



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Budgetary Control

2011/0282(COD)

21.9.2012

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
on support for rural development by the European Agricultural Fund for Rural
Development (EAFRD)
(COM(2011)0627 – C7-0340/2011 – 2011/0282(COD))

Rapporteur: Tamás Deutsch

PA_Legam

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 4

Text proposed by the Commission

(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 to the Council.

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 to the Council. ***The Court of Auditors may provide an Opinion on these delegated acts on request of either the European Parliament or the Council under Article 287(4) of the Treaty on the functioning of the European Union.***

Justification

This will enable Parliament and Council to form their respective views on the basis of the technical expertise provided by the Court of Auditors.

Amendment 2

Proposal for a regulation

Article 2 – paragraph 1 – point 1

Text proposed by the Commission

(l) “transaction cost”: a cost linked to a commitment ***but not directly attributable to*** its implementation;

Amendment

(l) “transaction cost”: a cost linked to a commitment ***that is indirectly generated by*** its implementation;

Amendment 3

Proposal for a regulation

Article 2 – paragraph 1 – point r

Text proposed by the Commission

(r) "natural disaster": a naturally occurring event of biotic or abiotic nature that leads to important disturbances of agricultural production systems and forest structures, eventually causing important economic damage to the farming ***and*** forest sectors;

Amendment

(r) "natural disaster": a naturally occurring event of biotic or abiotic nature that leads to important disturbances of agricultural production systems and forest structures, eventually causing important economic damage to the farming ***or*** forest sectors;

Amendment 4

Proposal for a regulation

Article 2 – paragraph 1 – point s

Text proposed by the Commission

(s) "catastrophic event": an unforeseen event of biotic or abiotic nature caused by human action that leads to important disturbances of agricultural production systems and forest structures, eventually causing important economic damage to the farming ***and*** forest sectors;

Amendment

(s) "catastrophic event": an unforeseen event of biotic or abiotic nature caused by human action that leads to important disturbances of agricultural production systems and forest structures, eventually causing important economic damage to the farming ***or*** forest sectors;

Amendment 5

Proposal for a regulation

Article 4 – paragraph 1 – point 1

Text proposed by the Commission

(1) the competitiveness of agriculture;

Amendment

(1) the competitiveness of agriculture ***and***

forestry;

Amendment 6

Proposal for a regulation

Article 5 – paragraph 1 – point 4 – point a

Text proposed by the Commission

(a) restoring and preserving biodiversity, including in Natura 2000 areas and high nature value farming, and the state of European landscapes;

Amendment

(a) restoring and preserving biodiversity, including in Natura 2000 areas and high nature value farming **systems**, and the state of European landscapes;

Amendment 7

Proposal for a regulation

Article 5 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

For each of the objectives and Union priorities mentioned in this Article the Commission shall specify a precise set of objectives and targets as well as monitoring their achievements.

Justification

This modification reflects the Parliament's call to focus the policy more on the results of EU actions and to measure its achievement.

Amendment 8

Proposal for a regulation

Article 5 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

Each Member State shall in national programmes clearly identify its needs in respect of the Union priorities as well as indicators allowing the Commission to monitor the achievement of the results.

Justification

This modification reflects the Parliament's call to focus the policy more on the results of EU actions and to measure its achievement.

Amendment 9

Proposal for a regulation

Article 5 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

As a general rule the Commission and the Member states shall ensure that EU support shall be targeted to rural areas where it is most needed.

Justification

This modification reflects the Parliament's call for more focus on the results of EU actions.

Amendment 10

Proposal for a regulation

Article 9 – paragraph 1 – point n – point i

Text proposed by the Commission

Amendment

(i) the designation by the Member State of all authorities referred to in Article 72(2) and, ***for information***, a ***summary*** description of the management and control structure;

(i) the designation by the Member State of all authorities referred to in Article 72(2) and a description of the management and control structure, ***including the verifiability and controllability of the rural development measures and sub-measures; it shall be a condition for approval of the regional development programme that the Commission has found the management and control structure to be efficient and effective;***

Amendment 11

Proposal for a regulation

Article 14 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

The Commission together with the Member States shall establish effective tools - including clear and unambiguous selection criteria - in order to mitigate the risk of irregular double financing with other EU funds or national funds.

Justification

The draft regulation provides for the funding of many (new) measures from sources other than EAFRD, either other EU funds or national funds. This diversity of funding sources entails a high risk of irregular double financing which has to be mitigated.

Amendment 12

Proposal for a regulation

Article 20 – paragraph 7

Text proposed by the Commission

Amendment

7. Support under paragraph 1(c) shall be equal to 120% of the annual payment that the beneficiary received under the small farmers scheme.

7. The Commission shall further clarify the objectives of this measure and establish clear criteria and effective controls in order to avoid abusive operations.

Justification

According to the draft regulation, support under this measure shall also cover annual payments for farmers who, at the time of submitting their application for support, participate in the small farmers scheme for at least one year and who commit to permanently transfer their entire holding and the corresponding payment entitlements to another farmer. It is unclear what is intended to be achieved with this measure. It appears to be an income support or retirement scheme for farmers who permanently transmit their holding. It is unclear why such support should be financed by pillar II. It is therefore proposed to delete this sub measure unless the necessary clarification is provided as to the objectives and targets, and unless clear criteria and effective controls are established in order to avoid abusive operations by farmers seeking to obtain the aid, by, for example, formally transferring the holdings to a family member.

Amendment 13

Proposal for a regulation

Article 21 – paragraph 1 – point f

Text proposed by the Commission

(f) studies and investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages and rural landscapes, including related socio-economic aspects;

Amendment

(f) studies and investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage, ***of areas of high ecological value***, of villages and rural landscapes, including related socio-economic aspects, ***as well as environmental awareness initiatives***;

Amendment 14

Proposal for a regulation

Article 21 – paragraph 1 – point g

Text proposed by the Commission

(g) investments targeting the relocation of activities and conversion of buildings or other facilities located close to rural settlements, with a view to improving the quality of life or increasing the environmental performance of the settlement.

Amendment

(g) investments targeting the relocation of activities and conversion of buildings or other facilities located ***inside and*** close to rural settlements, with a view to improving the quality of life or increasing the environmental performance of the settlement.

Amendment 15

Proposal for a regulation

Article 28 – paragraph 2 – subparagraph 1

Text proposed by the Commission

Support shall be granted to producer groups which are officially recognised by the Member States' competent authority on the basis of a business plan. It shall be limited to producer groups coming under the definition of SMEs.

Amendment

Support shall be granted to producer groups which are officially recognised by the Member States' competent authority on the basis of a business plan. It shall be limited to producer groups coming under the definition of SMEs ***or covered by the legislation of the Member States***.

Amendment 16

Proposal for a regulation Article 31 – paragraph 2

Text proposed by the Commission

2. Support shall be granted to farmers and to private forest owners and associations of forest owners respectively. In duly justified cases it may also be granted to other land managers.

Amendment

2. Support shall be granted to farmers and to private forest owners and associations of forest owners respectively ***as well as to the owners or public administrators of forests not funded from national coffers***. In duly justified cases it may also be granted to other land managers.

Amendment 17

Proposal for a regulation Article 40 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

Measures shall be taken to clearly delineate the objectives between the first and the second pillar of the CAP and to ensure that the decision to finance a measure by a pillar is based on the measure's contribution to achieving the objectives of the pillar.

Justification

While direct payments under pillar I are likely to contribute to farm incomes, the rural development (pillar II) regulation also includes an income stabilisation tool which provides compensation to farmers who experience a severe drop in their income. It is necessary to clearly delineate the objectives between pillar I and pillar II and to ensure that the decision to finance a measure by a pillar is based on the measure's contribution to achieving the objectives of the pillar.

Amendment 18

Proposal for a regulation

Article 65 – paragraph 7 a (new)

Text proposed by the Commission

Amendment

7a. Member States shall maintain the level of efforts made during the 2007-2013 programming period and spend a minimum of 25% of the total contribution from the EAFRD to each rural development programme for climate change mitigation and adaptation and land management, through the agri-environment-climate, organic farming and payments to areas facing natural or other specific constraints measures.

Justification

In order to achieve the allocation of resources as mentioned in recital 28 it is necessary to include the text from the recital into the mandatory provisions.

Amendment 19

Proposal for a regulation

Article 69 – paragraph 2

Text proposed by the Commission

Amendment

2. Where aid is granted on the basis of standard costs or additional costs and income foregone, Member States shall ensure that the relevant calculations are adequate and accurate and established in advance on the basis of a fair, equitable and verifiable calculation. To this end, a body that is independent from the authorities responsible for the calculations and possesses the appropriate expertise shall provide a certificate confirming the adequacy and accuracy of the calculations. That certificate shall be included in the rural development programme.

2. Where aid is granted on the basis of standard costs or additional costs and income foregone, Member States shall ensure that the relevant calculations are adequate and accurate and established in advance on the basis of a fair, equitable and verifiable calculation. To this end, a body that is independent from the authorities responsible for the calculations and possesses the appropriate expertise shall provide a certificate confirming the adequacy and accuracy of the calculations. That certificate shall be included in the rural development programme. ***The Commission shall ensure, before approving programmes, that all relevant***

elements are included in the calculations and that the main assumptions and parameters are appropriate.

Justification

This modification reflects the problems identified by the Court as regards problems in the establishment of aid amounts (see paragraph 97 in Special Report 7/2011).

Amendment 20

**Proposal for a regulation
Article 75 – point a**

Text proposed by the Commission

(a) to **demonstrate** the progress and achievements of rural development policy and assess the impact, effectiveness, efficiency and relevance of rural development policy interventions;

Amendment

(a) to **evaluate critically and objectively** the progress and achievements of rural development policy and assess the impact, effectiveness, efficiency and relevance of rural development policy interventions;

Justification

The original wording is too prescriptive.

Amendment 21

**Proposal for a regulation
Article 90 – paragraph 5 a (new)**

Text proposed by the Commission

Amendment

5a. The European Court of Auditors may provide an opinion on delegated acts referred to in Articles 2(2), 6(2), 12(2), 15(5), 16(9), 17(4), 19(6), 20(8), 21(4), 22(3), 23(3), 29(10), 34(4), 35(5), 36(10), 37(4), 43(2), 45(3), 46(6), 47(6), 51(4) and 95 on request of either the European Parliament or the Council .

Justification

This will enable Parliament and Council to form their respective views on the basis of the technical expertise provided by the Court of Auditors.

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	CONT 25.10.2011						
Rapporteur Date appointed	Tamás Deutsch 24.11.2011						
Date adopted	17.9.2012						
Result of final vote	<table> <tr> <td>+: </td><td>20</td></tr> <tr> <td>–: </td><td>2</td></tr> <tr> <td>0: </td><td>0</td></tr> </table>	+:	20	–:	2	0:	0
+:	20						
–:	2						
0:	0						
Members present for the final vote	Marta Andreasen, Jean-Pierre Audy, Inés Ayala Sender, Zigmantas Balčytis, Zuzana Brzobohatá, Andrea Češková, Rosario Crocetta, Tamás Deutsch, Martin Ehrenhauser, Gerben-Jan Gerbrandy, Cătălin Sorin Ivan, Iliana Ivanova, Monica Luisa Macovei, Jan Mulder, Crescenzo Rivellini, Paul Rübig, Theodoros Skylakakis, Bart Staes, Michael Theurer						
Substitute(s) present for the final vote	Christofer Fjellner, Edit Herczog, Ivailo Kalfin, Marian-Jean Marinescu, Derek Vaughan						