OPINION

of the Committee on Regional Development

for the Committee on Agriculture and Rural Development


Rapporteur for opinion: Franc Bogovič
SHORT JUSTIFICATION


Mr Bogovič has been appointed by the REGI committee as rapporteur for the REGI Opinion on this file. The rapporteur agrees with the concept of the proposed CAP delivery model, which reflects more subsidiarity and flexibility for MS in implementing the policy, so that the CAP is closer to the beneficiaries (in majority constituted of farmers).

Moreover, the rapporteur welcomes the continuation of the current funding structure of the CAP, which is divided into two pillars, i.e. the European Agriculture Guarantee Fund (EAGF) and the European Agriculture Fund for Rural Development (EAFRD) and the stability proposed by the Commission regarding the structure of the governance bodies.

Nevertheless, the rapporteur is not certain whether the new delivery model provides simplification and less bureaucracy. There will be probably various simplification elements for the CAP beneficiaries, but simplification is not certain for regional and national administrations, which will have to implement a new performance-based policy. Mr Bogovič is also worried that performance indicators will be challenging to define and to monitor and their strategic role might be seen more as a control tool, especially at the moment of the annual performance clearance (Article 52).

As a result, the rapporteur proposes among other important aspects, the following amendments to the Commission’s proposal:

- as monitoring performance and logically the reliability of available data might as well add complexity to the implementation of the CAP and change the role of some of the governance bodies; the rapporteur considers that it is important for the European Parliament to have a more prominent role in the discussions linked to the implementation of certain provisions (i.e. Articles 52 and 53);

- in order to ensure consistency, the rapporteur considers that certain details should be part of the basic act and not covered by implementing acts (Article 39);

- the new CAP delivery model cannot be applied in 2021, rather in 2023 and, therefore a longer transitional period between the current CAP regulations and the future ones is needed (Article 104);

- the death of the beneficiary, long-term professional incapacity of beneficiary and other justified cases defined by Member States in their CAP strategic plans should be included in the exemptions in cases of force majeure and exceptional circumstances (Article 3);

- since the principle of proportionality is one of the leading principles in the financial regulation, this principle needs to be preserved in the current proposals – mainly when linked
to administrative burdens on farmers, competent authorities and accreditation procedures (Recital 47, Article 9, Article 10);

Finally, Mr Bogovič believes that it is essential to maintain the synergies between the EAFRD and the structural funds for the benefit of the rural areas; complementarities have to be ensured and all legislative obstacles need to be avoided.

**AMENDMENTS**

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

**Amendment 1**

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) The Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled 'The Future of Food and Farming' of 29 November 2017 concludes that the Common Agricultural Policy (hereinafter ‘CAP’) should continue to step up its response to future challenges and opportunities, by boosting employment, growth and investment, fighting and adapting to climate change and bringing research and innovation out of the laboratories and onto fields and markets. The CAP should furthermore address citizens' concerns regarding sustainable agriculture production.

Amendment

(1) The Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled 'The Future of Food and Farming' of 29 November 2017 concludes that the Common Agricultural Policy (hereinafter ‘CAP’) should continue to step up its response to future challenges and opportunities, by boosting employment, growth and investment, fighting and adapting to climate change and bringing research and innovation out of the laboratories and onto fields and markets. The CAP should furthermore address citizens' concerns regarding sustainable agriculture production and rural development.

**Justification**

Rural development as an integral part of the CAP should be included in the objectives that address citizens' concerns.

**Amendment 2**

Proposal for a regulation
Recital 5 a (new)

Text proposed by the Commission

(5 a) Member States should refrain from adding rules that complicate the use of EAGF and EAFRD for the beneficiary.

Amendment

Amendment 3

Proposal for a regulation

Recital 9

Text proposed by the Commission

(9) It is necessary to provide for the accreditation of paying agencies and coordinating bodies by Member States and for the establishment of the procedures for obtaining management declarations and annual performance reports, and for obtaining the certification of management and monitoring systems, of reporting systems and the certification of annual accounts by independent bodies. Moreover, in order to ensure the transparency of the system of checks to be carried out at national level, in particular as regards procedures for authorisation, validation and payment and to reduce the administrative and audit burden for the Commission and for the Member States where accreditation of each individual paying agency is required, the number of authorities and bodies to which those responsibilities are delegated should be restricted while respecting the constitutional provisions of each Member State.

Amendment 4

Proposal for a regulation

(9) It is necessary to provide for the accreditation of paying agencies and coordinating bodies by Member States and for the establishment of the procedures for obtaining management declarations and annual performance reports, and for obtaining the certification of management and monitoring systems, of reporting systems and the certification of annual accounts by independent bodies. Farmers should be offered financial compensation for any delayed payment by paying agencies due to administrative errors. Moreover, in order to ensure the transparency of the system of checks to be carried out at national level, in particular as regards procedures for authorisation, validation and payment and to reduce the administrative and audit burden for the Commission and for the Member States where accreditation of each individual paying agency is required, the number of authorities and bodies to which those responsibilities are delegated should be restricted while respecting the constitutional provisions of each Member State.
Recital 10

Text proposed by the Commission

(10) Where a Member State accredits more than one paying agency, it should designate a single public coordinating body in order to ensure consistency in the management of Funds, to provide for a liaison between the Commission and the various accredited paying agencies, and to ensure that the information requested by the Commission concerning the operations of several paying agencies is provided promptly. The coordinating body should also take and coordinate actions with a view to resolving any deficiencies of a common nature encountered at national or regional level and should keep the Commission informed of any follow-up.

Amendment

(10) Where a Member State accredits more than one paying agency, it should designate a single public coordinating body in order to ensure consistency in the management of Funds, to provide for a liaison between the Commission and the various accredited paying agencies, and to ensure that the information requested by the Commission concerning the operations of several paying agencies is provided promptly. The coordinating body should also take and coordinate actions with a view to resolving any deficiencies of a common nature encountered at national or regional level and should keep the Commission informed of any follow-up. In their relations with farmers, payment agencies should strive to simplify procedures.

Amendment 5

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) With a view to ensuring that the amounts for the financing of the CAP comply with the annual ceilings, the financial discipline mechanism by which the level of direct support is adjusted, should be maintained. However, the threshold of EUR 2000 should be abolished. An agricultural reserve should be maintained to support the agricultural sector in the event of market developments or major crises affecting the agricultural production or distribution. Article 12(2)(d) of Regulation (EU, Euratom) [New Financial Regulation] foresees that non-committed appropriations may be carried over to the following financial year only. In order to significantly simplify the

Amendment

(14) With a view to ensuring that the amounts for the financing of the CAP comply with the annual ceilings, the financial discipline mechanism by which the level of direct support is adjusted, should be maintained. However, the threshold of EUR 2000 should be abolished. An agricultural reserve should be maintained to support the agricultural sector in the event of market developments or major crises affecting the agricultural production or distribution. Article 12(2)(d) of Regulation (EU, Euratom) [New Financial Regulation] foresees that non-committed appropriations may be carried over to the following financial year only. In order to significantly simplify the
implementation for beneficiaries and national administrations, a roll-over mechanism should be used, using any unused amounts of the reserve for crises in the agricultural sector established in 2020. For this purpose a derogation from Article 12(2)(d) is necessary, allowing for non-committed appropriations of the agricultural reserve to be carried over without time limitation to finance the agricultural reserve in the following financial year(s). Furthermore, as regards the financial year 2020, a second derogation is necessary as the total unused amount of the reserve available at the end of year 2020 should be carried over to the year 2021 to the corresponding line of the new agricultural reserve without being returned to the budgetary lines which cover direct payment interventions under the CAP Strategic Plan.

Amendment 6
Proposal for a regulation
Recital 15

(15) In order to avoid an excessive administrative burden for national administrations and farmers provision should be made that reimbursement of the amounts carried over from the preceding financial year in relation to financial discipline applied, should not take place either where financial discipline is applied for a second subsequent year (year N+1), or where the overall amount of non-committed appropriations represents less than 0,2% of the EAGF annual ceiling.

Amendment

(15) In order to avoid an excessive administrative burden for national administrations and farmers and to simplify procedures as much as possible, provision should be made that reimbursement of the amounts carried over from the preceding financial year in relation to financial discipline applied, should not take place either where financial discipline is applied for a second subsequent year (year N+1), or where the overall amount of non-committed appropriations represents less than 0,2% of the EAGF annual ceiling.
Proposal for a regulation
Recital 21

*Text proposed by the Commission*

(21) In order to provide the Commission with, in particular, the means to manage agricultural markets, to facilitate the monitoring of agricultural expenditure and to monitor agricultural resources in the medium and long term, the use of the agrometeorological system and the acquisition and improvement of satellite data should be provided for.

*Amendment*

(21) In order to provide the Commission with, in particular, the means to manage agricultural markets, to facilitate the monitoring of agricultural expenditure, *to assess and provide timely aid in response to natural disasters* and to monitor agricultural resources in the medium and long term, the use of the agrometeorological system and the acquisition and improvement of satellite data should be provided for.

Amendment 8

Proposal for a regulation
Recital 25

*Text proposed by the Commission*

(25) In accordance with the architecture and the key characteristics of the new CAP delivery model the eligibility of payments made by Member States for Union financing should no longer depend on the legality and regularity of payments to individual beneficiaries. Instead, as regards types of interventions referred to in Regulation (EU)/.../[CAP Strategic Plan Regulation], Member States’ payments should be eligible if they are matched by corresponding output and in compliance with the applicable basic Union requirements.

*Amendment*

(25) In accordance with the architecture and the key characteristics of the new CAP delivery model the eligibility of payments made by Member States for Union financing should no longer depend on the legality and regularity of payments to individual beneficiaries. Instead, as regards types of interventions referred to in Regulation (EU)/.../[CAP Strategic Plan Regulation], Member States’ payments should be eligible if they are matched by corresponding output and in compliance with the applicable basic Union requirements. *It is necessary to underline that the new CAP delivery model should not remove the need to check legality and regularity of expenditure.*

Amendment 9

Proposal for a regulation
Recital 28

PE629.655v02-00 8/45 AD\1173975EN.docx
(28) Member States should send the annual accounts and an annual performance report on the implementation of the CAP Strategic Plan to the Commission by 15 \textit{February} N+1. Where these documents are not sent, thus preventing the Commission from clearing the accounts for the concerned paying agency or checking the eligibility of the expenditure against reported outputs, the Commission should be empowered to suspend the monthly payments and to interrupt the quarterly reimbursement until the outstanding documents are received.

\textit{Justification}

The timeframe of four months for the completion, certification and the Monitoring Committee procedure of the performance report might be challenging. It will be shorter than the current timeframe for reporting under Pillar II, therefore 15 April N+1 is proposed as the date for sending the annual accounts and annual performance on the implementation of the CAP strategic plans.

\textbf{Amendment 10}

\textbf{Proposal for a regulation}

\textbf{Recital 47}

\textit{Text proposed by the Commission}

(47) The existing main elements of the integrated system and, in particular, the provisions concerning a system for identifying agricultural parcels, a geospatial and an animal-based application system, a system for identifying and registering payment entitlements, a system for recording the identity of beneficiaries and a control and penalties system should be maintained. Member States should continue to use data or information products provided by the Copernicus programme, in addition to information technologies such as GALILEO and

\textit{Amendment}

(47) The existing main elements of the integrated system and, in particular, the provisions concerning a system for identifying agricultural parcels, a geospatial and an animal-based application system, a system for identifying and registering payment entitlements, a system for recording the identity of beneficiaries and a control and penalties system should be maintained, \textit{at an appropriate level, while taking due account of the proportionality and the need not to impose undue administrative burdens on farmers and administrative bodies}. Member States
EGNOS in order to ensure that comprehensive and comparable data is available throughout the Union for the purposes of monitoring agri-environment-climate policy and for the purposes of boosting the use of full, free and open data and information captured by Copernicus Sentinels satellites and services. To this end, the integrated system should include also an area monitoring system. Should continue to use data or information products provided by the Copernicus programme, in addition to information technologies such as GALILEO and EGNOS in order to ensure that comprehensive and comparable data is available throughout the Union for the purposes of monitoring agri-environment-climate policy and for the purposes of boosting the use of full, free and open data and information captured by Copernicus Sentinels satellites and services. To this end, the integrated system should include also an area monitoring system.

Justification

Since the principle of proportionality is one of the leading principles in the financial regulation, it needs to preserve this role in the HZR proposal as well. In this case regarding the administrative burdens on farmers and administrative bodies.

Amendment 11

Proposal for a regulation

Article 2 – paragraph 1 – point b

Text proposed by the Commission

(b) "governance systems" means the governance bodies referred to in Chapter II of Title II of this Regulation and the basic Union requirements laid down in this Regulation and Regulation (EU) …/… [CAP Strategic Plan Regulation], including the reporting system put in place for the purposes of the annual performance report referred to in Article 121 of Regulation (EU) …/… [CAP Strategic Plan Regulation];

Amendment

(b) "governance systems" means the governance bodies referred to in Chapter II of Title II of this Regulation, except the competent authority defined in Article 9 and the basic Union requirements laid down in this Regulation and Regulation (EU) …/… [CAP Strategic Plan Regulation], including the reporting system put in place for the purposes of the annual performance report referred to in Article 121 of Regulation (EU) …/… [CAP Strategic Plan Regulation];

Justification

Introduction of the term “governance system”, which has a wider coverage than “the management and control system” at the level of HZR goes beyond basic Union requirements. Governance is wider than management and so includes for example in the governance bodies the Competent Authority.
Amendment 12
Proposal for a regulation
Article 3 – paragraph 1 – point a
Text proposed by the Commission
(a) *a severe* natural disaster gravely affecting the holding;
Amendment
(a) *a* natural disaster gravely affecting the holding;

Amendment 13
Proposal for a regulation
Article 3 – paragraph 1 – point d a (new)
Text proposed by the Commission
(d a) *the death of the beneficiary*;
Amendment

Justification
The current wording of Article 3 does not include as force majeure the death of the beneficiary or its long-term professional incapacity, which are currently recognized as force majeure in Regulation 1306/2013. Member States should have the possibility to extend the list of situations which will be recognised as force majeure in their CAP strategic plans approved by the Commission.

Amendment 14
Proposal for a regulation
Article 3 – paragraph 1 – point d b (new)
Text proposed by the Commission
(d b) *long-term professional incapacity of beneficiary*.
Amendment

Justification
The current wording of Article 3 does not include as force majeure the death of the beneficiary or its long-term professional incapacity, which are currently recognized as force majeure in Regulation 1306/2013. Member States should have the possibility to extend the list of situations which will be recognised as force majeure in their CAP strategic plans approved
by the Commission.

Amendment 15
Proposal for a regulation
Article 3 – paragraph 1 – point d c (new)

Text proposed by the Commission

Amendment

(d c) other justified cases defined by Member States in their CAP strategic plans.

Justification

The current wording of Article 3 does not include as force majeure the death of the beneficiary or its long-term professional incapacity, which are currently recognized as force majeure in Regulation 1306/2013. Member States should have the possibility to extend the list of situations which will be recognised as force majeure in their CAP strategic plans approved by the Commission.

Amendment 16
Proposal for a regulation
Article 6 – paragraph 1

Text proposed by the Commission

Amendment

The EAFRD shall be implemented in shared management between the Member States and the Union. It shall finance the Union's financial contribution to the CAP Strategic Plan rural development interventions referred to in Chapter 4 of Title III of Regulation (EU) …/[CAP Strategic Plan Regulation].

The EAFRD shall be implemented in shared management between the Member States and the Union. It shall finance the Union's financial contribution to the CAP Strategic Plan rural development interventions referred to in Chapter 4 of Title III and actions under Article 112 of Regulation (EU) …/[CAP Strategic Plan Regulation].

Justification

EAFRD shall also finance actions related with technical assistance at the initiative of the Member States.

Amendment 17
Proposal for a regulation

Article 7 – paragraph 1 – point h a (new)

Text proposed by the Commission

(h a) indirect costs and direct personnel costs incurred by the local rural communities and other similar local actors implementing LEADER operations, referred to as community-led local development in Article 25 of Regulation (EU) [CPR];

Amendment

Amendment 18

Proposal for a regulation

Article 7 – paragraph 1 – point j a (new)

Text proposed by the Commission

(j a) The Commission shall present a report on the implementation of this Article to the European Parliament and to the Council every two years.

Justification

For the moment the reporting is foreseen only for paragraph (e) of this article (as detailed in Article 44).

Amendment 19

Proposal for a regulation

Article 8 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Paying agencies shall be departments or bodies of the Member States responsible for the management and control of expenditure referred in Article 5(2) and Article 6.

Amendment

Paying agencies shall be departments or bodies of the Member States or regions responsible for the management and control of expenditure referred in Article 5(2) and Article 6.
Justification

Paying agencies can also be at regional level, so this should be taken into account as well.

Amendment 20

Proposal for a regulation
Article 8 – paragraph 2 – subparagraph 1

Text proposed by the Commission

Member States shall accredit, as paying agencies, departments or bodies which have an administrative organisation and a system of internal control which provide sufficient guarantees that payments are legal, regular and properly accounted for. To this end, paying agencies shall comply with minimum conditions for the accreditation with regard to the internal environment, control activities, information and communication and monitoring laid down by the Commission pursuant to point (a) of Article 10(1).

Amendment

Member States shall accredit, as paying agencies, departments or bodies which have an administrative organisation and a system of internal control which provide sufficient guarantees that payments are legal, regular and properly accounted for. To this end, paying agencies shall comply with minimum conditions for the accreditation with regard to the internal environment, control activities, information and communication and monitoring laid down by the Commission pursuant to point (a) of Article 10(1). Before the end of 2023, the Commission shall present a report to the European Parliament and to the Council on the operation of the system of paying agencies in the Union accompanied, where appropriate, by legislative proposals.

Amendment 21

Proposal for a regulation
Article 8 – paragraph 3 – subparagraph 1 – introductory part

Text proposed by the Commission

For the purposes of Article 63(5) and (6) of Regulation (EU, Euratom) 2018/… [the new Financial Regulation] ('the Financial Regulation'), the person in charge of the accredited paying agency shall, by 15 February of the year following the financial year concerned, draw up and provide the Commission with the

Amendment

For the purposes of Article 63(5) and (6) of Regulation (EU, Euratom) 2018/… [the new Financial Regulation] ('the Financial Regulation'), the person in charge of the accredited paying agency shall, by 15 April of the year following the financial year concerned, draw up and provide the Commission with the following:
following:

Justification

The timeframe of four months for the completion, certification and the Monitoring Committee procedure of the performance report might be challenging. Therefore 15 April N+1 is proposed as the date of sending the annual accounts and annual performance, as well as management declaration.

Amendment 22

Proposal for a regulation
Article 8 – paragraph 3 – subparagraph 2

Text proposed by the Commission

The deadline of 15 February referred to in the first subparagraph may be exceptionally extended by the Commission to 1 March, upon request by the Member State concerned, as provided for in the second subparagraph Article 63(7) of the Financial Regulation.

Amendment

The deadline of 15 April referred to in the first subparagraph may be exceptionally extended by the Commission to 1 June, upon request by the Member State concerned, as provided for in the second subparagraph Article 63(7) of the Financial Regulation.

Amendment 23

Proposal for a regulation
Article 9 – paragraph 1 – point d

Text proposed by the Commission

(d) carrying out the tasks assigned to the competent authority under this Chapter.

Amendment

(d) carrying out the tasks assigned to the competent authority under this Article, taking into account the principle of proportionality.

Justification

Since the principle of proportionality is one of the leading principles in the financial regulation, it needs to preserve this role in the HZR proposal as well.
### Amendment 24

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

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. The competent authority shall, by way of a formal act, decide on the issuing or, following a review, the withdrawal of the accreditation of the paying agency and the coordinating body on the basis of an examination of the accreditation criteria to be adopted by the Commission in accordance with point (a) of Article 10(1). The competent authority shall inform the Commission of accreditations and withdrawals of accreditations without delay.</td>
<td>2. The competent authority shall, by way of a formal act, decide on the issuing or, following a review, the withdrawal of the accreditation of the paying agency and the coordinating body on the basis of an examination of the accreditation criteria to be adopted by the Commission in accordance with point (a) of Article 10(1), <em>taking into account the principle of proportionality</em>. The competent authority shall inform the Commission of accreditations and withdrawals of accreditations without delay.</td>
</tr>
</tbody>
</table>

**Justification**

Since the principle of proportionality is one of the leading principles in the financial regulation, it needs to preserve this role in the HZR proposal as well.

### Amendment 25

**Proposal for a regulation**  
**Article 10 – paragraph 2 – subparagraph 1 – point a**

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) the procedures for issuing, withdrawing and reviewing accreditation of paying agencies and coordinating bodies, as well as the procedures for the supervision of the accreditation of paying agencies;</td>
<td>(a) the procedures for issuing, withdrawing and reviewing accreditation of paying agencies and coordinating bodies, as well as the procedures for the supervision of the accreditation of paying agencies, <em>taking into account the principle of proportionality</em>;</td>
</tr>
</tbody>
</table>

**Justification**

Since the principle of proportionality is one of the leading principles in financial regulation, it needs to preserve this role in the HZR proposal as well.
Amendment 26
Proposal for a regulation
Article 11 – paragraph 1 – subparagraph 4 a (new)

Text proposed by the Commission

Amendment

However, Member States which authorise more than one certifying body may also appoint a public body at national level, which will be entrusted with coordination tasks.

Amendment 27
Proposal for a regulation
Article 12 – paragraph 1

Text proposed by the Commission

Amendment

1. The annual ceiling for EAGF expenditure shall be constituted by the maximum amounts set for it under Regulation (EU, Euratom)[COM(2018) 322 final]. 1. The annual ceiling for EAGF expenditure shall be constituted by the maximum amounts set for it under Regulation (EU, Euratom)[COM(2018) 322 final] that sets the limits for the Member States.

Justification

It is very important that the Member States have the limits concerning payments so that there is no possibility for those MS who uses first to have the most.

Amendment 28
Proposal for a regulation
Article 14 – paragraph 2 – subparagraph 3

Text proposed by the Commission

Amendment

Moreover, by derogation from point (d) of Article 12(2) of the Financial Regulation, the total unused amount of the crisis reserve available at the end of year 2020 shall be carried over to the year 2021 without being returned to the budgetary lines which cover the actions referred to in point (c) of Article 5(2) and made deleted
available for the financing of the agricultural reserve.

Amendment 29

Proposal for a regulation
Article 15 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

The adjustment rate shall only apply to direct payments in excess of EUR 2000 to be granted to farmers in the corresponding calendar year.

Amendment 30

Proposal for a regulation
Article 15 – paragraph 2

Text proposed by the Commission

Amendment

2. Until 1 December of the calendar year in respect of which the adjustment rate applies, the Commission may, on the basis of new information, adopt implementing acts adapting the adjustment rate set in accordance with paragraph 1. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 101(2).

Justification

The adjustment of the financial discipline has to be made so early that the payments can be made in due time.

Amendment 31

Proposal for a regulation
Article 29 – paragraph 1 – subparagraph 1 – point a

Text proposed by the Commission

Amendment

2. Until 1 November of the calendar year in respect of which the adjustment rate applies, the Commission may, on the basis of new information, adopt implementing acts adapting the adjustment rate set in accordance with paragraph 1. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 101(2).
(a) in 2021: 1 % of the amount of support from the EAFRD for the entire duration of the CAP Strategic Plan; (a) in 2021: 2 % of the amount of support from the EAFRD for the entire duration of the CAP Strategic Plan;

Amendment 32

Proposal for a regulation
Article 29 – paragraph 1 – subparagraph 1 – point b

Text proposed by the Commission
(b) in 2022: 1 % of the amount of support from the EAFRD for the entire duration of the CAP Strategic Plan;

Amendment
(b) in 2022: 2 % of the amount of support from the EAFRD for the entire duration of the CAP Strategic Plan;

Amendment 33

Proposal for a regulation
Article 29 – paragraph 1 – subparagraph 1 – point c

Text proposed by the Commission
(c) in 2023: 1 % of the amount of support from the EAFRD for the entire duration of the CAP Strategic Plan.

Amendment
(c) in 2023: 2 % of the amount of support from the EAFRD for the entire duration of the CAP Strategic Plan.

Amendment 34

Proposal for a regulation
Article 29 – paragraph 4

Text proposed by the Commission
4. Interest generated on the prefinancing shall be used for the CAP Strategic Plan concerned and deducted from the amount of public expenditure indicated on the final declaration of expenditure.

Amendment
4. Interest generated on the prefinancing shall be used for the CAP Strategic Plan or the Regional Intervention Programme concerned and deducted from the amount of public expenditure indicated on the final declaration of expenditure.

Amendment 35

Proposal for a regulation
Article 30 – paragraph 1
1. Interim payments shall be made for each CAP Strategic Plan or for each Regional Intervention Programme, as applicable. They shall be calculated by applying the contribution rate for each type of intervention to the public expenditure effected pertaining to it as referred to in Article 85 of Regulation (EU) …/[CAP Strategic Plan Regulation].

Amendment 36

Proposal for a regulation
Article 30 – paragraph 3

Text proposed by the Commission

3. Where financial instruments are implemented in accordance with Article 52 of Regulation (EU)…/[CPR], the declaration of expenditure shall include the total amounts disbursed or, in the case of guarantees, the amounts set aside as agreed in guarantee contracts, by the managing authority, to final recipients as referred to in points (a), (b) and (c) of [Article 74(5) of Regulation (EU) …/… CAP Strategic Plan – eligibility rules or financial instruments].

Amendment

3. Where financial instruments are implemented in accordance with Article 53(1) of Regulation (EU)…/[CPR], the declaration of expenditure shall include the total amounts disbursed or, in the case of guarantees, the amounts set aside as agreed in the corresponding guarantee contracts, by the managing authority, to final recipients as referred to in points (a), (b) and (c) of [Article 74(5) of Regulation (EU) …/… CAP Strategic Plan – eligibility rules or financial instruments].

Amendment 37

Proposal for a regulation
Article 30 – paragraph 4 – introductory part

Text proposed by the Commission

4. Where financial instruments are implemented in accordance with Article 52 of Regulation (EU)…/[CPR], declarations of expenditures that include expenditure for financial instruments shall

Amendment

4. Where financial instruments are implemented in accordance with Article 53(2) of Regulation (EU)…/[CPR], declarations of expenditures that include expenditure for financial instruments shall
be submitted in accordance with the following conditions:

**Justification**

Reference should be to Article 53(2) of the CPR on financial instruments managed under the responsibility of the managing authority.

**Amendment 38**

Proposal for a regulation

**Article 31 – paragraph 1**

**Text proposed by the Commission**

1. After receiving the last annual performance report on the implementation of a CAP Strategic Plan, the Commission shall pay the balance, subject to the availability of resources, on the basis of the financial plan in force at the level of the types of EAFRD interventions, the annual accounts for the last execution year for the relevant CAP Strategic Plan and of the corresponding clearance decisions. Those accounts shall be presented to the Commission no later than six months after the final eligibility date of expenditure provided for in Article 80(3) of Regulation (EU) No…/[CAP Strategic Plan Regulation] and shall cover the expenditure effected by the paying agency up to the last eligibility date of expenditure.

**Amendment**

1. After receiving the last annual performance report on the implementation of a CAP Strategic Plan, the Commission shall pay the balance, subject to the availability of resources, on the basis of the financial plan in force at the level of the types of EAFRD interventions, the annual accounts for the last execution year for the relevant CAP Strategic Plan or, if applicable, the Regional Intervention Programme and of the corresponding clearance decisions. Those accounts shall be presented to the Commission no later than six months after the final eligibility date of expenditure provided for in Article 80(3) of Regulation (EU) No…/[CAP Strategic Plan Regulation] and shall cover the expenditure effected by the paying agency up to the last eligibility date of expenditure.

**Amendment 39**

Proposal for a regulation

**Article 32 – paragraph 1**

**Text proposed by the Commission**

1. The Commission shall automatically decommit any portion of a

**Amendment**

1. The Commission shall automatically decommit any portion of a
budget commitment for rural development interventions in a CAP Strategic Plan that has not been used for the purposes of prefinancing or for making interim payments or for which no declaration of expenditure fulfilling the requirements laid down in Article 30(3) has been presented to it in relation to expenditure effected by 31 December of the second year following that of the budget commitment.

budget commitment for rural development interventions in a CAP Strategic Plan that has not been used for the purposes of prefinancing or for making interim payments or for which no declaration of expenditure fulfilling the requirements laid down in Article 30(3) has been presented to it in relation to expenditure effected by 31 December of the third year following that of the budget commitment.

Amendment 40
Proposal for a regulation
Article 35 – paragraph 1 – introductory part

Text proposed by the Commission

The expenditure referred to in Article 5(2) and Article 6 may be financed by the Union only if:

Amendment

The expenditure referred to in Article 5(2) and Article 6 may be financed by the Union only if it has been effected by accredited paying agencies and:

Amendment 41
Proposal for a regulation
Article 35 – paragraph 1 – point a

Text proposed by the Commission

(a) it has been effected by accredited paying agencies,

Amendment

deleted

Amendment 42
Proposal for a regulation
Article 38 – paragraph 2 – subparagraph 1

Text proposed by the Commission

Where, in the framework of the annual performance clearance referred to in Article 52, the Commission establishes that the difference between the expenditure declared and the amount corresponding to

Amendment

Where, in the framework of the annual performance clearance referred to in Article 52, the Commission establishes that the difference between the expenditure declared and the amount corresponding to
the relevant reported output is more than 50% and the Member State cannot provide duly justified reasons, the Commission may adopt implementing acts suspending the monthly payments referred to in Article 19(3) or the interim payments referred to in Article 30.

**Justification**

*There must be real flexibility that the Commission can take MS justifications into account. For example, severe weather conditions are reasons that should be always taken into account.*

**Amendment 43**

Proposal for a regulation

Article 38 – paragraph 2 – subparagraph 3

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Commission is empowered to adopt delegated acts in accordance with Article 100 supplementing this Regulation with rules on the rate of suspension of payments.</td>
<td>deleted</td>
</tr>
</tbody>
</table>

**Justification**

*The rules concerning the rate of suspension of payments should be set in this Regulation. Therefore this subparagraph should be deleted.*

**Amendment 44**

Proposal for a regulation

Article 39 – paragraph 1 – subparagraph 2

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Commission may adopt implementing acts laying down further rules on the elements of action plans and the procedure for setting up the action plans. <strong>Those</strong></td>
<td>The rules on the elements of action plans and the procedure for setting up the action plans <strong>are as follows [to be detailed by the</strong></td>
</tr>
</tbody>
</table>

AD\1173975EN.docx  23/45  PE629.655v02-00
implementing acts shall be adopted in accordance with the examination procedure referred to in Article 101(3).

Justification

Rules on action plans should be in the basic act, not implementing acts.

Amendment 45

Proposal for a regulation
Article 39 – paragraph 2 – subparagraph 1

Text proposed by the Commission
Where the Member States fails to submit or to implement the action plan referred to in paragraph 1 or if that action plan is manifestly insufficient to remedy the situation, the Commission may adopt implementing acts suspending the monthly payments referred to in Article 19(3) or the interim payments referred to in Article 30.

Amendment
Where the Member States fails to submit or to implement the action plan referred to in paragraph 1 or if that action plan is manifestly insufficient to remedy the situation, the Commission may adopt implementing acts suspending the monthly payments referred to in Article 19(3) or the interim payments referred to in Article 30.

The criteria for the sufficiency of action plans include: [to be detailed by the Commission].

Justification

Criteria for sufficiency of action plans should be included in the basic act.

Amendment 46

Proposal for a regulation
Article 39 – paragraph 2 – subparagraph 3

Text proposed by the Commission
The Commission is empowered to adopt delegated acts in accordance with Article 100 supplementing this Regulation with rules on the rate and duration of suspension of payments and the condition for reimbursing or reducing those amounts with regard to the multi-annual

Amendment
deleted
performance monitoring.

Justification

Criteria for the rate and the duration of suspension of payments should be included in the basic act. Therefore, this subparagraph should be deleted.

Amendment 47
Proposal for a regulation
Article 40 – paragraph 2 – subparagraph 2

Text proposed by the Commission

The suspension shall be applied in accordance with the principle of proportionality to the relevant expenditure effected by the Member State where the deficiencies exist, for a period to be determined in the implementing acts referred to in the first subparagraph, which shall not exceed 12 months. If the conditions for the suspension continue to be met, the Commission may adopt implementing acts prolonging that period for further periods not exceeding 12 months in total. The amounts suspended shall be taken into account when adopting the implementing acts referred to in Article 53.

Amendment

The suspension shall be applied in accordance with the principle of proportionality to the relevant expenditure effected by the Member State where the serious deficiencies exist, and not to the entire funding package, for a period which shall not exceed 12 months. If the conditions for the suspension continue to be met, the Commission may adopt implementing acts prolonging that period for further periods not exceeding 12 months in total. The amounts suspended shall be taken into account when adopting the implementing acts referred to in Article 53.

Amendment 48
Proposal for a regulation
Article 42 – paragraph 2 – subparagraph 2 – point a

Text proposed by the Commission

(a) prior to 1 December but not before 16 October, pay advances of up to 50 % for direct payments interventions;

Amendment

(a) prior to 1 December but not before 16 October, pay advances of up to 75 % for direct payments interventions;

Justification

Given that both Pillar interventions are under the same CAP plan, harmonized timetables and percentages for advances between direct payments interventions and rural development
would serve the goal of simplification.

Amendment 49
Proposal for a regulation
Article 42 – paragraph 5 – subparagraph 1

Text proposed by the Commission

In the event of an emergency, the Commission may adopt implementing acts to resolve specific problems in relation to the application of this Article. Those implementing acts may derogate from paragraph 2, but only to the extent that, and for such a period, as is strictly necessary.

Amendment

In the event of an emergency, the Commission may adopt as soon as possible implementing acts to resolve specific problems in relation to the application of this Article. Those implementing acts may derogate from paragraph 2, but only to the extent that, and for such a period, as is strictly necessary.

Justification

The possibility to use implementing act as soon as possible in crises situations is very important. The process concerning implementing act is barely fast enough for beneficiaries who are struggling with finance. There should be no delay or uncertainty for the MS and beneficiaries in order to help farmers and ease farmers situation.

Amendment 50
Proposal for a regulation
Article 44 – paragraph 5

Text proposed by the Commission

5. The Commission shall present a report on the implementation of this Article to the European Parliament and to the Council every two years.

Amendment

5. The Commission shall present a report on the implementation of this Article to the European Parliament and to the Council every two years in accordance with Article 7.

Amendment 51
Proposal for a regulation
Article 45 – paragraph 1 – subparagraph 1
Text proposed by the Commission

The Commission is empowered to adopt delegated acts in accordance with Article 100 in order to supplement this Regulation concerning the conditions under which certain types of expenditure and revenue under the Funds are to be compensated.

Amendment

The Commission is empowered to adopt delegated acts in accordance with Article 100 in order to supplement this Regulation concerning the conditions of details of expenditure declarations under which certain types of expenditure and revenue under the Funds are to be compensated.

Justification

The proposed empowerment is too broad. It should be limited, for example, to the conditions of the declaration of expenditure, otherwise the empowerment would enable preventing all expenditure of aid measures in an approved CAP Strategic Plan.

Amendment 52

Proposal for a regulation
Article 47 – paragraph 1 – subparagraph 1 – introductory part

Text proposed by the Commission

Without prejudice to the checks carried out by Member States under national law, regulations and administrative provisions or Article 287 of the Treaty or to any check organised under Article 322 of the Treaty or based on Council Regulation (Euratom, EC) No 2185/96, the Commission may organise checks in Member States with a view to verifying in particular:

Amendment

Without prejudice to the checks carried out by Member States under national law, regulations and administrative provisions or Article 287 of the Treaty or to any check organised under Article 322 of the Treaty or based on Council Regulation (Euratom, EC) No 2185/96, the Commission may organise checks in Member States with the exception of conditionality with a view to verifying in particular:

Justification

The procedures and rules of controls are in place with relation to conditionality including extending of controls still to the final beneficiary, which is against the spirit of simplification. It should be clearly noted in this Article it does not concern conditionality.

Amendment 53

Proposal for a regulation
Article 50 – paragraph 1
1. The Commission is empowered to adopt delegated acts in accordance with Article 100 supplementing this Regulation with specific obligations to be complied with by the Member States under this Chapter and with rules in particular on the criteria for determining the cases of irregularity within the meaning of Regulation (EU, Euratom) No 2988/95 and other cases of non-compliance with the conditions established by Member States in the CAP Strategic Plan, to be reported and the data to be provided.

Justification

In this Article should be more detailed delegation of powers instead of the words used now i.e. “specific obligations”. Instead of “delegated acts with specific obligations” the delegation of powers should be more clearly stated. If it is a question of information needs of OLAF, this is possible. The definition of irregularities should also be up to the Member States in order to guarantee subsidiarity.

Amendment 54

Proposal for a regulation
Article 52 – paragraph 5 a (new)

Text proposed by the Commission

5 a. The Commission shall present a report on the implementation of this Article to the European Parliament and to the Council.

Justification

As the new CAP delivery model is based on performance which might trigger financial corrections the EP and the Council should be regularly informed on the implementation of certain provisions.

Amendment 55

Proposal for a regulation
Article 53 – paragraph 7 a (new)
7 a. The Commission shall present a report on the implementation of this Article to the European Parliament and to the Council.

Justification

As the new CAP delivery model is based on performance which might trigger financial corrections the EP and the Council should be regularly informed on the implementation of certain provisions.

Amendment 56
Proposal for a regulation
Article 54 – paragraph 2 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

Member States shall deduct any sums paid unduly as a result of an outstanding irregularity by a beneficiary, under the terms set out in this Article, from any future payments from the paying agency to the beneficiary.

Amendment 57
Proposal for a regulation
Article 55 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Amendment

Where irregularities and other cases of non-compliance by beneficiaries with the conditions of the rural development interventions referred to in the CAP Strategic Plan or the Regional Intervention Programmes are detected, Member States shall make financial adjustments by totally or partially cancelling the Union financing concerned. Member States shall take into consideration the nature and gravity of the non-compliance detected and the level of the financial loss to the EAFRD.
the financial loss to the EAFRD.

Amendment 58
Proposal for a regulation
Article 55 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amounts of the Union financing under the EAFRD which are cancelled and amounts recovered, and the interest thereon, shall be reallocated to other rural development interventions in the CAP Strategic Plan. However, the cancelled or recovered Union Funds may be reused by Member States only for a rural development operation under the national CAP Strategic Plan and provided the funds are not reallocated to rural development operations which have been the subject of a financial adjustment.

Amendment

Amounts of the Union financing under the EAFRD which are cancelled and amounts recovered, and the interest thereon, shall be reallocated to other rural development interventions in the CAP Strategic Plan or the corresponding Regional Intervention Programme. However, the cancelled or recovered Union Funds may be reused by Member States only for a rural development operation under the national CAP Strategic Plan and provided the funds are not reallocated to rural development operations which have been the subject of a financial adjustment.

Amendment 59
Proposal for a regulation
Article 55 – paragraph 1 – subparagraph 2 a (new)

Text proposed by the Commission

Member States shall deduct any sums paid unduly as a result of an outstanding irregularity by a beneficiary, under the terms set out in this Article, from any future payments to the beneficiary from the paying agency.

Amendment

Member States shall deduct any sums paid unduly as a result of an outstanding irregularity by a beneficiary, under the terms set out in this Article, from any future payments to the beneficiary from the paying agency.

Amendment 60
Proposal for a regulation
Article 58 – paragraph 1 – subparagraph 2
Member States shall ensure a level of checks needed for an effective management of the risks.

Amendment

Member States shall ensure a level of checks, which is financially and administratively proportionate to an effective management of the risks, in form they find most suitable.

Amendment 61

Proposal for a regulation
Article 60 – paragraph 1

Text proposed by the Commission

Without prejudice to specific provisions, Member States shall take effective and proportionate measures to avoid provisions of Union law to be circumvented and ensure, in particular, that no advantage provided for under sectoral agricultural legislation shall be granted in favour of a natural or legal person in respect of whom it is established that the conditions required for obtaining such advantages were created artificially, contrary to the objectives of that legislation.

Amendment

Without prejudice to specific provisions, Member States shall take effective and proportionate measures to avoid provisions of Union law to be circumvented and ensure, in particular, that no advantage provided for under sectoral agricultural legislation shall be granted in favour of a natural or legal person in respect of whom it is established that the conditions required for obtaining such advantages were created artificially, contrary to the objectives of that legislation. Member States may give further and more detailed national legislation about artificial conditions.

Justification

The article has proven to be inefficient in practice to fulfill the burden of proof needed to show circumvention and take appropriate action. If the article is not improved, Member States should have the possibility to give further, more detailed national legislation.

Amendment 62

Proposal for a regulation
Article 63 – paragraph 4 – point c

Text proposed by the Commission

(c) "system for the identification and registration of animals" means the system for the identification and registration of bovine animals laid down by Regulation

Amendment

(c) "system for the identification and registration of animals" means the system for the identification and registration of bovine animals laid down by Regulation


Justification

"System for the identification and registration of animals" excludes porcine animals. Also, other databases for animals established by Member States should also be used even if they are not based on individual animals to avoid communication of the same information twice.

Amendment 63

Proposal for a regulation
Article 63 – paragraph 4 – point f

Text proposed by the Commission

(f) "claimless system" means an application system for area- or animal-based interventions in which necessary data required by the administration on at least individual areas or animals claimed for aid is available in official computerised databases managed by the Member State.

Amendment

(f) "claimless system" means a prefilled or some other kind of application system for area- or animal-based interventions in which necessary data required by the administration on at least individual areas or animals claimed for aid is available in official computerised
Claimless system enables the administration to make the payments to the farmers concerning all interventions and measures the farmer is eligible for based on the details in the official computerised databases, supplemented with additional information from the farmer, where necessary.

Justification

Subsidiarity should be underlined so that the Member States can use their IT-systems and all information in the way their find most suitable and to ease the farmers in most practical way.

Amendment 64

Proposal for a regulation
Article 65 – paragraph 1 – subparagraph 2

Text proposed by the Commission
The data and documentation referred to in the first subparagraph relating to the current calendar year or marketing year and to the previous ten calendar years or marketing years shall be accessible for consultation through the digital databases of the competent authority of the Member State.

Amendment
The data and documentation referred to in the first subparagraph relating to the current calendar year or marketing year and to the previous ten calendar years or marketing years shall be accessible for consultation through the digital databases of the competent authority of the Member State. Relevant information from the database can also be provided in form of summaries.

Justification

There is concerns relating to the costs of all data keeping required. The accessibility provided for time frame of ten years, may occur very expensive to implement. Similar and relevant information can be provided in a form of summaries much cheaper way.

Amendment 65

Proposal for a regulation
Article 66 – paragraph 2 – point d

Text proposed by the Commission

Amendment
(d) contains any information relevant for the reporting on the indicators referred to in Article 7 of Regulation (EU) .../[CAP Strategic Plan Regulation];

Justification

Point d) states that the identification system for agricultural parcels (LPIS) shall contain any information relevant for the reporting on the indicators referred to in Article 7 of Regulation (EU) .../[CAP Strategic Plan Regulation. This means that in the LPIS there must be layers for every year which must be kept for 10 years and which thus is very costly. LPIS should only contain background information related to area ready to be transferred to other databases.

Amendment 66

Proposal for a regulation
Article 68 – paragraph 1

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Member States shall set up and operate an area monitoring system.</td>
<td>1. Member States shall set up and operate an area monitoring system. On duly justified grounds, the Commission may grant a transitional period regarding area monitoring system for Member States that have not used a remote sensing system during the recent years.</td>
</tr>
</tbody>
</table>

Justification

There should be a transitional period regarding the new compulsory area monitoring system for Member States that have not used a remote sensing system before, in order to give them the opportunity to finalise the system and make it work in practice.

Amendment 67

Proposal for a regulation
Article 84 – paragraph 3 – point d

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(d) establish the control sample for the checks referred to in point (a) to be carried out each year on the basis of a risk analysis and shall include a random component and shall provide the control sample to cover at</td>
<td>(d) establish the control sample for the checks referred to in point (a) to be carried out each year on the basis of a risk analysis and shall include a random component and shall provide the control sample to cover at</td>
</tr>
</tbody>
</table>
least 1% of beneficiaries receiving the aid provided for in Section 2 of Chapter 1 of Title III of Regulation (EU) …/… [CAP Strategic Plan Regulation].

By way of derogation from the previous point, Member States may decide to reduce the minimum control rate of 0.5% at the level of each act or standard or group of acts or standards, if the rate of non-compliances found in the random sample checked on the spot shall not exceed 2% in the preceding two claim years.

Justification

It should be possible in the system of conditionality to reduce minimum control rate of 1% if small amount of non-compliances has been found in the previous years.

Amendment 68

Proposal for a regulation
Article 85 – paragraph 2 – point c

Text proposed by the Commission
(c) shall provide that no administrative penalty be imposed where the non-compliance is due to force majeure.

Amendment
(c) shall provide that no administrative penalty be imposed in the following cases:

i) where the non-compliance is due to force majeure.

ii) where the non-compliance is due to an error of the competent authority or another authority, and where the error could not reasonably have been detected by the person concerned by the administrative penalty.

iii) where the person concerned can demonstrate to the satisfaction of the competent authority that he or she is not at fault for the non-compliance with the obligations referred to in paragraph 1 or if the competent authority is otherwise satisfied that the person concerned is not at fault.
Justification

Article 85(2)(c) states that no administrative penalty is imposed where the non-compliance is due to force majeure. Article 57(3) lists also other cases where penalties are not imposed, e.g. where the non-compliance is due to an error of an authority. All these other points in Article 57(3) should also be applicable to the system of conditionality.

Amendment 69

Proposal for a regulation
Article 86 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

In those Member States where animal-related voluntary coupled support and animal-related rural development support are applied, an administrative penalty based on non-compliance of animal-related statutory management requirements should apply only to animal-related voluntary coupled support and animal-related rural development support of the beneficiary. Likewise, an administrative penalty based on non-compliance of area-related statutory management requirements and/or good agricultural and environmental standards should apply only to area-related direct payments and area-related rural development support of the beneficiary.

Justification

At the moment the penalties relating to cross compliance are not equitable and proportionate, especially for farmers in different production sectors (animal husbandry/crop production). For example, farms only with a few animals but hundreds of hectares have a non-compliance in animal relates cross compliance requirements and when the penalty is applied to all area-based direct payments and rural development payments, the penalty seems to be too big in relation to the animal number. This applies also vice versa, with farms of only a few hectares but lot of animals. This unfair situation should be changed in the system of conditionality. Therefore, the new subparagraph should be inserted after the first subparagraph of Article 86(1) for those Member States where animal-related voluntary coupled support and animal-related rural development support are applied.

Amendment 70
Proposal for a regulation
Article 86 – paragraph 1 – subparagraph 2

Text proposed by the Commission

For the calculation of those reductions and exclusions, account shall be taken of the severity, extent, permanence, reoccurrence or intentionality of the non-compliance determined. The penalties imposed shall be dissuasive and proportionate, and compliant with the criteria set out in paragraphs 2 and 3 of this Article.

Amendment

For the calculation of those reductions and exclusions, account shall be taken of the severity, extent, permanence or reoccurrence of the non-compliance determined. The penalties imposed shall be dissuasive and proportionate, and compliant with the criteria set out in paragraphs 2 and 3 of this Article.

Justification

Assessing intent has proven extremely difficult and might lead to ambiguous interpretations where farmers are not treated equally. It should also be taken into account that the definition of “intentionality” does not apply to the aid schemes (see Article 57(3), first subparagraph where intentionality is not mentioned.

Amendment 71

Proposal for a regulation
Article 86 – paragraph 2 – subparagraph 1

Text proposed by the Commission

In the case of non-compliance due to negligence, the percentage of reduction shall be as a general rule 3% of the total amount of the payments referred to in paragraph 1 of this Article.

Amendment

deleted

Justification

The paragraph sets out quite strict general rule (3 %) for penalties. Either the paragraph should be deleted or penalties should be stated as 1 %, 3 % and 5 %.

Amendment 72

Proposal for a regulation
Article 86 – paragraph 2 – subparagraph 2

Text proposed by the Commission

AD\1173975EN.docx 37/45 PE629.655v02-00
Member States may set up an early warning system that applies to individual cases of non-compliance occurring for the first time and which, given their minor severity, extent and permanence, shall not lead to a reduction or exclusion. Where a subsequent check within three consecutive calendar years establishes that the non-compliance has not been remedied, the reduction pursuant to the first subparagraph shall be applied \textit{retroactively}.

\textit{Justification}

\textit{As regards, early warning system administrative penalties should not be applied retroactively, because the retroactive penalties are complicated both for the farmers and for the administration. Thus, it should be enough to apply a penalty only for the year when the non-compliance was found not to have been remedied.}

\textbf{Amendment 73}

\textbf{Proposal for a regulation}

\textbf{Article 86 – paragraph 5}

\begin{tabular}{ll}
\text{Text proposed by the Commission} & \text{Amendment} \\
5. In order to ensure a level-playing field between Member States and the effectiveness and dissuasive effect of the penalty system, the Commission shall be empowered to adopt delegated acts in accordance with Article 100 supplementing this Regulation with further rules on the application and calculation of penalties. & \textit{deleted} \\
\end{tabular}

\textit{Justification}

\textit{All rules on the administrative penalties should be known to Member States as from the moment the Horizontal regulation is adopted. Further regulation through delegated acts doesn't support subsidiarity and complicates the process of drafting the CAP Plan.}

\textbf{Amendment 74}
Proposal for a regulation
Article 88 – paragraph 2

Text proposed by the Commission

2. Member States shall inform the Commission regularly of the application of the integrated system referred to in Chapter II of Title IV. The Commission shall organise exchanges of views on this subject with the Member States.

Justification

In the article, it is unclear what kind of information the Commission is waiting on the application of IACS and when. This should be more precise.

Amendment 75

Proposal for a regulation
Article 90 – paragraph 1 – point a – point vii

Text proposed by the Commission

(vii) information on the measures taken pursuant to Article 57;

Justification

It is unclear what kind of information the Commission is waiting about the application of protection of the financial interests of the Union, and this should be more precise.

Amendment 76

Proposal for a regulation
Article 90 – paragraph 1 – point c

Text proposed by the Commission

(c) the notifications to the Commission by Member States of information, documents, statistics and reports, and the deadlines and methods for their notification.

Justification

The Commission shall organise exchanges of views on the integrated system referred to in Chapter II of Title IV with the Member States.
Justification

For planning the data systems it is very important to know beforehand what kind of information, documents etc. have to be communicated and what are the deadlines and methods for these notifications.

Amendment 77

Proposal for a regulation
Article 96

Text proposed by the Commission

<table>
<thead>
<tr>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article 96 deleted</td>
</tr>
</tbody>
</table>

Publication of information relating to beneficiaries

1. Member States shall ensure annual ex-post publication of the beneficiaries of the Funds in accordance with [Article 44(3)-(5) of Regulation (EU) .../...CPR Regulation] and paragraphs 2, 3 and 4 of this Article.

2. [Article 44(3)-(5) of Regulation (EU) .../...CPR Regulation] shall apply in respect of beneficiaries of EAFRD and EAGF, where relevant; however, the amounts corresponding to the national contribution and the co-financing rate, as provided for in points (h) and (i) of Article 44(3) of that Regulation shall not apply to EAGF.

3. For the purposes of this Article:
   - "operation" means measure or intervention;
   - "location" means the municipality where the beneficiary is resident or is registered and, where available, the postal code or the part thereof identifying the municipality".

4. The information referred to in Article 44(3)-(5) of that Regulation shall be made available on a single website per Member State. It shall remain available for two years from the date of the initial
**Publication.**

**Member States shall not publish the information referred to in points (a) and (b) of Article 44(3) of the Regulation (EU) …/[CPR Regulation] if the amount of aid received in one year by a beneficiary is equal to or less than EUR 1 250.**

**Amendment 78**

**Proposal for a regulation**

**Article 96 a (new)**

*Text proposed by the Commission*  

**Article 96 a**

**Publication of beneficiaries**

1. **Member States shall ensure annual ex-post publication of the beneficiaries of the Funds. The publication shall contain:**

   *(a) the name of the beneficiary, as follows:*

   *(i) the first name and the surname where the beneficiary is a natural person;*

   *(ii) the full legal name as registered where the beneficiary is a legal person with the autonomous legal personality pursuant to the legislation of the Member State concerned;*

   *(iii) the full name of the association as registered or otherwise officially recognised where the beneficiary is an association without an own legal personality;*

   *(b) the municipality where the beneficiary is resident or is registered and, where available, the postal code or the part thereof identifying the municipality;*

   *(c) the amounts of payment corresponding to each measure financed by the Funds received by each beneficiary in the financial year concerned;*
(d) the nature and the description of the measures financed by either of the Funds and under which the payment referred to in point (c) is awarded.

The information referred to in the first subparagraph shall be made available on a single website per Member State. It shall remain available for two years from the date of the initial publication.

2. As regards the payments corresponding to the measures financed by the EAFRD as referred to in point (c) of the first subparagraph of paragraph 1, the amounts to be published shall correspond to the total public funding, including both the Union and the national contribution.

3. Member States shall not publish the name of a beneficiary as provided for in point (a) of the first subparagraph if the amount of aid received in one year by a beneficiary is equal to or less then EUR 1250.

Justification

Due to an significant administrative burden that would occur from the proposed system, it would be better to keep the present system for the publication of EAGF and EAFRD beneficiaries (annual publication, PA’s obligation to publish data, present list of data, single website for EAFRD and EAGF), based on HzR only.

Amendment 79

Proposal for a regulation
Article 103 – paragraph 1

Text proposed by the Commission

The Commission is empowered to adopt delegated acts in accordance with Article 101 supplementing this Regulation with derogations from, and additions to, the rules provided for in this Regulation, where necessary.

Amendment

The Commission is empowered to adopt delegated acts in accordance with Article 101 supplementing this Regulation with derogations from, and additions to, the rules provided for in this Regulation, where necessary. These acts shall be drafted immediately after the need has appeared.
Justification

There may be need for many kinds of derogations etc. to help the beneficiaries because it is not possible to anticipate everything beforehand. And these acts should be done as soon as possible when the need is noticed.

Amendment 80

Proposal for a regulation
Article 104 – paragraph 1 – subparagraph 2

Text proposed by the Commission
It shall apply from 1 January 2021.

Amendment
It shall apply from 1 January 2023.

Justification

The application deadline of 2021 will be difficult to achieve, taking into account that implementing rules must be adopted in time, necessary funds are available and enough time is provided for the development of new IT systems (monitoring, recording of progress in achieving objectives using indicators etc.).
## PROCEDURE – COMMITTEE ASKED FOR OPINION

<table>
<thead>
<tr>
<th><strong>Title</strong></th>
<th>Financing, management and monitoring of the common agricultural policy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Committee responsible</strong></td>
<td>AGRI</td>
</tr>
<tr>
<td>Date announced in plenary</td>
<td>11.6.2018</td>
</tr>
<tr>
<td><strong>Opinion by</strong></td>
<td>REGI</td>
</tr>
<tr>
<td>Date announced in plenary</td>
<td>11.6.2018</td>
</tr>
<tr>
<td><strong>Rapporteur</strong></td>
<td>Franc Bogovič</td>
</tr>
<tr>
<td>Date appointed</td>
<td>20.6.2018</td>
</tr>
<tr>
<td><strong>Discussed in committee</strong></td>
<td>22.11.2018</td>
</tr>
<tr>
<td><strong>Date adopted</strong></td>
<td>17.1.2019</td>
</tr>
<tr>
<td><strong>Result of final vote</strong></td>
<td>+: 33 –: 1 0: 0</td>
</tr>
<tr>
<td><strong>Members present for the final vote</strong></td>
<td>Pascal Arimont, Franc Bogovič, Rosa D’Amato, Tamás Deutsch, Aleksander Gabelic, Iratxe García Pérez, Michela Giuffrida, Krzysztof Hetman, Marc Joulaud, Slawomir Kłosowski, Constanze Krehl, Louis-Joseph Manscour, Martina Michels, Iskra Mihaylova, Andrey Novakov, Younous Omarjee, Konstantinos Papadakis, Miroslaw Piotrowski, Stanislav Polčák, Liliana Rodrigues, Fernando Ruas, Monika Smolková, Ruža Tomšić, Ramón Luis Valcárcel Siso, Monika Vana, Matthijs van Miltenburg, Lambert van Nistelrooij, Derek Vaughan, Kerstin Westphal, Joachim Zeller</td>
</tr>
<tr>
<td><strong>Substitutes present for the final vote</strong></td>
<td>Ivana Maletić, Bronis Ropė, Maria Gabriela Zoană, Damiano Zoffoli</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td><strong>33</strong></td>
<td><strong>+</strong></td>
</tr>
<tr>
<td>ALDE</td>
<td>Iskra Mihaylova, Matthijs van Miltenburg</td>
</tr>
<tr>
<td>ECR</td>
<td>Sławomir Kłosowski, Miroslaw Piotrowski, Ruža Tomašić</td>
</tr>
<tr>
<td>EFDD</td>
<td>Rosa D’Amato</td>
</tr>
<tr>
<td>GUE/NGL</td>
<td>Martina Michels, Younous Omarjee,</td>
</tr>
<tr>
<td>PPE</td>
<td>Pascal Arimont, Franc Bogovič, Tamás Deutsch, Krzysztof Hetman, Marc Joulard, Ivana Maletić, Lambert van Nistelrooij, Andrey Novakov, Stanislav Polčák, Fernando Ruas, Ramón Luis Valcárcel Siso, Joachim Zeller</td>
</tr>
<tr>
<td>VERTS/ALE</td>
<td>Bronis Ropè, Monika Vana</td>
</tr>
<tr>
<td><strong>1</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td>NI</td>
<td>Konstantinos Papadakis</td>
</tr>
<tr>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

Key to symbols:
+ : in favour
- : against
0 : abstention