Amendment 64 of the draft report.

Amendment 42
Proposal for a regulation
Article 29 – paragraph 1 – point a

Text proposed by the Commission	*Amendment*
(a) to have three different crops on their arable land where the arable land of the farmer covers more than ***3*** hectares and is not entirely used for grass production (sown or natural), entirely left fallow or entirely cultivated with crops under water for a significant part of the year;	(a) ***(a)*** to have three ***or more*** different crops on their arable land where the arable land of the farmer covers more than ***20*** hectares and is not entirely used for grass production (sown or natural), entirely left fallow or entirely cultivated with crops under water for a significant part of the year; ***Farmers whose agricultural areas are mainly covered with permanent grassland are exempted from this obligation.***

Or. en

Justification

Exempting farmers whose arable land covers less than 20 hectares or whose agricultural areas are mainly covered with permanent grassland from this obligation would considerably reduce the administrative burden. Moreover, a high proportion of permanent grassland can be considered as being positive for the environment.

Amendment 43
Proposal for a regulation
Article 29 – paragraph 2

Text proposed by the Commission	*Amendment*
2. Without prejudice to paragraphs 3 and 4 and to the application of financial discipline, linear reductions in accordance with Article 7***, and any reductions and penalties imposed pursuant to Regulation (EU) No […] [HZR]***, Member States shall grant the payment referred to in this Chapter to farmers observing those of the three practises referred to in paragraph 1 that are relevant for them, and in function of their compliance with Articles 30, 31 and 32**.**.	2. Without prejudice to paragraphs 3 and 4 and to the application of financial discipline, linear reductions in accordance with Article 7, Member States shall grant the payment referred to in this Chapter to farmers observing those of the three practises referred to in paragraph 1 that are relevant for them, and in function of their compliance with Articles 30, 31 and 32.

Or. en

Justification

For reasons of transparency and cutting red tape there should be a clear separation of the basic and greening component.

Amendment 44
Proposal for a regulation
Article 29 – paragraph 5 a (new)

Text proposed by the Commission	*Amendment*
	5 a. Any possible sanction imposed by non-compliance with Articles 30, 31, and 32 shall not go beyond the payment referred to in this Chapter 'greening component'. Any reduction or penalties imposed by non-respect of the greening components shall remain in the Member States and regions where it originated if the Member state's error rate within the agricultural policy area does not exceed 2 %.

Or. en

Justification

For reasons of transparency and cutting red tape there should be a clear separation of the basic and greening component.

Amendment 45
Proposal for a regulation
Article 30 – paragraph 1

Text proposed by the Commission	*Amendment*
1. Where the arable land of the farmer covers more than ***3*** hectares and is not entirely used for grass production (sown or natural), entirely left fallow or entirely cultivated with crops under water for a significant part of the year, cultivation on the arable land shall consist of at least three different crops. None of those three crops shall cover less than 5 % of the arable land and the main one shall not exceed 70 % of the arable land.	1. Where the arable land of the farmer covers more than ***20*** hectares and is not entirely used for grass production (sown or natural), entirely left fallow or entirely cultivated with crops under water for a significant part of the year, cultivation on the arable land shall consist of at least three different crops. None of those three crops shall cover less than 5 % of the arable land and the main one shall not exceed 70 % of the arable land. ***Farmers whose agricultural areas are mainly covered with permanent grassland are exempted from this obligation.***

Or. en

Justification

Exempting farmers whose arable land covers less than 20 hectares or whose agricultural areas are mainly covered with permanent grassland from this obligation would considerably reduce the administrative burden. Moreover, a high proportion of permanent grassland can be considered as being positive for the environment.

Amendment 46
Proposal for a regulation
Article 30 – paragraph 2

Text proposed by the Commission	*Amendment*
2. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 laying down the definition of 'crop' and the rules concerning the application of the precise calculation of	***deleted***

shares of different crops.

Or. en

Justification

Definitions involving politically relevant elements should not be subject of a delegation of power and should be laid down in the basic act. This concerns e.g. definitions regarding crops, ecological focus areas or permanent grass land. Thus, the Draftsperson for the opinion suggests to the responsible lead committee to define concrete provisions in the basic act.

Amendment 47
Proposal for a regulation
Article 31 – paragraph 3

Text proposed by the Commission	*Amendment*
3. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 laying down rules concerning the increase of reference areas under permanent grassland as laid down in the second subparagraph of paragraph 1, the renewal of permanent grassland, the reconversion of agricultural area into permanent grassland in case the authorised decrease referred to in paragraph 2 is exceeded, as well as the modification of the reference areas under permanent grassland in case of transfer of land.	***deleted***

Or. en

Justification

Definitions involving politically relevant elements should not be subject of a delegation of power and should be laid down in the basic act. This concerns e.g. definitions regarding crops, ecological focus areas or permanent grass land. Thus, the Draftsperson for the opinion suggests to the responsible lead committee to define concrete provisions in the basic act.

Amendment 48
Proposal for a regulation
Article 32 – paragraph 1

Text proposed by the Commission	*Amendment*
1. Farmers shall ensure that at least ***7*** % of their eligible hectares as defined in Article 25(2), excluding areas under permanent grassland, is ecological focus area such as land left fallow, terraces, landscape features, buffer strips and afforested areas as referred to in article 25(2)(b)(ii).	1. Farmers shall ensure that at least ***5*** % of their eligible hectares as defined in Article 25(2), excluding areas under permanent grassland, is ecological focus area such as land left fallow, terraces, landscape features, buffer strips and afforested areas as referred to in article 25(2)(b)(ii).

Or. en

Amendment 49
Proposal for a regulation
Article 32 – paragraph 1 – point a (new)

Text proposed by the Commission	*Amendment*
	(a) (a) For the purposes of this regulation areas which are cultivated with crops not subject to any nitrogen fertilization or areas where perennial energy crops have been planted shall be considered as ecological focus areas. The same applies to areas which are farmed under 'Natura 2000' or subject to farming requirements under the water framework directive or where more than 75 % of the agricultural area is subject to obligations regarding agri-environmental measures.

Or. en

Justification

These exceptions would considerably reduce the administrative burden while taking into adequate account national and regional specificities.

Amendment 50
Proposal for a regulation
Article 32 – paragraph 1 – point b (new)

Text proposed by the Commission	*Amendment*
	(b) Farmers whose agricultural areas are mainly covered with permanent grass land or covers less than 20 hectares are exempted from this obligation.

Or. en

Justification

Exempting farmers whose agricultural area covers less than 20 hectares or whose agricultural areas are mainly covered with permanent grassland from this obligation would considerably reduce the administrative burden. Moreover, a high proportion of permanent grassland can be considered as being positive for the environment.

Amendment 51
Proposal for a regulation
Article 32 – paragraph 2

Text proposed by the Commission	*Amendment*
2. The Commission shall be empowered to adopt delegated acts in accordance with Article 55 to further define the types of ecological focus areas referred to in paragraph 1 of this Article and to add and define other types of ecological focus areas that can be taken into account for the respect of the percentage referred to in that paragraph.	***deleted***

Or. en

Justification

Definitions involving politically relevant elements should not be subject of a delegation of power and should be laid down in the basic act. This concerns e.g. definitions regarding crops, ecological focus areas or permanent grass land. Thus, the Draftsperson for the opinion suggests to the responsible lead committee to define concrete provisions in the basic act.

Amendment 52
Proposal for a regulation
Article 34 – paragraph 3

Text proposed by the Commission	*Amendment*
3. Without prejudice to paragraph 2 and to the application of financial discipline**,** ***progressive reduction and capping***, linear reduction as referred in Article 7, and any reductions and exclusions imposed pursuant to Article 65 of Regulation (EU) No [**…**] [HZR], the payment referred to in paragraph 1 shall be granted annually per eligible hectare situated in the areas to which Member States decided to grant a payment in accordance with paragraph 2 of this Article and shall be paid upon activation of payment entitlements on those hectares held by the farmer concerned.	3. Without prejudice to paragraph 2 and to the application of financial discipline, linear reduction as referred in Article 7, and any reductions and exclusions imposed pursuant to Article 65 of Regulation (EU) No [**...**] [HZR], the payment referred to in paragraph 1 shall be granted annually per eligible hectare situated in the areas to which Member States decided to grant a payment in accordance with paragraph 2 of this Article and shall be paid upon activation of payment entitlements on those hectares held by the farmer concerned.

Or. en

Justification

The provision for progressive reduction and capping can be easily circumvented and therefore, it may not achieve the desired effect. Moreover, it would impose further bureaucratic burdens and would be problematic as regards the principle of equal treatment of beneficiaries.

Amendment 53
Proposal for a regulation
Article 36 – paragraph 1

Text proposed by the Commission	*Amendment*
1. Member States ***shall*** grant an annual payment to young farmers who are entitled to a payment under the basic payment scheme referred to in Chapter 1.	1. Member States ***may*** grant an annual payment to young farmers who are entitled to a payment under the basic payment scheme referred to in Chapter 1.

Or. en

Justification

The different payments granted directly to farmers under the support schemes listed in Annex I lead to a complex system. Eligibility criteria for each of these components need to be controlled. Therefore Member States should have the possibility to decide whether they would

like to grant a payment for young farmers.

Amendment 54
Proposal for a regulation
Article 36 – paragraph 3

Text proposed by the Commission	*Amendment*
3. Without prejudice to the application of financial discipline***, progressive reduction and capping***, linear reductions as referred in Article 7, and any reductions and exclusions imposed pursuant to Article 65 of Regulation (EU) No [**…**] [HZR], the payment referred to in paragraph 1 of this Article shall be granted annually upon activation of payment entitlements by the farmer.	3. Without prejudice to the application of financial discipline, linear reductions as referred in Article 7, and any reductions and exclusions imposed pursuant to Article 65 of Regulation (EU) No [**...**] [HZR], the payment referred to in paragraph 1 of this Article shall be granted annually upon activation of payment entitlements by the farmer.

Or. en

Justification

The provision for progressive reduction and capping can be easily circumvented and therefore, it may not achieve the desired effect. Moreover, it would impose further bureaucratic burdens and would be problematic as regards the principle of equal treatment of beneficiaries.

Amendment 55
Proposal for a regulation
Article 47 – paragraph 1

Text proposed by the Commission	*Amendment*
1. ***Farmers*** holding payment entitlements allocated in 2014 pursuant to Article 21 and fulfilling the minimum requirements provided for in Article 10(1) ***may*** opt for participation in a simplified scheme under the conditions laid down in this Title, hereinafter referred to as ‘small farmers scheme’	1. ***Member states may allow farmers*** holding payment entitlements allocated in 2014 pursuant to Article 21 and fulfilling the minimum requirements provided for in Article 10(1) ***to*** opt for participation in a simplified scheme under the conditions laid down in this Title, hereinafter referred to as ′small farmers scheme′

Or. en

Justification

The different payments granted directly to farmers under the support schemes listed in Annex I lead to a complex system. Eligibility criteria for each of these components need to be controlled. The requirements and needs for such a provision differ significantly between member states. Thus, Member States should have the possibility to decide whether they would like to apply a simplified scheme for small farmers.

Amendment 56
Proposal for a regulation
Article 47 – paragraph 3

Text proposed by the Commission	*Amendment*
3. Farmers participating in the small farmers scheme shall be exempted from the agricultural practises provided for in Chapter 2 of Title III.	3. Farmers participating in the small farmers scheme shall be exempted from the agricultural practises provided for in Chapter 2 of Title III***, however, they must fulfill cross compliance obligations and controls as laid down in Regulation (EU) No [...] [HZR].***

Or. en