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Committee on Budgets

2011/0282(COD)

17.10.2012

OPINION

of the Committee on Budgets

for the Committee on Agriculture and Rural Development

on the proposal for a regulation of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)
(COM(2011)0627 – C7-0340/2011 – 2011/0282(COD))

Rapporteur: Giovanni La Via

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SHORT JUSTIFICATION

The rural development aspect of the CAP remains a vital part and constitutes a high priority in the current reform. The reform tries to maintain its two-pillar structure with the budget for each pillar maintained in nominal terms at its 2013 level and with a clear focus on delivering results on the key EU priorities. The CAP should remain a policy of strategic importance to ensure the most effective response to the policy challenges and the most efficient use of budgetary resources. The instruments in Pillar II should give Member States more leeway to tailor solutions to their local specificities.

As the CAP has grown more complex over the years, better regulation and a significant reduction of bureaucracy for farmers needs to be an important component of the future CAP. Any unjustified and excessive administrative burden and cost to national authorities should be avoided, especially in the light of fiscal consolidation by the Member States and the scarcity of resources. Targeted spending is required in order to ensure sound management of the Union funds towards the delivery of crucial public goods through the multifunctional CAP. Moreover, the reform aims to design effective and lasting instruments to increase efficiency in the agricultural sector.

The aim of the Commission proposal is to lay down specific policy options in order to respond to future challenges for agriculture and rural areas and to meet the objectives set for the CAP. A strengthening of environmental measures together with an increase of funds is foreseen to address these issues on a territorial basis. Also, funds spent under Pillar II should be targeted more towards the farming community.

In brief, the Commission proposes that rural development should be included in a Common Strategic Framework with other EU shared management funds with a reinforced outcome-orientated approach and subject to clearer, improved ex-ante conditions. Pillar II of the CAP should work in a coordinated and complementary manner with Pillar I, as well as with other EU funds (in particular the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund and the European Maritime and Fisheries Fund (EMFF)). The funds are placed under a Common Strategic Framework (CSF) at EU level, which will be transposed into Partnership Contracts at national level, including common objectives and rules for their operation. Establishing common rules for all funds operating under a Common Strategic Framework will make projects easier to handle for both beneficiaries and national authorities and will also facilitate the implementation of integrated projects.

It is of paramount importance to ensure compliance with the requirements of public interest linked to the granting of payments.

This report is based on the aggregate financial amounts, which the Commission has earmarked for the CAP within the next multiannual financial framework. Should fundamental changes be made to that proposal, the substance of this opinion would need to be revised.

AMENDMENTS

The Committee on Budgets 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 Article 51 – paragraph 2

Text proposed by the Commission

Amendment

2. A sum of EUR 30 million shall be withdrawn from the allocation referred to in paragraph 1 and used to finance the prize for innovative, local cooperation referred to in Article 56. **deleted**

Amendment 2

Proposal for a regulation Article 56

Text proposed by the Commission

Amendment

Article 56

deleted

Prize for innovative, local cooperation in rural areas

The funds referred to in Article 51(2) shall be used for financing the award of a prize to cooperation projects involving at least two entities located in different Member States that realise an innovative, local concept.

Amendment 3

Proposal for a regulation Article 57

Text proposed by the Commission

Amendment

Article 57

deleted

Call for proposals

1. Starting at the latest in 2015 and every year thereafter the Commission shall launch a call for proposals in view of awarding the prize referred to in Article 56. The last call for proposals shall be launched no later than in 2019.

2. The call for proposals shall indicate a theme for the proposals which shall be related to one of the Union priorities for rural development. The theme shall also be appropriate for implementation through cooperation at transnational level.

3. The call for proposals shall be open to both local action groups and individual entities cooperating for the purpose of the specific project.

Amendment 4

Proposal for a regulation

Article 58

Text proposed by the Commission

Amendment

Article 58

deleted

Selection procedure

1. Applications for the prize shall be submitted by applicants in all Member States to the respective national rural network, which will be responsible for pre-selecting applications.

2. National rural networks shall set up, from within their members, a pre-selection board of independent experts in order to pre-select applications. Pre-selection of applications shall be done on the basis of the exclusion, selection and award criteria defined in the call for proposals. Each National Rural Network shall pre-select no more than 10 applications and shall transmit them to the Commission.

3. The Commission shall be responsible for the selection of fifty winning projects among the applications pre-selected in all the Member States. The Commission shall set up an ad hoc steering group composed of independent experts. This steering group shall prepare the selection of the winning applications on the basis of the exclusion, selection and award criteria defined in the call for proposals.

4. The Commission shall, by means of an implementing act, decide on the list of projects to which the prize is awarded.

Amendment 5

Proposal for a regulation Article 59

Text proposed by the Commission

Amendment

Article 59

deleted

Financial Prize – conditions and payment

1. In order for projects to be eligible for the prize, the time required for their completion shall not exceed two years from the date of adoption of the implementing act awarding the prize. The time frame of realisation of the project shall be defined in the application.

2. The prize shall be granted in the form of a lump sum payment. The amount of the payment shall be determined by the Commission, by means of implementing acts, in line with criteria defined in the call for proposals and taking into account the estimated cost of realisation of the project indicated in the application. The maximum prize per project shall not exceed 100 000 euro.

3. Member States shall pay the award to winning applicants after verifying that the project has been completed. The relevant expenditure shall be reimbursed by the Union to Member States in accordance

with the provisions of Section 4 of Chapter II of Title IV of Regulation (EU) No HR/2012. Member States may decide to pay fully or partly the sum of the prize to the winning applicants before having verified the completion of the project but they shall, in this case, bear the responsibility for the expenditure until the completion of the project is verified

Amendment 6

Proposal for a regulation Article 60

Text proposed by the Commission

Amendment

Article 60

deleted

Rules on the procedure, timetables and setting up of the steering-group

The Commission shall by means of implementing acts lay down detailed provisions on the procedure and timetables for the selection of projects and rules on the setting up of the steering group of independent experts referred to in Article 58(3). Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 91.

PROCEDURE

Title	Support for rural development by the European Agricultural Fund for Rural Development (EAFRD)
References	COM(2011)0627 – C7-0340/2011 – 2011/0282(COD)
Committee responsible Date announced in plenary	AGRI 25.10.2011
Opinion by Date announced in plenary	BUDG 25.10.2011
Rapporteur Date appointed	Giovanni La Via 6.2.2012
Date adopted	10.10.2012
Result of final vote	+: 27 –: 2 0: 1
Members present for the final vote	Marta Andreasen, Richard Ashworth, Francesca Balzani, Zuzana Brzobohatá, Göran Färm, José Manuel Fernandes, Eider Gardiazábal Rubial, Salvador Garriga Polledo, Jens Geier, Ivars Godmanis, Lucas Hartong, Jutta Haug, Monika Hohlmeier, Sidonia Elżbieta Jędrzejewska, Ivailo Kalfin, Sergej Kozlík, Jan Kozłowski, Alain Lamassoure, Giovanni La Via, George Lyon, Barbara Matera, Juan Andrés Naranjo Escobar, Nadezhda Neynsky, Dominique Riquet, Helga Trüpel, Angelika Werthmann
Substitute(s) present for the final vote	Maria Da Graça Carvalho, Georgios Papastamkos, Nils Torvalds, Catherine Trautmann