



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Agriculture and Rural Development

2011/0288(COD)

17.12.2012

COMPROMISE AMENDMENTS

1 - 27

Draft report
Giovanni La Via
(PE483.834v01-00)

Proposal for a Regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy

Proposal for a regulation
(COM(2011)0628 final/2 – C7-0312/2012 – 2011/0288(COD))

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Amendment 1

Giovanni La Via

Compromise amendment replacing Amendments 18, 19, 201, 209, 210, 212

Proposal for a regulation

Article 9

Text proposed by the Commission

1. The certification body shall be a public or private audit body **designated** by the Member State **which** shall provide an opinion on **the management declaration of assurance covering** the completeness, accuracy and veracity of the annual accounts of the paying agency, the proper functioning of **its internal control system**, the legality and regularity of the underlying transactions, **as well as the respect of the principle of sound financial management**.

It shall be operationally independent from both the paying agency concerned and the authority which has accredited that agency.

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

Amendment

1. The certification body shall be a public or private audit body. **Where it is a private audit body, it shall be selected** by the Member State **by means of a public tendering procedure. The certification body** shall provide an opinion, **drawn up in accordance with internationally accepted audit standards**, on the completeness, accuracy and veracity of the annual accounts of the paying agency **and** the proper functioning of **the control systems put in place as well as** the legality and regularity of the underlying transactions. **This opinion shall state, inter alia, whether the examination calls into question the assertions made in the management declaration of assurance referred to in Article 7(3)(b).**

It shall be operationally independent from both the paying agency concerned and the authority which has accredited that agency.

2. The Commission shall **be empowered to adopt delegated acts, in accordance with Article 111, laying down rules** concerning the status of the certification bodies **and** the specific tasks, including the checks, which **shall be structured in the most efficient way, relying as far as possible on integrated samples with a view of minimising the administrative burden on farmers and Member States.**

The Commission shall adopt implementing acts, laying down rules concerning the certificates and reports to

be drawn up by the certification bodies, together with the documents accompanying them. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 112(3).

Or. en

Amendment 2 Giovanni La Via

Compromise amendment replacing Amendments 20-25, 213, 214, 228, 240, 256, 257, 258

Proposal for a regulation Article 12

Text proposed by the Commission

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

2. The farm advisory system shall cover at least:

(a) the statutory management requirements and the standards for good agricultural and environmental condition of land as laid down in Chapter I of Title VI;

(b) the agricultural practices beneficial for the climate and the environment as laid down in Chapter 2 of Title III of Regulation (EU) No xxx/xxx [DP] and the maintenance of the agricultural area as referred to in Article 4(1)(c) of Regulation (EU) No xxx/xxx [DP];

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

Amendment

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

2. The farm advisory system shall cover at least the following:

(a) **obligations at farm level deriving from** the statutory management requirements and the standards for good agricultural and environmental condition of land as laid down in Chapter I of Title VI;

(b) the agricultural practices beneficial for the climate and the environment laid down in Chapter 2 of Title III of Regulation (EU) No xxx/xxx [DP] and the maintenance of the agricultural area referred to in Article 4(1)(c) of Regulation (EU) No xxx/xxx [DP];

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

Annex I to this Regulation;

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

3. The farm advisory system may also cover **in particular**:

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

(b) the **minimum** requirements established by national legislation, as referred to in Article 29(3) and 30(2) of Regulation (EU) No xxx/xxx [RD]

Annex I to this Regulation;

(ca) the sustainable development of the economic activities of farms in accordance with measures provided for in rural development programmes, including those for farm modernisation, competitiveness building, sectoral integration, innovation and market orientation as well as the promotion and implementation of principles relating to accounting, entrepreneurship and the sustainable management of economic resources;

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

3. The farm advisory system may also cover, **inter alia, the following**:

(aa) the promotion of conversions of farms and the diversification of their economic activity,

(ab) risk management and the introduction of appropriate preventive actions to address natural disasters, catastrophic events and animal and plant diseases;

(ac) advice on integrated pest management and on the use of non chemical alternatives.

(b) the requirements established by national legislation, as referred to in Article 29 and 30 of Regulation (EU) No xxx/xxx [RD]

Or. en

Amendment 3
Giovanni La Via

Compromise amendment replacing Amendments 274-277

Proposal for a regulation
Article 14

Text proposed by the Commission

Beneficiaries, whether or not they receive support under the common agricultural policy, including rural development, may use the farm advisory system on a voluntary basis.

However Member States may determine, ***in accordance with objective*** criteria, the categories of beneficiaries that have priority access to the farm advisory system. ***Member States shall nevertheless ensure that priority is given to*** farmers whose access to an advisory service other than the farm advisory system is most limited.

The farm advisory system shall ensure that beneficiaries have access to advice reflecting the specific situation of their holding.

Amendment

Beneficiaries, whether or not they receive support under the common agricultural policy, including rural development, may use the farm advisory system on a voluntary basis.

However Member States may determine, ***based on environmental, economic and social*** criteria, the categories of beneficiaries that are to have priority access to the farm advisory system, ***which may include, inter alia:***

(a) those farmers whose access to an advisory service other than the farm advisory system is most limited;

(b) farmers participating in the measures intended to ensure carbon, nutrient and/or energy efficiency described in Chapter 2 of Title III of Regulation (EU) No xxx/xxx[DP];

(c) networks operating with limited resources within the meaning of Articles 53, 61 and 62 of Regulation (EU) (EU) No xxx/xxx [RD].

The farm advisory system shall ensure that beneficiaries have access to advice reflecting the specific situation of their holding.

Or. en

Amendment 4
Giovanni La Via

Compromise amendment replacing Amendments 288

Proposal for a regulation
Article 22 — paragraph 2

Text proposed by the Commission

The measures financed pursuant to point (c) of Article 6 concern the collection or purchase of data needed to implement and monitor the common agricultural policy, including satellite data and meteorological data, the creation of a spatial data infrastructure and a website, the carrying out of specific studies on climatic conditions and the updating of agri-meteorological and econometric models. Where necessary, those measures shall be carried out in collaboration with national laboratories and bodies.

Amendment

The measures financed pursuant to point (c) of Article 6 concern the collection or purchase of data needed to implement and monitor the common agricultural policy, including satellite data and meteorological data, the creation of a spatial data infrastructure and a website, the carrying out of specific studies on climatic conditions, ***the monitoring of soil health and soil functionality and*** the updating of agri-meteorological and econometric models. Where necessary, those measures shall be carried out in collaboration with national laboratories and bodies.

Or. en

Amendment 5
Giovanni La Via

Compromise amendment replacing Amendments 388

Proposal for a regulation
Article 56 — paragraph 1

Text proposed by the Commission

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

Amendment

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

Or. en

Amendment 6

Giovanni La Via

Compromise amendment replacing Amendments 61-63, 420, 422-424, 427, 433

Proposal for a regulation

Article 61

Text proposed by the Commission

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

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

Amendment

-1. The Commission shall adopt delegated acts, in accordance with Article 111 regarding rules on the minimum level of on-the-spot checks necessary for an effective and proportionate management of risk. Those rules shall specify the circumstances in which Member States have to adjust the number of on-the-spot checks depending on the level of inherent risk, and shall provide for the possibility to reduce the number of checks where the error rates are at an acceptable level and the management and control systems in place work properly;

1. The system set up by the Member States in accordance with Article 60(2) shall include, except where otherwise provided, systematic administrative checking of all aid applications and ***payment claims*** and shall be supplemented by on-the-spot checks ***whose purpose shall be to monitor compliance with the provisions of the aid schemes and the level of inherent risk and whose number shall be adjusted in light of that purpose.***

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

To ensure that the checks are proportionate, account needs to be taken

of factors including:

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

Or. en

Amendment 7

Giovanni La Via

Compromise amendment replacing Amendments 64, 65, 432, 433

Proposal for a regulation

Article 64

Text proposed by the Commission

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

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

(a) the rules concerning administrative and on-the-spot checks to be conducted by the Member States with regard to the respect of obligations, commitments and eligibility

Amendment

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

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

(a) the rules concerning administrative and on-the-spot checks to be conducted by the Member States ***in accordance with a proportionate and risk-based approach,***

criteria resulting from the application of Union legislation;

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

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

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

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

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

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

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

(i) the tests and methods to be applied for establishing the eligibility of products for

with regard to the respect of obligations, commitments and eligibility criteria resulting from the application of Union legislation;

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

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

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

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

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

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

(i) the tests and methods to be applied for establishing the eligibility of products for

public intervention and private storage, as well as the use of tendering procedures, both *for public intervention and for private storage*.

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

public intervention and private storage, as well as the use of tendering procedures, *for* both.

1a. The Commission shall adopt implementing acts laying down time limits by which the Commission is to respond to an indication that the Member State intends to reduce the number of its on-the-spot checks.

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

Or. en

Amendment 8 **Giovanni La Via**

Compromise amendment replacing Amendments 67-72, 619

Proposal for a regulation **Article 65**

Text proposed by the Commission

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

Amendment

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

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

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

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

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

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

The amounts *of the withdrawal referred to in paragraph 1a and the administrative penalties referred to in paragraph 2* shall be graduated according to the *nature*, severity, extent, duration, and reoccurrence of the non compliance found and may go as far as total exclusion *for one or more calendar years* from one or several aid schemes or support measures *that are the subject of the non compliance*.

2a. The graduation of penalties shall be based on the following general criteria:

- the 'severity' of non-compliance shall depend, in particular, on the importance of the consequences of the non-compliance, in particular the risk it represents for the Union fund concerned, and consistently taking account of the aims of the requirement or standard concerned;

- the 'extent' of non-compliance shall be determined taking account, in particular, of whether the non-compliance has a far-reaching impact or whether it is limited to the farm itself;

- the 'duration' of non-compliance shall be determined by the competent authority taking account, in particular, of the estimated length of time for which the effect lasts or the potential for terminating

those effects by reasonable means;

- 'reoccurrence' of non-compliance shall mean that the non-compliance with the same requirement, standard or obligation has been determined more than once within a consecutive period of three calendar years, provided the beneficiary has been informed of a previous non-compliance and, where applicable, has had the possibility to take the necessary measures to terminate that previous non-compliance;

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

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

Or. en

Amendment 9 **Giovanni La Via**

Compromise amendment replacing Amendments 78, 456, 457

Proposal for a regulation **Article 68**

Text proposed by the Commission

1. Each Member State shall set up and operate an integrated administration and control system (hereinafter referred to as the 'integrated system').

2. The integrated system shall apply to the support schemes listed in Annex I of Regulation (EU) No xxx/xxx [DP] and to the support granted in accordance with Articles 22(1)(a) and (b), 29 to 32, 34 and 35 of Regulation xxx/xxx [RD] and where applicable Article 28(1)(b) of regulation (EU) CR/xxx..

However, this Chapter shall not apply to measures referred to in Article 29(9) of Regulation (EU) No xxx/xxx[RD], as well as to measures under Article 22(1)(a) and

Amendment

1. Each Member State shall set up and operate an integrated administration and control system (hereinafter referred to as the 'integrated system').

2. The integrated system shall apply to the support schemes listed in Annex I of Regulation (EU) No xxx/xxx [DP] and to the support granted in accordance with Articles 22(1)(a) and (b), 29 to 32, 34 and 35 of Regulation xxx/xxx [RD] and where applicable Article 28(1)(b) of regulation (EU) CR/xxx..

However, this Chapter shall not apply to measures referred to in Article 29(9) of Regulation (EU) No xxx/xxx[RD], as well as to measures under Article 22(1)(a) and

(b) of that Regulation as far as the establishment cost is concerned.

3. To the extent necessary, the integrated system shall also apply to the control of cross-compliance as laid down in Title VI.

(b) of that Regulation as far as the establishment cost is concerned.

3. To the extent necessary, the integrated system shall also apply to the control of cross-compliance as laid down in Title VI.

3a. Member States shall make appropriate use of technology when setting up their integrated system, in order to reduce the administrative burden and ensure that controls are carried out in an efficient and effective manner.

Or. en

Amendment 10 **Giovanni La Via**

Compromise amendment replacing Amendments 79, 474-477, BUDG 21

Proposal for a regulation **Article 73 — paragraph 2 and 2a (new)**

Text proposed by the Commission

2. Member States shall provide, inter alia by the use of electronic means, preestablished forms based on the areas determined in the previous year as well as graphic material indicating the location of those areas. A Member State may decide that the aid application needs to contain only changes with respect to the aid application submitted the previous year. However, as concerns the small farmers scheme as provided for in Title V of Regulation (EU) No DP/xxx this possibility shall be given to all farmers concerned.

Amendment

2. Member States shall provide, inter alia by the use of electronic means, preestablished forms based on the areas determined in the previous year as well as graphic material indicating the location of those areas. A Member State may decide that the aid application needs to contain only changes with respect to the aid application submitted the previous year. However, as concerns the small farmers scheme as provided for in Title V of Regulation (EU) No DP/xxx this possibility shall be given to all farmers concerned.

2a. Member States may decide that an aid application or a payment claim that fulfils the requirements laid down in paragraph 1 is to remain valid for a number of years provided that the beneficiaries concerned are under an obligation to report any change to the information they first submitted. The multiannual application

shall however be conditional upon annual confirmation by the beneficiary.

Or. en

Amendment 11
Giovanni La Via

Compromise amendment replacing Amendments 80, 81, 483, 484, 487

Proposal for a regulation
Article 75

Text proposed by the Commission

1. In accordance with Article 61, Member States, through the paying agencies or the bodies delegated by them, shall carry out administrative checks on the aid application to verify the eligibility conditions for the aid. Those checks shall be supplemented by on-the-spot checks.
2. For the purpose of on the spot checks Member States shall draw up a sampling plan of **agricultural holdings and/or** beneficiaries.
3. Member States may use remote sensing and Global Navigation Satellite System (GNSS) techniques as a means of carrying out on-the-spot checks on agricultural parcels.
4. In case of non compliance with the eligibility conditions Article 65 shall apply.

Amendment

1. In accordance with Article 61, Member States, through the paying agencies or the bodies delegated by them, shall carry out administrative checks on the aid application to verify the eligibility conditions for the aid. Those checks shall be supplemented by on-the-spot checks ***the purpose of which shall be to monitor compliance with the provisions of the aid schemes and the level of inherent risk.***
2. For the purpose of on the spot checks Member States shall draw up a sampling plan of beneficiaries ***comprising both a random part in order to obtain a representative error rate and a risk-based part enabling a primary focus on high-risk claims.***
3. Member States may use remote sensing and Global Navigation Satellite System (GNSS) techniques as a means of carrying out on-the-spot checks on agricultural parcels.
4. In case of non compliance with the eligibility conditions Article 65 shall apply.

Or. en

Amendment 12
Giovanni La Via

Proposal for a regulation
Article 76

Text proposed by the Commission

1. The payments under the support schemes and measures referred to in Article 68(2) shall be made within the period from 1 December to 30 June of the following calendar year. Payments shall be made in up to two instalments within that period.

Payments shall be made in up to two instalments within that period.

However Member States may pay advances up to 50 % as regards direct payments and 75% for the support granted under rural development as referred to in Article 68(2) prior to 1 December and not before 16 October.

2. Payments referred to in the paragraph 1 shall not be made before the verification of eligibility conditions, to be carried out by the Member States pursuant to Article 75, has been finalised.

Amendment

1. The payments under the support schemes and measures referred to in Article 68(2) shall be made within the period from 1 December to 30 June of the following calendar year. Payments shall be made in up to two instalments within that period.

Payments shall be made in up to two instalments within that period.

However Member States may pay advances up to 50 % as regards direct payments and 75% for the support granted under rural development as referred to in Article 68(2) prior to 1 December and not before 16 October.

Without prejudice to the application of the third subparagraph, the Commission may adopt implementing acts authorising the Member States to increase the percentage of advances to 80% in regions in which farmers face serious financial difficulties due to exceptional conditions. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 112(3).

2. Payments referred to in the paragraph 1 shall not be made before the verification of eligibility conditions, to be carried out by the Member States pursuant to Article 75, has been finalised.

2a. By way of derogation from paragraph 2 of this Article, Member States may decide, taking into account the risk of overpayment, to pay up to 50 % as regards of the applicable payment referred to in Title III of Regulation (EU) xxx/xxx [DP] and 75 % of the support granted under rural development as referred to in Article 68(2) after completion of the

administrative checks provided for in Article 61(1). The percentage payment shall be the same for all beneficiaries of the measure or of the set of operations.

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

Or. en

Amendment 13

Giovanni La Via

Compromise amendment replacing Amendment 516

Proposal for a regulation

Article 77 — paragraph 2 — point b

Text proposed by the Commission

(b) provisions required for a harmonised definition of the basis for calculation of aid, including rules on how to deal with certain cases where eligible areas contain landscape features or trees;

Amendment

(b) provisions required for a harmonised definition of the basis for calculation of aid, including rules on how to deal with certain cases where eligible areas contain landscape features or trees; *without prejudice to Article 9 of Regulation (EU) No xxx/xxx [DP], eligibility rules shall be consistent with meeting the challenges of climate change and biodiversity loss, and shall not therefore penalise high nature value farming or grazed agro-forestry systems, or cause decreases in environmental quality; flexibility, justified on agronomic or ecological grounds, shall be allowed on the basis of the customary standards of the Member State or region concerned;*

Or. en

Amendment 14

Giovanni La Via

Proposal for a regulation
Article 93 — paragraph 5

Text proposed by the Commission

In addition, as regards the years 2014 and 2015, the rules on cross compliance shall also comprise the maintenance of permanent grassland. The Member States which were Member of the Union at 1 January 2004 shall ensure that land which was under permanent grassland at the date provided for the area aid applications for 2003 is maintained under permanent grassland within defined limits. The Member States which became Member of the Union in 2004 shall ensure that land which was under permanent grassland on 1 May 2004 is maintained under permanent grassland within defined limits. Bulgaria and Romania shall ensure that land which was under permanent grassland on 1 January 2007 is maintained under permanent grassland within defined limits.

Amendment

In addition, as regards the years 2014 and 2015, the rules on cross compliance shall also include the maintenance of permanent grassland **and permanent pasture**. The Member States which were **members** of the Union at 1 January 2004 shall ensure that land which was under permanent grassland **and permanent pasture** at the date provided for the area aid applications for 2003 is maintained under permanent grassland **and permanent pasture** within defined limits. The Member States which became **members** of the Union in 2004 shall ensure that land which was under permanent grassland **and permanent pasture** on 1 May 2004 is maintained under permanent grassland **and permanent pasture** within defined limits. Bulgaria and Romania shall ensure that land which was under permanent grassland **and permanent pasture** on 1 January 2007 is maintained under permanent grassland **and permanent pasture** within defined limits.

However a Member State may, in duly justified circumstances, derogate from the first subparagraph, provided that it takes action to prevent a significant decrease in its total permanent grassland and permanent pasture area.

Or. en

Amendment 15
Giovanni La Via

Compromise amendment replacing Amendments 86, 95, 541, 542, 621

Proposal for a regulation

Article 99

Text proposed by the Commission

1. The penalty provided for in Article 91 shall be applied by means of reduction or exclusion of the total amount of the payments listed in Article 92 granted or to be granted to that beneficiary related to the calendar year concerned or the years concerned.

For the calculation of those reductions and exclusions account shall be taken of the severity, extent, permanence and reoccurrence of the non-compliance found as well as of the criteria set out in paragraphs 2, 3 and 4.

2. In the case of *non compliance* due to negligence, the percentage of reduction shall not exceed 5 % and, in the case of repeated non-compliance, 15 %.

In duly justified cases Member States may decide that no reduction ***shall*** be applied where, given its severity, extent and duration, a case of non-compliance ***is to*** be considered ***as*** minor. However, cases of non-compliance which constitute a direct risk to public or animal health shall not be considered ***as*** minor. ***The finding and the obligation to take remedial action shall be notified to the beneficiary.***

Amendment

1. The penalty provided for in Article 91 shall be applied by means of reduction or exclusion of the total amount of the payments listed in Article 92 granted or to be granted to that beneficiary related to the calendar year concerned or the years concerned.

For the calculation of those reductions and exclusions ***proportionate*** account shall be taken of the ***nature***, severity, extent, duration and reoccurrence of the non-compliance found as well as of the criteria set out in paragraphs 2, 3 and 4.

2. In the case of *non-compliance* due to negligence, the percentage of reduction shall not exceed 5 % and, in the case of repeated non-compliance, ***shall not exceed*** 15 %.

In duly justified cases Member States may decide that no reduction ***is to be*** applied where, given its severity, extent and duration, a case of non-compliance ***should*** be considered ***to be*** minor. However, cases of non-compliance which constitute a direct risk to public or animal health shall not be considered ***to be*** minor.

Furthermore, Member States may set up an early warning system applying to cases of first non-compliance that are not considered to be severe. Where a Member State decides to make use of this option, the competent authority shall send an initial warning to the beneficiary, notifying it of the finding and of the obligation to take remedial action. The impact of such system shall be limited to holding the beneficiary responsible for the non-compliance. The warning shall be followed by appropriate checks within the

following year to verify whether the non-compliance has been remedied. If it has been remedied, no reduction shall be applied. If it has not been remedied, the reduction pursuant to the first subparagraph shall be applied retroactively. However, cases of non-compliance which constitute a direct risk to public or animal health shall always be considered to be severe.

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

4. In any case, the total amount of reductions and exclusions for one calendar year shall not be more than the total amount referred to in the first subparagraph of paragraph 1.

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

4. In any case, the total amount of reductions and exclusions for one calendar year shall not be more than the total amount referred to in the first subparagraph of paragraph 1.

Or. en

Amendment 16 **Giovanni La Via**

Compromise amendment replacing Amendments 87, 96, 538, 539

Proposal for a regulation **Article 101**

Text proposed by the Commission

1. In order to ensure a correct distribution of the funds to the entitled beneficiaries, the Commission shall be empowered to adopt delegated acts in accordance with Article 111 to establish a harmonised basis for calculation of penalties due to cross compliance, taking into account reductions due to financial discipline.

2. In order to ensure that cross compliance is carried out in an efficient, coherent and non discriminatory way, the Commission

Amendment

1. In order to ensure a correct distribution of the funds to the entitled beneficiaries, the Commission shall be empowered to adopt delegated acts in accordance with Article 111 to establish a harmonised basis for calculation of penalties due to cross compliance, taking into account reductions due to financial discipline.

2. In order to ensure that cross compliance is carried out in an efficient, **risk-based and proportionate**, coherent and non

shall be empowered to adopt delegated acts in accordance with Article 111 concerning the calculation and application of penalties.

discriminatory way, the Commission shall be empowered to adopt delegated acts, in accordance with Article 111, concerning the calculation and application of penalties. ***Those delegated acts shall in particular contain rules on cases where administrative penalties are not to be imposed for non-compliance which is due to technical failure of the systems for identification and registration of animals, referred to in Annex II, SMR 7 and SMR 8, and does not result from an act or omission directly attributable to the beneficiary concerned.***

Or. en

Amendment 17

Giovanni La Via

Compromise amendment replacing Amendments 650-654

Proposal for a regulation

Article 106 — paragraph 3

Text proposed by the Commission

3. Where a direct payment as provided for in Regulation (EU) No DP/xxx is made to a beneficiary in a currency other than the euro, Member States shall convert the amount of aid expressed in euro into the national currency on the basis of the ***most recent*** exchange rate set by the European Central Bank prior to 1 October of the year for which the aid is granted.

Amendment

3. Where a direct payment as provided for in Regulation (EU) No DP/xxx is made to a beneficiary in a currency other than the euro, Member States shall convert the amount of aid expressed in euro into the national currency on the basis of the ***last monthly average*** exchange rate set by the European central bank prior to 1 October of the year for which aid is granted.

Or. en

Amendment 18

Giovanni La Via

Compromise amendment replacing Amendments 98-101, 665-667, 670

Proposal for a regulation
Article 110

Text proposed by the Commission

1. A common monitoring and evaluation framework shall be established with a view to measuring the performance of the common agricultural policy. ***It shall include all instruments related to the monitoring and evaluation of common agricultural policy measures*** and in particular of the direct payments provided for in Regulation (EU) No DP/xxx, the market measures provided for in Regulation (EU) No CMO/xxx, the rural development measures provided for in Regulation (EU) No RD/xxx and of the application of the cross compliance provided for in this Regulation.

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

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

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

Amendment

1. A common monitoring and evaluation framework shall be established with a view to measuring the performance of the common agricultural policy, and in particular of:

(a) the direct payments provided for in Regulation (EU) No DP/xxx,

(b) the market measures provided for in Regulation (EU) No CMO/xxx,

(c) the rural development measures provided for in Regulation (EU) No RD/xxx and of,

(d) the application of the cross compliance provided for in this Regulation.

The Commission shall monitor these policy measures on the basis of reporting by Member States in accordance with the rules laid down in this Regulation. The Commission shall establish a multi-annual evaluation plan with periodic evaluations of specific instruments which it will carry out.

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

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

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

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

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

3. Member States shall provide the Commission with all the information necessary to permit the monitoring and evaluation of the measures concerned. The Commission shall take into account the data needs and synergies between potential data sources, in particular their use for statistical purposes when appropriate.

The Commission shall adopt, by means of implementing acts, rules on the information to be sent by the Member States, as well as on the data needs and synergies between potential data sources. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 112(3).

4. The Commission shall present a report on the implementation of this Article to the European Parliament and the Council every four years. The first report shall be presented not later than 31 December 2017.

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

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

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

3. Member States shall provide the Commission with all the information necessary to permit the monitoring and evaluation of the measures concerned. *As far as possible, such information shall be based on established sources of data, such as the Farm Accountancy Data Network and Eurostat.* The Commission shall take into account the data needs and synergies between potential data sources, in particular their use for statistical purposes when appropriate.

The Commission shall adopt, implementing acts laying down rules on the information to be sent by the Member States, *without imposing an undue administrative burden on them*, as well as *rules* on the data needs and synergies between potential data sources. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 112(3).

4. The Commission shall present a report on the implementation of this Article to the European Parliament and the Council every four years. The first report shall be presented not later than 31 December 2017.

Or. en

Amendment 19

Giovanni La Via

Compromise amendment replacing Amendments 723-725, 770

Proposal for a regulation

Annex II — Main issue "Soil and carbon stock" — GAEC 6

Text proposed by the Commission

Amendment

Maintenance of soil organic matter level including ban on burning arable stubble

Maintenance of soil organic matter level ***through appropriate practices*** including ban on burning arable stubble, ***except for plant health reasons or for pruning residue.***

Or. en

Amendment 20

Giovanni La Via

Compromise amendment replacing Amendments 733-738, 771

Proposal for a regulation

Annexe II — Main Issue "Biodiversity" — SMR 2 — last column

Text proposed by the Commission

Amendment

Article 3(1), Article 3(2)(b) Article 4(1), (2) and (4)

Article 3(1), Article 3(2)(b) Article 4(1), (2) and (4), ***Article 5(a), (b) and (d)***

Or. en

Amendment 21

Giovanni La Via

Compromise amendment replacing Amendments 739-744 772

Proposal for a regulation

Annexe II — Main Issue "Biodiversity" — SMR 3 — last column

Text proposed by the Commission

Amendment

Article 6 (1) and (2)

Article 6 (1) and (2) ***and Article 13(1)(a)***

Amendment 22

Giovanni La Via

Compromise amendment replacing Amendments 102, 748

Proposal for a regulation

Annexe II — Main Issue "Landscape, minimum level of maintenance" — GAEC 8

Text proposed by the Commission

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

Amendment

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

Amendment 23

Giovanni La Via

Compromise amendment replacing Amendment 112

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) In order to help beneficiaries to become more aware of the relationship between agricultural practices ***and*** management of farms on the one hand, and standards relating to the environment, climate change, good agricultural condition of land, food safety, public health, animal health, plant health and animal welfare on the other, it is necessary that Member States establish a comprehensive farm advisory system offering advice to beneficiaries. That farm advisory system should in any way not affect the obligation and responsibility of beneficiaries to

Amendment

(10) In order to help beneficiaries to become more aware of the relationship between agricultural practices, management ***and risk management*** of farms on the one hand, and standards relating to the environment, climate change, good agricultural condition of land, food safety, public health, animal health, plant health and animal welfare on the other, it is necessary that Member States establish a comprehensive farm advisory system offering advice to beneficiaries. That farm advisory system should in any way not affect the obligation

respect those standards. Also a clear separation between advice and checks should be ensured by the Member States.

and responsibility of beneficiaries to respect those standards. Also a clear separation between advice and checks should be ensured by the Member States.

Or. en

Amendment 24
Giovanni La Via

Compromise amendment replacing Amendments 113-116, 20-25, 213, 214, 228, 240, 256, 257, 258

Proposal for a regulation
Recital 11

Text proposed by the Commission

(11) The farm advisory system should cover at least the requirements and standards forming the scope of cross compliance. That system should also cover the requirements to be respected in relation to the agricultural practices beneficial for the climate and the environment for direct payments, as well as the maintenance of the agricultural area under Regulation (EU) No DP/xxx of the European Parliament and of the Council of xxx establishing rules for direct payment to farmers under support schemes within the framework of the common agricultural policy. ***That*** system should ***finally*** cover certain elements related to climate change mitigation and adaptation, biodiversity, protection of water, animal and plant disease notification and innovation as well as the sustainable development of the ***economical*** activity of ***the small*** farms.

Amendment

(11) The farm advisory system should cover at least the requirements and standards forming the scope of cross compliance ***at farm level***. That system should also cover the requirements to be respected in relation to the agricultural practices beneficial for the climate and the environment for direct payments, as well as the maintenance of the agricultural area under Regulation (EU) No DP/xxx of the European Parliament and of the Council of xxx establishing rules for direct payment to farmers under support schemes within the framework of the common agricultural policy. ***In addition, that*** system should cover certain elements related to climate change mitigation and adaptation, biodiversity, protection of water, animal and plant disease notification and innovation as well as the ***environmental performance and*** sustainable development of the ***economic*** activity of farms, ***including activities for farm modernisation, competitiveness building, sectoral integration innovation and market orientation, as well as the promotion and implementation of principles relating to accounting, entrepreneurship and the sustainable***

*management of economic resources.
Finally, Member States may include in their system the promotion of conversions of farms and the diversification of their economic activity and the introduction of appropriate preventive actions to address natural disasters and animal and plant diseases, as well as advice on integrated pest management and use of non chemical alternatives.*

Or. en

Amendment 25

Giovanni La Via

Compromise amendment replacing Amendment 276

Proposal for a regulation

Recital 12

Text proposed by the Commission

(12) Entry into the farm advisory system should be on a voluntary basis for beneficiaries. All beneficiaries, even if not receiving support under the CAP, should be allowed to participate in the system. However ***priority criteria may be set by*** the Member States. Due to the nature of the system, it is appropriate for the information obtained in the course of the advisory activity to be treated as confidential, except in case of serious infringements of Union or national law. In order to ensure the efficiency of the system, advisors should be suitably qualified and regularly trained.

Amendment

(12) Entry into the farm advisory system should be on a voluntary basis for beneficiaries. All beneficiaries, even if not receiving support under the CAP, should be allowed to participate in the system. However the Member States ***should be able to determine, on the basis of environmental, economic and social criteria, the categories of beneficiaries that have priority access to the farm advisory system.*** Due to the nature of the system, it is appropriate for the information obtained in the course of the advisory activity to be treated as confidential, except in case of serious infringements of Union or national law. In order to ensure the efficiency of the system, advisors should be suitably qualified and regularly trained.

Or. en

Amendment 26

Giovanni La Via

Compromise amendment replacing Amendments 132-135, 516

Proposal for a regulation

Recital 38

Text proposed by the Commission

(38) Provisions relating to general principles on checks, withdrawals, reductions or exclusions from payments and to the imposition of penalties are contained in various sectoral agricultural regulations. Those rules should be gathered in the same legal framework at a horizontal level. They should cover the obligations of the Member States as regards administrative and on-the-spot checks, the rules on the recovery, reduction and exclusions of aid. Rules on checks of obligations not necessarily linked to the payment of an aid should be laid down as well.

Amendment

(38) Provisions relating to general principles on checks, withdrawals, reductions or exclusions from payments and to the imposition of ***proportionate administrative*** penalties are contained in various sectoral agricultural regulations. Those rules should be gathered in the same legal framework at a horizontal level. They should cover the obligations of the Member States as regards administrative and on-the-spot checks ***including the general principles and criteria applicable***, the rules on the recovery, reduction and exclusions of aid. Rules on checks of obligations not necessarily linked to the payment of an aid should be laid down as well. ***It is necessary to provide for a strong incentive for Member States to reduce the number of on-the-spot checks where the error rate is at an acceptable level, as well as for flexibility on the basis of the customary standards of the Member States or regions concerned, allowing for justified exceptions on agronomic, ecological or environmental grounds.***

Or. en

Amendment 27

Giovanni La Via

Compromise amendment replacing Amendments 138-140

Proposal for a regulation
Recital 41

Text proposed by the Commission

(41) The main elements of that integrated system and, in particular, the provisions concerning a computerised database, an identification system for agricultural parcels, aid applications or payment claims and a system for the identification and recording of payment entitlements should be maintained.

Amendment

(41) The main elements of that integrated system and, in particular, the provisions concerning a computerised database, an identification system for agricultural parcels, aid applications or payment claims and a system for the identification and recording of payment entitlements should be maintained. ***Member States should make appropriate use of technology when setting up these systems, with a view of reducing administrative burden and ensuring efficient and effective controls.***

Or. en