



EUROPEAN PARLIAMENT

2013 - 2014

TEXTS ADOPTED

Part III

at the sitting of

Wednesday
13 March 2013



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TEXTS ADOPTED

P7_TA-PROV(2013)0086

Support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (Decision on the opening of interinstitutional negotiations)

(B7-0081/2013)

European Parliament decision of 13 March 2013 on the opening of, and on the mandate for, interinstitutional negotiations on the proposal for a regulation of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (COM(2011)0627/3 – C7-0340/2011 – COM(2012)0553 – C7-0313/2012 – 2011/0282(COD) – 2013/2530(RSP))..... 1

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Financing, management and monitoring of the CAP (Decision on the opening of interinstitutional negotiations)

(B7-0082/2013)

European Parliament decision of 13 March 2013 on the opening of, and on the mandate for, interinstitutional negotiations on the proposal for a regulation of the European Parliament and of the Council on the financing, management and monitoring of the CAP (COM(2011)0628/2 – C7-0341/2011 – COM(2012)0551 – C7-0312/2012 – 2011/0288(COD) – 2013/2531(RSP)) 107

P7_TA-PROV(2013)0086

Support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (Decision on the opening of interinstitutional negotiations)

European Parliament decision of 13 March 2013 on the opening of, and on the mandate for, interinstitutional negotiations on the proposal for a regulation of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (COM(2011)0627/3 – C7-0340/2011 – COM(2012)0553 – C7-0313/2012 – 2011/0282(COD) – 2013/2530(RSP))

The European Parliament,

- having regard to the proposal of the Committee on Agriculture and Rural Development,
- having regard to Rules 70(2) and 70a of its Rules of Procedure,

whereas the financial envelope specified in the legislative proposal is only an indication to the legislative authority and cannot be fixed until agreement is reached on the proposal for a regulation laying down the multiannual financial framework for the years 2014-2020;

decides to open interinstitutional negotiations on the basis of the following mandate:

MANDATE

Amendment 1

Proposal for a regulation Citation 1

Text proposed by the Commission

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 42 and **43** thereof,

Amendment

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 42 and **43(2)** thereof,

(1) *Justification*

Clarification. The same legal basis should be used for all of the legislative acts of the reform package.

Amendment 2

Proposal for a regulation
Recital 8

Text proposed by the Commission

(8) In order to ensure the immediate start and efficient implementation of rural development programmes, support from the EAFRD should be based on the existence of sound administrative framework conditions. Member States should therefore assess compliance with certain ex ante conditionalities. Each Member State should prepare either a national rural development programme for its entire territory or a set of regional programmes. Each programme should identify a strategy for meeting targets in relation to the Union priorities for rural development and a selection of measures. Programming should comply with Union priorities for rural development, while being adapted to national contexts and complement the other Union policies, in particular the agricultural market policy, cohesion policy and the common fisheries policy. Member States which opt for a set of regional programme should be able to also prepare a national framework, *without a separate budgetary allocation*, in order to facilitate co-ordination among the regions in addressing nation-wide challenges.

Amendment

(8) In order to ensure the immediate start and efficient implementation of rural development programmes, support from the EAFRD should be based on the existence of sound administrative framework conditions. Member States should therefore assess compliance with certain ex ante conditionalities. Each Member State should prepare either a national rural development programme for its entire territory or a set of regional programmes. Each programme should identify a strategy for meeting targets in relation to the Union priorities for rural development and a selection of measures. Programming should comply with Union priorities for rural development, while being adapted to national contexts and complement the other Union policies, in particular the agricultural market policy, cohesion policy and the common fisheries policy. Member States which opt for a set of regional programme should be able to also prepare *a national programme for the implementation of specific measures at national level or* a national framework, in order to facilitate co-ordination among the regions in addressing nation-wide challenges.

Amendment 3

Proposal for a regulation
Recital 12

Text proposed by the Commission

(12) It is necessary to establish certain rules for programming and revising rural development programmes. A *lighter* procedure should be provided for revisions not affecting the strategy of the programmes or the respective Union financial contributions.

Amendment

(12) It is necessary to establish certain rules for programming and revising rural development programmes. A *simplified* procedure should be provided for revisions not affecting the strategy of the programmes or the respective Union financial contributions.

Amendment 4

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) In order to ensure legal certainty and clarity concerning the procedure to be followed in the case of programme amendments, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of ***the setting of the criteria on the basis of which proposed changes of the quantified targets of the programmes shall be considered as major, thus triggering the need to modify the programme by means of an implementing act adopted in accordance with Article 91 of this Regulation.***

Amendment

(13) In order to ensure legal certainty and clarity concerning the procedure to be followed in the case of programme amendments, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of setting criteria ***defining a major reset of quantified targets.***

(2) *Justification*

Changes to programmes are not purely technical decisions.

Amendment 5

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) Farm advisory services help farmers, forest holders and SMEs in rural areas to improve the sustainable management and overall performance of their holding or business. Therefore both the setting up of such services and the use of advice by farmers, forest holders and SMEs should be encouraged. In order to enhance the quality and effectiveness of the advice offered, provision should be made for the minimum qualifications and regular training of advisors. Farm advisory services, as provided for in Regulation of the European Parliament and of the Council (EU) No *HR/2012 of [...]* should help farmers assess the performance of

Amendment

(16) Farm advisory services help farmers, forest holders and SMEs in rural areas to improve the sustainable management and overall performance of their holding or business. Therefore both the setting up of such services and the use of advice by farmers, forest holders and SMEs should be encouraged. In order to enhance the quality and effectiveness of the advice offered, provision should be made for the minimum qualifications and regular training of advisors. Farm advisory services, as provided for in Regulation of the European Parliament and of the Council (EU) No *.../2013 [HR]* should help farmers assess the performance of

their agricultural holding and identify the necessary improvements as regards the statutory management requirements, good agricultural and environmental conditions, agricultural practices beneficial to the climate and the environment set out in Regulation of the European Parliament and of the Council (EU) No *DP/2012 of [...]*, requirements or actions related to climate change mitigation and adaptation, biodiversity, protection of water, animal disease notification and innovation at least as laid down in Annex I to Regulation (EU) No *HR/2012*. Where relevant, advice should also cover occupational safety standards. Advice may also cover issues linked to the economic, agricultural and environmental performance of the holding or enterprise. Farm management and farm relief services should help farmers improve and facilitate management of their holding.

their agricultural holding and identify the necessary improvements as regards the statutory management requirements, good agricultural and environmental conditions, agricultural practices beneficial to the climate and the environment set out in Regulation of the European Parliament and of the Council (EU) No *.../2013 [DP]*, requirements or actions related to climate change mitigation and adaptation, biodiversity, protection of water, animal disease notification and innovation at least as laid down in Annex I to Regulation (EU) No *.../2013 [HR]*. Where relevant, advice should also cover occupational *or farm* safety standards. Advice may also cover *support for setting up of young farmers, sustainable development of the economic activities of the holding, local processing and marketing* issues linked to the economic, agricultural and environmental performance of the holding or enterprise. Farm management and farm relief services should help farmers improve and facilitate management of their holding.

Amendment 6

Proposal for a regulation

Recital 19

Text proposed by the Commission

(19) In order to improve the economic and environmental performance of agricultural holdings and rural enterprises, improve the efficiency of the agricultural products marketing and processing sector, provide infrastructure needed for the development of agriculture and support non-remunerative investments necessary to achieve environmental aims, support should be provided to physical investments contributing to these aims. During the 2007-2013 programming period a variety of measures covered different areas of intervention. In the interest of simplification but also of allowing beneficiaries to design and realise integrated projects with increased added

Amendment

(19) In order to improve the economic and environmental performance of agricultural holdings and rural enterprises, improve the efficiency of the agricultural products marketing and processing sector, provide infrastructure needed for the development of agriculture and support non-remunerative investments necessary to achieve environmental aims, support should be provided to physical investments contributing to these aims. During the 2007-2013 programming period a variety of measures covered different areas of intervention. In the interest of simplification but also of allowing beneficiaries to design and realise integrated projects with increased added

value, a single measure should cover all types of physical investments. **Member States should define a threshold for agricultural holdings eligible for aid for investments related to supporting farm viability based on the results of the strengths, weaknesses, opportunities and threats ('SWOT') analysis as means to better target the aid.**

Amendment 7

Proposal for a regulation

Recital 21

Text proposed by the Commission

(21) The creation and development of new economic activity in the form of new farms, new businesses or new investments in non-agricultural activities *is* essential for the development and competitiveness of rural areas. A farm and business development measure should facilitate the initial establishment of young farmers and the structural adjustment of their holdings after initial setting up, diversification of farmers into non-agricultural activities and the setting up and development of non-agricultural SMEs in rural areas. The development of small *farms* which are potentially economically viable should also be encouraged. In order to ensure the viability of new economic activities supported under this measure, support should be made conditional on the submission of a business plan. Support for business start up should cover only the initial period of the life of a business and not become operating aid. Therefore, where Member States opt to grant aid in instalments these should be for a period of no more than five years. In addition in order to encourage the restructuring of the agricultural sector, support *in the form of annual payments* should be provided for farmers *participating in the small farmers scheme established by Title V of Regulation (EU) No DP/2012* who commit to transfer their entire holding and the

value, a single measure should cover all types of physical investments.

Amendment

(21) The creation and development of new economic activity in the form of new farms, *new areas of activity*, new *agriculture- or forestry-related* businesses or new investments in non-agricultural activities, *new investments in social agriculture and new investments in tourist activity* is essential for the development and competitiveness of rural areas. A farm and business development measure should facilitate the initial establishment of young farmers and the structural adjustment of their holdings after initial setting up, *and should encourage entrepreneurship among women, including the* diversification of farmers into non-agricultural activities and the setting up and development of non-agricultural SMEs in rural areas. The development of small *agriculture- and forestry-related businesses* which are potentially economically viable should also be encouraged. In order to ensure the viability of new economic activities supported under this measure, support should be made conditional on the submission of a business plan. Support for business start up should cover only the initial period of the life of a business and not become operating aid. Therefore, where Member States opt to grant aid in instalments these should be for a period of no more than five years. In addition, in order to encourage the

corresponding payment entitlements to another farmer *who does not participate in that scheme*.

restructuring of the agricultural sector, support should be provided for farmers who commit to transfer their entire holding and the corresponding payment entitlements to another farmer. *In order to make this measure more attractive, such support should take the form of a one-off payment.*

Amendment 8

Proposal for a regulation

Recital 22

Text proposed by the Commission

(22) SMEs are the backbone of *the* Union rural economy. Farm and non-agricultural business development should be aimed at employment promotion and the setting up of quality jobs in rural areas, maintenance of already existing jobs, reduction of seasonality fluctuations in employment, development of non-agricultural sectors outside agriculture and agricultural and food processing while fostering at the same time business integration and local inter-sectoral links. Projects integrating at the same time agriculture, rural tourism through promotion of sustainable and responsible tourism in rural areas, natural and cultural heritage should be encouraged as well as renewable energy investments.

Amendment

(22) SMEs are the backbone of *a sustainable* Union rural economy. Farm and non-agricultural business development should be aimed at employment promotion and the setting up of quality jobs in rural areas, *in particular for young people, as well as the* maintenance of already existing jobs, reduction of seasonality fluctuations in employment, development of non-agricultural sectors outside agriculture and agricultural and food processing, while fostering at the same time business integration and local inter-sectoral links *in line with sustainable regional development*. Projects integrating at the same time agriculture, rural tourism through promotion of sustainable and responsible tourism in rural areas, natural and cultural heritage should be encouraged as well as renewable energy investments. *The sustainable development of rural areas should be strengthened by promoting urban-rural links and cross-regional cooperation.*

Amendment 9

Proposal for a regulation

Recital 27

Text proposed by the Commission

(27) Producer groups help farmers to face jointly the challenges posed by increased

Amendment

(27) Producer groups *and organisations* help farmers to face jointly the challenges

competition and consolidation of downstream markets in relation to the marketing of their products including in local markets. The setting up of producer groups should therefore be encouraged. In order to ensure the best use of limited financial resources only producer groups that qualify as SMEs should benefit from support. In order to ensure that the producer group becomes a viable entity, a business plan should be submitted as a condition for the recognition of a producer group by Member States. To avoid providing operating aid and maintain the incentive role of support, its maximum duration should be limited to five years.

posed by increased competition and consolidation of downstream markets in relation to the marketing of their products including in local markets. The setting up **and development** of producer groups should therefore be encouraged. In order to ensure the best use of limited financial resources only producer groups that qualify as SMEs should benefit from support. In order to ensure that the producer group becomes a viable entity, a business plan should be submitted as a condition for the recognition of a producer group by Member States. To avoid providing operating aid and maintain the incentive role of support, its maximum duration should be limited to five years.

Amendment 10

Proposal for a regulation Recital 28

Text proposed by the Commission

(28) Agri-environment-climate payments should continue to play a prominent role in supporting the sustainable development of rural areas and in responding to society's increasing demands for environmental services. They should **further** encourage farmers **and other land managers** to serve society as a whole by introducing or continuing to apply agricultural practices contributing to climate change mitigation and adaptation and compatible with the protection and improvement of the environment, the landscape and its features, natural resources, the soil and genetic diversity. In this context the conservation of genetic resources in agriculture and the additional needs of farming systems that are of high nature value should be given specific attention. Payments should contribute to covering additional costs and income foregone resulting from the commitments undertaken **and should only cover commitments going beyond relevant**

Amendment

(28) Agri-environment-climate payments should continue to play a prominent role in supporting the sustainable development of rural areas and in responding to society's increasing demands for environmental services. They should, **as a matter of priority**, encourage farmers to serve society as a whole by introducing or continuing to apply agricultural practices contributing to climate change mitigation and adaptation and compatible with the protection and improvement of the environment, the landscape and its features, natural resources, the soil and genetic diversity. In this context the conservation of genetic resources in agriculture and the additional needs of farming systems that are of high nature value should be given specific attention. Payments should contribute to covering additional costs and income foregone resulting from the commitments undertaken. **Outputs from recognised agri-environment measures should count towards the fulfilment of greening**

mandatory standards and requirements, in accordance with the ‘polluter pays’ principle. In many situations the synergies resulting from commitments undertaken jointly by a group of farmers multiply the environmental and climate benefit. However, joint action brings additional transaction costs which should be compensated adequately. In order to ensure that farmers ***and other land managers*** are in a position to correctly implement the commitments they have undertaken, Member States should endeavour to provide them with the required skills and knowledge. Member States should maintain the level of efforts made during the 2007-2013 programming period ***and*** have to spend a minimum of 25 % of the total contribution from the EAFRD ***to*** each rural development programme for climate change mitigation and adaptation and land management, through the agri-environment-climate, organic farming ***and payments to areas facing natural or other specific constraints measures.***

commitments in the context of the direct payments scheme. In many situations the synergies resulting from commitments undertaken jointly by a group of farmers multiply the environmental and climate benefit. However, joint action brings additional transaction costs which should be compensated adequately. In order to ensure that farmers are in a position to correctly implement the commitments they have undertaken, Member States should endeavour to provide them with the required skills and knowledge. Member States should maintain the level of efforts made during the 2007-2013 programming period. ***They should also be required*** to spend a minimum of 25 % of the total contribution from the EAFRD ***on*** each rural development programme for climate change mitigation and adaptation and land management, through the agri-environment-climate ***and*** organic farming payments. ***Farm managers should be eligible for this measure as a matter of priority.***

Amendment 11

Proposal for a regulation

Recital 30

Text proposed by the Commission

(30) Payments for the conversion to or maintenance of organic farming should encourage farmers to participate in such schemes thus answering society's increasing demand for the use of environmentally friendly farm practices and for high standards of animal welfare. In order to increase synergy in biodiversity benefits delivered by the measure, collective contracts or ***collaboration*** between farmers should be encouraged to cover larger adjacent areas. In order to avoid large-scale reversion of farmers to conventional farming, both conversion and maintenance measures should be supported. Payments should contribute to covering additional costs incurred and

Amendment

(30) Payments for the conversion to or maintenance of organic farming should encourage farmers to participate in such schemes thus answering society's increasing demand for the use of environmentally friendly farm practices and for high standards of animal welfare. In order to increase synergy in biodiversity benefits delivered by the measure, collective contracts or ***co-operation*** between farmers ***or other land managers*** should be encouraged to cover larger adjacent areas. In order to avoid large-scale reversion of farmers to conventional farming, both conversion and maintenance measures should be supported. Payments should contribute to covering additional

income foregone as a result of the commitment and should cover only commitments going beyond relevant mandatory standards and requirements.

costs incurred and income foregone as a result of the commitment and should cover only commitments going beyond relevant mandatory standards and requirements.

(3) *Justification*

See corresponding Amendment to Article 30

Amendment 12

Proposal for a regulation

Recital 33

Text proposed by the Commission

(33) In order to ensure efficient use of Union funds and equal treatment for farmers across the Union mountain areas and areas facing natural or other specific constraints should be defined in accordance with objective criteria. In the case of areas facing natural constraints these should be bio-physical criteria underpinned by robust scientific evidence. ***Transitional arrangements*** should be ***adopted in order to facilitate the phasing out of payments in areas that will no longer be considered as areas facing natural constraints as a result of the application of these criteria.***

Amendment

(33) In order to ensure efficient use of Union funds and equal treatment for farmers across the Union mountain areas and areas facing natural or other specific constraints should be defined in accordance with objective criteria. In the case of areas facing natural constraints these should be bio-physical criteria underpinned by robust scientific evidence. ***By 31 December 2014, the Commission should present a legislative proposal on establishing mandatory bio-physical criteria and the corresponding threshold values to be applied for the future delimitation, as well as the appropriate rules for fine-tuning and transitional arrangements.***

Amendment 13

Proposal for a regulation

Recital 37

Text proposed by the Commission

(37) Farmers are exposed today to increasing economic and environmental risks as a consequence of climate change and increased price volatility. In this context, effective management of risks has an increased importance for farmers. For this reason a risk management measure should be set up to assist farmers in

Amendment

(37) Farmers are exposed today to increasing economic and environmental risks as a consequence of climate change and increased price volatility. In this context, effective management of risks has an increased importance for farmers. For this reason a risk management measure should be set up to assist farmers in

addressing the most common risks faced by them. This measure should therefore support farmers to cover the premiums they pay for crop, animal and plant insurance as well as the setting up of mutual funds and the compensation paid by such funds to farmers for losses suffered as a result of the outbreak of animal or plant diseases *or* environmental incidents. It should also cover an income stabilisation tool in the form of a mutual fund to support farmers facing a severe drop in their income. In order to ensure that there is equal treatment among farmers across the Union, that competition is not distorted and that the international obligations of the Union are respected, specific conditions should be provided for the granting of support under these measures. In order to ensure the efficient use of EAFRD budgetary resources the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of defining the minimum and maximum duration of commercial loans to mutual funds.

addressing the most common risks faced by them. This measure should therefore support farmers *or groups of farmers* to cover the premiums they pay for crop, animal and plant insurance as well as the setting up of mutual funds and the compensation paid by such funds to farmers for losses suffered as a result of the outbreak of animal or plant diseases, *harmful organisms*, environmental incidents *or adverse climatic events*. It should also cover an income stabilisation tool in the form of a mutual fund *or insurance contract* to support farmers facing a severe drop in their income. In order to ensure that there is equal treatment among farmers across the Union, that competition is not distorted and that the international obligations of the Union are respected, specific conditions should be provided for the granting of support under these measures. In order to ensure the efficient use of EAFRD budgetary resources the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of defining the minimum and maximum duration of commercial loans to mutual funds.

Amendment 14

Proposal for a regulation Recital 38

Text proposed by the Commission

(38) The LEADER approach for local development has, over a number of years, proven its utility in promoting the development of rural areas by fully taking into account the multi-sectoral needs for endogenous rural development through its bottom-up approach. LEADER should therefore be continued in the future and its application should remain compulsory for all rural development programmes.

Amendment

(38) The LEADER approach for local development has, over a number of years, proven its utility in promoting the development of rural areas by fully taking into account the multi-sectoral needs for endogenous rural development through its bottom-up approach. LEADER should therefore be continued in the future and its application should remain compulsory for all rural development programmes.
Synergies should be further explored through encouraging cooperation with local development actors in developing

countries , respecting fully traditional knowledge as embodied in the UN Declaration on the Rights of Indigenous People and the UN Convention on Biological Diversity, with the aim of promoting sustainable farming practices, compatible with the protection and improvement of the environment, soil and genetic diversity.

(4) *Justification*

Traditional and local knowledge and community-based innovation constitute an extensive realm of accumulated practical knowledge and knowledge-generating capacity that is needed if sustainability and development goals are to be reached. Exploration of synergies through cooperation with local development actors shall accordingly be in line with the principles embodied under the UN Convention on Biodiversity and the UN Declaration on the Rights of Indigenous People regarding the protection of traditional knowledge and practices of indigenous and local communities.

Amendment 15

Proposal for a regulation
Recital 40

Text proposed by the Commission

(40) Support to LEADER local development from the EAFRD should cover all aspects of the preparation and implementation of local development strategies and operation of local action groups as well as cooperation among territories and groups which carry out bottom-up and community-led local development. In order to enable partners in rural areas not yet applying LEADER to test and prepare for the design and operation of a local development strategy a ‘LEADER start-up kit’ should also be financed. In order to ensure the efficient and effective use of EAFRD budgetary resources the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the detailed definition of eligible animation costs for local action groups.

Amendment

(40) Support to LEADER local development from the EAFRD should cover all aspects of the preparation and implementation of local development strategies and operation of local action groups ***in which decision-making is community-led and occurs in partnership with other relevant actors***, as well as cooperation among territories and groups which carry out bottom-up and community-led local development. In order to enable partners in rural areas not yet applying LEADER to test and prepare for the design and operation of a local development strategy a ‘LEADER start-up kit’ should also be financed. In order to ensure the efficient and effective use of EAFRD budgetary resources ***and the implementation of the LEADER approach***, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in

respect of the detailed definition of eligible animation costs for local action groups ***and for the purpose of adopting rules to ensure that Member States fully implement the community-led approach.***

Amendment 16

Proposal for a regulation Recital 50

Text proposed by the Commission

(50) The EAFRD should signal the Union's recognition of how local development approaches and a trans-national dimension can reinforce each other, especially when an innovative spirit is applied. It should do this by awarding prizes to a limited number of projects which exemplify these characteristics. The prizes should complement other sources of funding available through rural development policy by conferring recognition on any leading suitable project, whether or not that project was also financed through a rural development programme.

Amendment

deleted

Amendment 17

Proposal for a regulation Recital 51

Text proposed by the Commission

(51) Rural development programmes should provide for innovative actions promoting a resource-efficient, productive and low-emission agricultural sector, with the support of the EIP for agricultural productivity and sustainability. The EIP should aim to promote a faster and wider transposition of innovative solutions into practice. The EIP should create added value by enhancing the uptake and effectiveness of innovation-related instruments and enhancing synergies between them. The EIP should fill gaps by better linking research and practical

Amendment

(51) Rural development programmes should provide for innovative actions promoting a resource-efficient, productive and low-emission agricultural sector, with the support of the EIP for agricultural productivity and sustainability. The EIP should aim to promote a faster and wider transposition of innovative solutions into practice. The EIP should create added value by enhancing the uptake and effectiveness of innovation-related instruments and enhancing synergies between them. The EIP should fill gaps by better linking research and practical

farming.

farming, *thereby facilitating a dialogue.*

Amendment 18

Proposal for a regulation

Recital 52

Text proposed by the Commission

(52) Implementation of innovative projects in the context of the EIP for agricultural productivity and sustainability should be undertaken by operational groups bringing together farmers, researchers, advisors, businesses and other actors concerned by innovation in the agricultural sector. In order to ensure that results of such projects profit to the sector as a whole, their results should be *disseminated*.

Amendment

(52) Implementation of innovative projects in the context of the EIP for agricultural productivity and sustainability should be undertaken by operational groups bringing together farmers, researchers, advisors, businesses and other actors concerned by innovation in the agricultural sector. In order to ensure that results of such projects profit to the sector as a whole, *the dissemination of* their results should be *encouraged and dissemination activities should be financed from various sources including technical assistance.* *Cooperation with innovation networks in developing countries, which pursue similar objectives, should be encouraged, in particular those which support decentralised participatory research and the dissemination of knowledge about the best sustainable agricultural practices, including schemes designed specifically for women.*

Amendment 19

Proposal for a regulation

Article 2 – paragraph 1 – point d

Text proposed by the Commission

(d) "operation": a project, group of projects, contract, or arrangement or other action selected according to criteria for the rural development programme concerned and implemented by one or more beneficiaries allowing achievement of one or more of the Union priorities for rural development;

Amendment

(d) "operation": a project, group of projects, contract, or arrangement or other action selected according to criteria for the rural development programme concerned and implemented by one or more beneficiaries allowing achievement of one or more of the Union priorities for rural development, *including the possibility to combine the support from different Common Strategic Framework (CSF) funds, including within a single priority*

axis of programmes co-funded by the ERDF and ESF as referred to in Article 87(1) of Regulation No (EU) .../2013 [CSF];

Amendment 20

Proposal for a regulation

Article 2 – paragraph 1 – point f

Text proposed by the Commission

(f) "monitoring and evaluation system": a general approach developed by the Commission and the Member States defining a limited number of common indicators relating to the baseline situation **and the financial execution**, outputs, results, **and impacts** of the programmes;

Amendment

(f) "monitoring and evaluation system": a general approach developed by the Commission and the Member States defining a limited number of common indicators relating to the baseline situation and the financial execution, outputs, results **and financial execution** of the programmes; **the system need not be exclusively metrics based, and such an approach can, where necessary and using appropriate methods, be replaced by a quality-based approach to programme outputs;**

Amendment 21

Proposal for a regulation

Article 2 – paragraph 1 – point j a (new)

Text proposed by the Commission

Amendment

(ja) "transition regions": regions whose gross domestic product (GDP) per capita is between 75 % and 90 % of the average GDP of the EU-27;

(5) *Justification*

Transition regions should be taken into account, in line with the amendment to Article 65 on fund contribution.

Amendment 22

Proposal for a regulation

Article 2 – paragraph 1 – point l

Text proposed by the Commission

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

Amendment

(l) “transaction cost”: a cost linked to a commitment ***that is indirectly generated by*** its implementation; ***it may be calculated on a standard-cost basis;***

Amendment 23

Proposal for a regulation

Article 2 – paragraph 1 – point l a (new)

Text proposed by the Commission

Amendment

(la) “production system”: a complex of land and inputs managed as a whole;

Amendment 143

Proposal for a regulation

Article 2 – paragraph 1 – point m a (new)

Text proposed by the Commission

Amendment

(ma) “agro-forestry”: a system of production in which trees and cultivated or grazed plants are grown together on, or on the edge of, the same plots of land;

Amendment 24

Proposal for a regulation

Article 2 – paragraph 1 – point o

Text proposed by the Commission

Amendment

(o) “adverse climatic event”: weather conditions, such as frost, storms ***and*** hail, ice, heavy rain or severe drought, which can be assimilated to a natural disaster;

(o) “adverse climatic event”: weather conditions, such as frost, storms, ***cyclonic winds***, hail, ice, heavy rain or severe drought, which can be assimilated to a natural disaster;

Amendment 25

Proposal for a regulation

Article 2 – paragraph 1 – point r

Text proposed by the Commission

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

Amendment

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

Amendment 26

Proposal for a regulation

Article 2 – paragraph 1 – point s

Text proposed by the Commission

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

Amendment

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

Amendment 27

Proposal for a regulation

Article 2 – paragraph 1 – point t

Text proposed by the Commission

(t) 'short supply chain': a supply chain involving a limited number of economic operators, committed to co-operation, local economic development, and close geographical and social relations between producers and consumers;

Amendment

(t) "short supply chain": a supply chain involving a limited number of economic operators **in direct-selling, local-market and community-supported agriculture**, committed to co-operation, local economic development, **using a local development strategy**, and close geographical and social relations between producers, **processors** and consumers;

(6) *Justification*

In order to promote a holistic approach to short supply chain development and respond directly to the needs of rural communities the definition of short supply chains should make specific reference to marketing channels such as direct selling, local markets and community supported agriculture as means for farmers and producers to market high quality food products.

Amendment 28

Proposal for a regulation

Article 2 – paragraph 1 – point u

Text proposed by the Commission

(u) ‘young farmer’: farmer who is ***less than*** 40 years of age at the moment of submitting the application, possesses adequate occupational skills and competence and is ***setting up for the first time in an agricultural holding as*** head of the holding;

Amendment

(u) "young farmer": farmer who is 40 years of age ***or less*** at the moment of submitting the application, possesses adequate occupational skills and competence and is ***the*** head of the holding;

Amendment 29

Proposal for a regulation

Article 2 – paragraph 1 – point x a (new)

Text proposed by the Commission

Amendment

(xa) “farmer”: an active farmer within the meaning of Article 4(1)(a) and Article 9 of Regulation(EU) No .../2013 [DP].

Amendment 30

Proposal for a regulation

Article 2 – paragraph 1 – point x b (new)

Text proposed by the Commission

Amendment

(xb) "community-led local development": decentralised bottom-up governance and partnership action at local and sub-regional level which encourage rural actors to plan and carry out multi-sectoral area based local development strategies, promoting community ownership, capacity building and innovation;

Amendment 31

Proposal for a regulation

Article 2 – paragraph 1 a (new)

1a. The definitions set out in Article 4 of Regulation (EU) No .../2013 [DP] shall also apply for the purposes of this Regulation.

Amendment 32

Proposal for a regulation Article 2 – paragraph 2

Text proposed by the Commission

Amendment

2. As regards ***the definition of young farmer laid down in paragraph 1(u)***, the Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the conditions under which a legal person may be considered ***a*** ‘young farmer’, including the setting of a grace period for the acquisition of occupational skills.

2. As regards young ***farmers, and, small farms***, the Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the conditions under which a legal person may be considered ***to be*** young farmer, ***or a small farmer***, including the setting of a grace period for the acquisition of occupational skills, ***and taking into account the special characteristics of each Member State.***

Amendment 33

Proposal for a regulation Article 3

Text proposed by the Commission

Amendment

The EAFRD shall contribute to the Europe 2020 Strategy by promoting sustainable rural development throughout the Union in a complementary manner to the other instruments of the common agricultural policy (hereinafter “CAP”), to cohesion policy and to the common fisheries policy. It shall contribute to a more territorially and environmentally balanced, climate-friendly and resilient ***and*** innovative Union agricultural sector.

The EAFRD shall contribute to the Europe 2020 Strategy, ***within the framework of a European rural development strategy***, by promoting sustainable rural development throughout the Union in a complementary manner to the other instruments of the common agricultural policy (hereinafter “CAP”), ***in coordination with and in addition*** to cohesion policy and to the common fisheries policy. It shall contribute to ***the development of*** a more territorially and environmentally balanced, climate-friendly and resilient, ***competitive, productive and*** innovative Union agricultural ***and forestry*** sector ***and of vital***

rural territories.

(7) *Justification*

As the objectives of the EAFRD outlined in Articles 4 and 5 also concern measures targeting rural territories beyond the agricultural sector, the mission of the EAFRD should be formulated in a more inclusive manner.

Amendment 34

Proposal for a regulation

Article 4

Text proposed by the Commission

Article 4

Objectives

Within the overall framework of the CAP, support for rural development shall contribute to achieving the following objectives:

- (1) the competitiveness of agriculture;
- (2) the sustainable management of natural resources, and climate action;
- (3) a balanced territorial development of rural *areas*.

Amendment

Article 4

Objectives

Within the overall framework of the CAP, support for rural development shall contribute to achieving the following objectives:

- (1) ***fostering*** the competitiveness of agriculture ***and forestry***;
- (2) ***ensuring*** the sustainable management of natural resources, and climate action;
- (3) ***achieving*** a balanced territorial development of rural ***economies and communities that creates and maintains employment***.

Amendment 35

Proposal for a regulation

Article 5

Text proposed by the Commission

Article 5

Union priorities for rural development

The achievement of the objectives of rural development, which contribute to the Europe 2020 strategy for smart, sustainable and inclusive growth, shall be pursued through the following six Union priorities for rural development, which translate the relevant Thematic Objectives of the CSF:

Amendment

Article 5

Union priorities for rural development

The achievement of the objectives of rural development, which contribute to the Europe 2020 strategy for smart, sustainable and inclusive growth, shall be pursued through the following six Union priorities for rural development, which translate the relevant Thematic Objectives of the CSF:

(1) fostering knowledge transfer and innovation in agriculture, forestry, and rural areas with a focus on the following areas:

(a) fostering innovation and the knowledge base in rural areas;

(b) strengthening the links between agriculture and forestry and research and innovation;

(c) fostering lifelong learning and vocational training in the agricultural and forestry sectors.

(2) enhancing competitiveness of all types of agriculture and **enhancing farm viability**, with a focus on the following areas:

(a) **facilitating restructuring of farms facing major structural problems, notably farms with a low degree of market participation, market-oriented farms in particular sectors and farms in need of agricultural diversification;**

(b) facilitating generational renewal **in the agricultural sector.**

(3) promoting food chain organisation and risk management in agriculture, with a focus on the following areas:

(a) better integrating primary producers into the food chain through quality

(1) fostering knowledge transfer and innovation in agriculture, forestry, and rural areas with a focus on the following areas:

(a) fostering innovation, **new ways of cooperating**, and **the development of** the knowledge base in rural areas;

(b) strengthening the links between agriculture and forestry and research and innovation;

(c) fostering lifelong learning and vocational training in the agricultural and forestry sectors, **including as regards farm safety awareness;**

(2) enhancing **farm viability and the competitiveness of all types of agriculture and forestry and of the food sector**, with a focus on the following areas:

(a) **encouraging investment in innovative farm technologies and facilitating their diffusion and uptake;**

(b) facilitating **the entry into the farming sector of new, fully skilled, entrants, including through** generational renewal;

(ba) improving the economic performance of all farms, increasing market participation, orientation and diversification;

(bb) facilitating the restructuring and modernisation of farms;

(bc) maintaining productive agriculture in mountainous or less favoured areas, or in outermost regions;

(bd) improving the competitiveness of the agri-food processing sector, including by increasing efficiency, and the value added to agricultural products.

(3) promoting food chain organisation and risk management in agriculture, with a focus on the following areas:

(a) better integrating primary producers into the food chain through quality

schemes, promotion in local markets and short supply circuits, producer groups and inter-branch organisations;

(b) supporting farm risk management:

(4) restoring, preserving and enhancing ecosystems *dependent on* agriculture and forestry, with a focus on the following areas:

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

(b) improving water management;

(c) improving soil management.

(5) promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors, with a focus on the following areas:

(a) increasing efficiency in water use by agriculture;

(b) increasing efficiency in energy use in agriculture and food processing;

(c) facilitating the supply and use of renewable sources of energy, of by-products, wastes, residues and other non food raw material for purposes of the bio-economy;

(d) reducing *nitrous oxide and methane* emissions from agriculture;

(e) fostering carbon sequestration in agriculture and forestry;

(6) promoting social inclusion poverty reduction and economic development in rural areas, with a focus on the following

schemes, promotion in local markets and short supply circuits, producer groups and inter-branch organisations;

(b) supporting farm risk *prevention and* management:

(4) restoring, preserving and enhancing ecosystems *that are influenced by* agriculture and forestry, with a focus on the following areas:

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

(aa) improving animal welfare;

(b) improving water management;

(c) improving soil management.

(5) promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors, with a focus on the following areas:

(a) increasing efficiency in water use by agriculture;

(b) increasing efficiency in energy use in agriculture and food processing;

(c) facilitating the supply and use of renewable sources of energy, of by-products, wastes, residues and other non-food raw material for purposes of the bio-economy;

(d) reducing *greenhouse gas and ammonia* emissions from agriculture *and improving air quality;*

(e) fostering carbon *conservation and* sequestration in agriculture and forestry;

(ea) facilitating the use of new research-based products and application methods and processes in the agri-food value chain to improve biodiversity management and resource-efficiency;

(6) promoting social inclusion poverty reduction and economic development in rural areas, with a focus on the following

areas:

- (a) facilitating diversification, creation of new small enterprises and job creation;
- (b) fostering local development in rural areas;
- (c) enhancing accessibility to, use and quality of information and communication technologies (ICT) in rural areas.

All of the priorities shall contribute to the cross-cutting objectives of innovation, environment and climate change mitigation and adaptation.

Amendment 36

Proposal for a regulation Article 6 – paragraph 1

Text proposed by the Commission

1. There shall be consistency between support from the EAFRD and the measures financed by the European Agricultural Guarantee Fund.

Amendment 173

Proposal for a regulation Article 6 a (new)

Text proposed by the Commission

areas:

- (a) facilitating diversification, creation of new small enterprises and job creation;
- (b) fostering local development in rural areas;
- (c) enhancing accessibility to, use and quality of information and communication technologies (ICT) in rural areas.

All of the priorities shall contribute to the cross-cutting objectives of innovation, environment and climate change mitigation and adaptation.

Amendment

1. There shall be consistency between support from the EAFRD and the measures financed by the European Agricultural Guarantee Fund, *or other Union financial instruments.*

Amendment

Article 6a

Policy Coherence for Development

The reform shall ensure that, in accordance with Article 208 of the TFEU, objectives of development cooperation, including those approved in the context of the United Nations and other international organisations, are taken into account by the CAP. Measures taken under this Regulation shall not jeopardise the food production capacity and long-term food security of developing countries, in particular least developed countries (LDCs), and shall contribute to achieving the Union's commitments on

mitigating climate change. In promoting sustainable agriculture, the Union should build on the conclusions of the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD).

Amendment 37

Proposal for a regulation Article 7

Text proposed by the Commission

Article 7

Rural development programmes

1. The EAFRD shall act in the Member States through rural development programmes. These programmes shall implement a strategy to meet the Union priorities for rural development through a set of measures defined in Title III, for the achievement of which aid from the EAFRD will be sought.

2. A Member State may submit *either* a single programme for its entire territory or a set of regional programmes.

3. Member States with regional programmes may also submit for approval a national framework containing common elements for these programmes without a separate budgetary allocation.

Amendment

Article 7

Rural development programmes

1. The EAFRD shall act in the Member States through rural development programmes. These programmes shall implement a strategy to meet the Union priorities for rural development through a set of measures defined in Title III, for the achievement of which aid from the EAFRD will be sought.

2. A Member State may submit a single programme for its entire territory or a set of regional programmes, *or both. Measures implemented at national level shall not be implemented through regional programmes.*

3. Member States with regional programmes may also submit for approval a national framework containing common elements for these programmes without a separate budgetary allocation.

Amendment 38

Proposal for a regulation Article 8

Text proposed by the Commission

Article 8

Thematic sub-programmes

1. Member States may include within their rural development programmes thematic

Amendment

Article 8

Thematic sub-programmes

1. *With the aim of contributing to the achievement of rural development*

sub-programmes, *contributing to the Union priorities for rural development*, aimed to address specific needs *identified, in particular in relation to*:

- (a) young farmers;
- (b) small farms as referred to in the third subparagraph of Article 20(2);
- (c) mountain areas as referred to in Article 33(2);
- (d) short supply chains.

An indicative list of measures and types of operations of particular relevance to each thematic sub-programme is set out in Annex III.

2. Thematic sub-programmes may also address specific needs relating to the restructuring of agricultural sectors with a significant impact on the development of a specific rural area.

3. The support rates laid down in Annex I may be increased by 10 percentage points for operations supported in the framework of thematic sub-programmes concerning small farms and short supply chains. In the case of young farmers and mountain areas, the maximum support rates may be increased in accordance with Annex I. However, the maximum combined support rate shall not exceed 90%.

Amendment 39

Proposal for a regulation

Article 9 – paragraph 1 – point c – subparagraph 2 – point vii

Text proposed by the Commission

(vii) initiatives are planned for raising awareness and animating innovative actions and establishing operational groups of the EIP for agricultural *productivity and* sustainability;

priorities, Member States may include within their rural development programmes thematic sub-programmes *that* address specific needs. *Such thematic sub-programmes may, inter alia, relate to*:

- (a) young farmers;
- (b) small farms as referred to in the third subparagraph of Article 20(2);
- (c) mountain areas as referred to in Article 33(2);
- (d) short supply chains;

(da) women in rural areas.

An indicative list of measures and types of operations of particular relevance to each thematic sub-programme is set out in Annex III.

2. Thematic sub-programmes may also address specific needs relating to the restructuring of agricultural sectors with a significant impact on the development of a specific rural area *or other specific needs identified by the Member State.*

3. The support rates laid down in Annex I may be increased by 10 percentage points for operations supported in the framework of thematic sub-programmes concerning small farms and short supply chains. In the case of, *inter alia*, young farmers and mountain areas, the maximum support rates may be increased in accordance with Annex I. However, the maximum combined support rate shall not exceed 90%.

Amendment

(vii) initiatives are planned for raising awareness and animating innovative actions and establishing operational groups of the EIP for agricultural *production, economic viability* and sustainability;

Amendment 40

Proposal for a regulation

Article 9 – paragraph 1 – point d

Text proposed by the Commission

d) the assessment of the ex ante conditionalities and, where required, the actions referred to in Article 17(4) of Regulation (EU) No [CSF/2012] **and the milestones established for the purpose of Article 19 of Regulation (EU) No [CSF/2012];**

Amendment

(d) the assessment of the ex ante conditionalities ***pertaining to rural development referred to in Annex IV which are relevant to the programme*** and, where required, the actions referred to in Article 17(4) of Regulation (EU) No .../2013 [CSF];

(8) *Justification*

The ex ante conditionalities for rural development programmes should not impinge on areas falling outside the remit of the Rural Development Policy, and should be used only for assessment of conditions directly related to work under the programme.

Amendment 41

Proposal for a regulation

Article 9 – paragraph 1 – point f

Text proposed by the Commission

(f) in relation to local development, a specific description of the coordination mechanisms between the local development strategies, the measure co-operation referred to in Article 36, the measure basic services and village renewal in rural areas referred to in Article 21 and the support for non-agricultural activities in rural areas under the measure farm and business development in rural areas referred to in Article 20;

Amendment

(f) in relation to local development, a specific description of the coordination mechanisms between the local development strategies, the measure ***regarding*** co-operation referred to in Article 36, the measure ***regarding*** basic services and village renewal in rural areas referred to in Article 21 ***including urban-rural links and cross-regional cooperation*** ***and*** the support for non-agricultural activities in rural areas under the measure ***regarding*** farm and business development in rural areas referred to in Article 20;

Amendment 42

Proposal for a regulation

Article 9 – paragraph 1 – point g

Text proposed by the Commission

Amendment

(g) a description of the approach towards innovation in view of enhancing **productivity** and sustainable resource management and the contribution to achieving the objectives of the EIP for agricultural **productivity** and sustainability referred to in Article 61;

(g) a description of the approach towards innovation in view of enhancing **production by farms, their economic viability** and sustainable resource management and the contribution to achieving the objectives of the EIP for agricultural **production, economic viability** and sustainability referred to in Article 61;

Amendment 43

Proposal for a regulation

Article 9 – paragraph 1 – point j

Text proposed by the Commission

Amendment

(j) an indicator plan comprising for each of the Union priorities for rural development included in the programme the indicators and the selected measures with planned outputs and planned expenditure, broken down between public and private;

(j) an indicator plan comprising for each of the Union priorities for rural development included in the programme the indicators and the selected measures with planned **process and policy focused** outputs and planned expenditure, broken down between public and private;

(9) *Justification*

To ensure a clear link between policy objectives for rural development and evidence in the programming documents justifying specific objectives where intervention is required, it is necessary to maintain a focus on policy objectives in the programme output measures.

Amendment 44

Proposal for a regulation

Article 9 – paragraph 1 – point m

Text proposed by the Commission

Amendment

(m) information on the complementarity with measures financed by the other common agricultural policy instruments, **through cohesion policy or by the EMFF**;

(m) information on the complementarity with measures financed by the other common agricultural policy instruments, **on the mechanisms that ensure coordination with measures supported by other CSF funds, and on the application of financing instruments referred to in Title IV of Regulation (EU) No .../2013 [CSF]**.

Amendment 45

Proposal for a regulation

Article 9 – paragraph 2 – point c

Text proposed by the Commission

(c) a separate specific indicator plan, with planned outputs and planned expenditure, broken down between public and private.

Amendment

(c) a separate specific indicator plan, with planned ***process-focused and policy-focused*** outputs and planned expenditure, broken down between public and private.

(10) *Justification*

To ensure a clear link between policy objectives for rural development and evidence in the programming documents justifying specific objectives where intervention is required, it is necessary to maintain a focus on policy objectives in the programme output measures.

Amendment 46

Proposal for a regulation

Article 10

Text proposed by the Commission

In addition to the ex ante conditionalities referred to in Annex IV, ***the general ex ante conditionalities established in Annex IV of Regulation (EU) No [CSF/2012]*** shall apply for the EAFRD.

Amendment

The ex-ante conditionalities referred to in Annex IV shall apply for the EAFRD ***if they are relevant and can be applied to the specific goals pursued with the programme's priorities.***

(11) *Justification*

Policy for development in the agricultural area may not be conscientious for the fulfilment of requirements in other political areas. Just for essential priorities of this policy ex-ante-conditionality should be a requirement.

Amendment 47

Proposal for a regulation

Article 11 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The Commission may approve a rural development programme before the adoption of a Partnership Contract with a Member State in those cases where the Commission considers that all the

elements of the rural development programme conform to the provisions of this Regulation and to those parts of the Partnership Contract pertaining to the EAFRD.

Amendment 48

Proposal for a regulation

Article 12 – paragraph 1 – point a – point ii

Text proposed by the Commission

Amendment

(ii) a change in the EAFRD contribution rate of one or more measures; *deleted*

Amendment 49

Proposal for a regulation

Article 12 – paragraph 1 – point a – point iv

Text proposed by the Commission

Amendment

(iv) a transfer of funds between measures implemented under different EAFRD contribution rates. *deleted*

Amendment 50

Proposal for a regulation

Article 12 – paragraph 1 – point a – point iv a (new)

Text proposed by the Commission

Amendment

(iva) a transfer of funds between programmes, with a view to avoiding the loss of EAFRD resources.

(12) *Justification*

With a view to avoiding the loss of EU funds by Member States, the reallocation of resources between rural development programmes in the same Member State shall be permitted where implementation analysis demonstrates that there is a risk of automatic de-commitment.

Amendment 51

Proposal for a regulation

Article 12 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The approval referred to in paragraph 1 shall be issued by the Commission within two months of its receiving the request.

Amendment 52

Proposal for a regulation

Article 13 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

The Commission shall, ***by means of implementing acts***, adopt rules on procedures and timetables for:

The Commission shall ***be empowered to adopt delegated acts, in accordance with Article 90, on*** rules on procedures and timetables for:

(13) *Justification*

This is not simply a technical decision.

Amendment 53

Proposal for a regulation

Article 13 – paragraph 2

Text proposed by the Commission

Amendment

These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 91.

deleted

Amendment 54

Proposal for a regulation

Article 14 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Only those farmers that are active farmers as defined in Regulation (EU) No .../2013 [DP] shall benefit from measures targeting agricultural holdings.

Amendment 55

Proposal for a regulation

Article 15

Text proposed by the Commission

Article 15

Knowledge transfer and information actions

1. Support under this measure shall cover vocational training and skills acquisition actions, demonstration activities and information actions. Vocational training and skills acquisition actions may include training courses, workshops and coaching.

Support may also cover short-term farm management exchange *and* farm *visit*.

2. Support under this measure shall be for the benefit of persons engaged in the agricultural, food and forestry sector, land managers and other economic actors which are SMEs operating in rural areas.

The training or other knowledge transfer and information action provider shall be the beneficiary of the support.

3. Support under this measure shall not include courses of instruction or training, which form part of normal education programmes or systems at secondary or higher levels.

Bodies providing knowledge transfer and information services shall have the appropriate capacities in the form of staff qualifications and regular training to carry out this task.

4. Eligible costs under this measure shall be the costs of organising and delivering the knowledge transfer or information action. In the case of demonstration projects, support may also cover relevant investment costs. Costs for travel,

Amendment

Article 15

Knowledge transfer and information actions

1. Support under this measure shall cover vocational training and skills acquisition actions, demonstration activities and information actions. Vocational training and skills acquisition actions may include training courses, workshops and coaching.

Support may also cover short-term farm *and forest* management exchange *as well as* farm *and forest visits*.

2. Support under this measure shall be for the benefit of persons engaged in the agricultural, food and forestry sector, land managers and other economic actors which are SMEs operating in rural areas. ***When providing support under this measure for SMEs, priority may be given to SMEs linked to the agriculture and forestry sectors.***

The training or other knowledge transfer and information action provider, ***which may be a public body***, shall be the beneficiary of the support.

3. Support under this measure shall not include courses of instruction or training, which form part of normal education programmes or systems at secondary or higher levels.

Bodies providing knowledge transfer and information services shall have the appropriate capacities in the form of staff qualifications and regular training to carry out this task.

4. Eligible costs under this measure shall be the costs of organising and delivering the knowledge transfer or information action. In the case of demonstration projects, support may also cover relevant investment costs. Costs for travel,

accommodation and per diem expenses of participants as well as the cost of replacement of farmers shall also be eligible.

5. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the further specification of eligible costs, the minimum qualifications of bodies providing knowledge transfer services and the duration and content of farm exchange schemes and farm visits.

Amendment 56

Proposal for a regulation

Article 16

Text proposed by the Commission

Article 16

Advisory services, farm management and farm relief services

1. Support under this measure shall be granted in order to:

(a) help farmers, forest holders and SMEs in rural areas benefit from the use of advisory services for the improvement of the economic and environmental performance as well as the climate friendliness and resilience of their holding, enterprise and/or investment;

(b) promote the setting up of farm management, farm relief and farm advisory services, as well as forestry advisory services, including the Farm Advisory System referred to in Articles 12, 13 and 14 of Regulation (EU) No *HR/2012*;

(c) promote the training of advisors.

2. The beneficiary of support provided in paragraph 1(a) **and** (c) shall be the provider of advice or training. Support under paragraph 1(b) shall be granted to the authority or body selected to set up the

accommodation and per diem expenses of participants as well as the cost of replacement of farmers shall also be eligible.

5. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the further specification of eligible costs, the minimum qualifications of bodies providing knowledge transfer services and the duration and content of farm exchange schemes and farm visits.

Amendment

Article 16

Advisory services, farm management and farm relief services

1. Support under this measure shall be granted in order to:

(a) help farmers, forest holders and SMEs in rural areas benefit from the use of advisory services for the improvement of the economic and environmental performance as well as the climate friendliness and resilience of their holding, enterprise and/or investment;

(b) promote the setting up of farm management, farm relief and farm advisory services, as well as forestry advisory services, including the Farm Advisory System referred to in Articles 12, 13 and 14 of Regulation (EU) No *.../2013 [HR]*;

(c) promote the training of advisors.

(ca) support the setting up of young farmers.

2. The beneficiary of support provided in paragraph 1(a), (c) **and (ca)** shall be the provider of advice or training. Support under paragraph 1(b) shall be granted to the authority or body selected to set up the

farm management, farm relief, farm advisory or forestry advisory service.

3. The authorities or bodies selected to provide advice shall have the appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the fields they advise in. The beneficiaries shall be chosen through calls for proposals. The selection procedure shall be **objective and** be open to public **as well as to** private bodies.

When providing advice, advisory services shall respect the non-disclosure obligations referred to in Article 13(2) of Regulation (EU) No *HR/2012*

4. Advice to farmers shall be linked to **at least one** Union **priority** for rural development and shall cover **as a minimum one** of the following elements:

(a) one or more of the statutory management requirements and/or standards for good agricultural and environmental conditions provided for in Chapter I of Title VI of Regulation (EU) No *HR/2012*;

(b) where applicable, the agricultural practices beneficial for the climate and the environment as laid down in Chapter 2 of Title III of Regulation (EU) No *DP/2012* and the maintenance of the agricultural area as referred to in Article 4(1)(c) of Regulation (EU) No *DP/2012*;

(c) the requirements or actions related to climate change mitigation and adaptation,

farm management, farm relief, farm advisory or forestry advisory service.

3. The authorities or bodies selected to provide advice shall have the appropriate resources in the form of regularly trained and qualified staff and advisory experience **and shall demonstrate independence** and reliability with respect to the fields they advise in. The beneficiaries shall be chosen through calls for proposals. The selection procedure shall be **governed by public law and shall** be open to **both public and** private bodies. **It shall be objective and shall exclude candidates with conflicts of interest.**

When providing advice, advisory services shall respect the non-disclosure obligations referred to in Article 13(2) of Regulation (EU) No *.../2013 [HR]*

3a. The Farm Advisory System shall meet the requirements laid down in Article 12 of Regulation (EU) No .../2013 [HR]. Additional support for advisory services shall only be granted if the Member State has set up a Farm Advisory System pursuant to Article 12 of Regulation (EU) No .../2013 [HR].

4. Advice to farmers shall be linked to **two or more** Union **priorities** for rural development and shall cover **two or more** of the following elements:

(a) one or more of the statutory management requirements and/or standards for good agricultural and environmental conditions provided for in Chapter I of Title VI of Regulation (EU) No *.../2013 [HR]*;

(b) where applicable, the agricultural practices beneficial for the climate and the environment as laid down in Chapter 2 of Title III of Regulation (EU) No *.../2013 [DP]* and the maintenance of the agricultural area as referred to in Article 4(1)(c) of Regulation (EU) No *.../2013 [DP]*;

(c) the requirements or actions related to climate change mitigation and adaptation,

biodiversity, the protection of water and soil, animal and plant disease notification and innovation as laid down in Annex I to Regulation (EU) No *HR/2012*;

(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 *DP/2012*; or

(e) where relevant, occupational safety standards based on Union *legislation*.

Advice may also cover other issues linked to the economic, agricultural and environmental performance of the agricultural holding.

5. Advice to forest holders shall cover as a minimum the relevant obligations under Directives 92/43/EEC, 2009/147/EC and 2000/60/EC. It may also cover issues linked to the economic and environmental performance of the forest holding.

6. Advice to SMEs may cover issues linked to the economic and environmental performance of the enterprise.

biodiversity, the protection of water and soil, animal and plant disease notification and innovation as laid down in Annex I to Regulation (EU) No .../2013 [*HR*];

(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 .../2013 [*DP*]; or

(e) where relevant, occupational safety ***or farm safety*** standards based on Union ***or national law***;

(ea) support for the setting up of young farmers or new farmers, access to land and loans for setting up a farm, or any of these;

(eb) the sustainable development of the economic activities of agricultural holdings in line with all measures recommended in the rural development programmes, including farm modernisation, competitiveness building, sectoral integration and the development of organic farming;

(ec) specific advisory services supporting local processing and short distance marketing including training and the implementation of adapted hygiene rules and food safety standards;

(ed) the "One health" aspects of animal husbandry.

Advice may also cover other issues linked to the economic, agricultural and environmental performance of the agricultural holding.

5. Advice to forest holders shall cover as a minimum the relevant obligations under Directives 92/43/EEC, 2009/147/EC and 2000/60/EC. It may also cover issues linked to the economic and environmental performance of the forest holding.

6. Advice to SMEs may cover issues linked to the economic and environmental performance of the enterprise. ***Priority may be given to micro-enterprises and to***

7. Where justified and appropriate, advice may be partly provided in group, while taking into account the situations of the individual user of advisory services.

8. Support under paragraphs 1(a) and (c) shall be limited to the maximum amounts laid down in Annex I. Support under paragraph 1(b) shall be degressive over a maximum period of five years from setting up.

9. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the further specification of the minimum qualifications of the authorities or bodies providing advice.

Amendment 57

Proposal for a regulation

Article 17

Text proposed by the Commission

Article 17

Quality schemes for agricultural products and foodstuffs

1. Support under this measure shall cover new participation by farmers in:

(a) quality schemes for agricultural products, cotton or foodstuffs established by Union *legislation*;

(b) quality schemes for agricultural products, cotton or foodstuffs recognised by the Member States as complying with the following criteria:

(i) the specificity of the final product under such schemes is derived from clear obligations to guarantee:

- specific product characteristics, or
- specific farming or production methods, or

SMEs linked to the agriculture and forestry sectors.

7. Where justified and appropriate, advice may be partly provided in group, while taking into account the situations of the individual user of advisory services.

8. Support under paragraphs 1(a) and (c) shall be limited to the maximum amounts laid down in Annex I. Support under paragraph 1(b) shall be degressive over a maximum period of five years from setting up.

9. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the further specification of the minimum qualifications of the authorities or bodies providing advice.

Amendment

Article 17

Quality schemes for agricultural products and foodstuffs

1. Support under this measure shall cover new participation by farmers, ***producer groups and producer organisations*** in:

(a) quality schemes for agricultural products, cotton or foodstuffs established by Union *law*;

(b) quality schemes for agricultural products, cotton or foodstuffs recognised by the Member States as complying with the following criteria:

(i) the specificity of the final product under such schemes is derived from clear obligations to guarantee:

- specific product characteristics, or
- specific farming or production methods, or

- a quality of the final product that goes significantly beyond the commercial commodity standards as regards public, animal or plant health, animal welfare or environmental protection;

(ii) the scheme is open to all producers;

(iii) the scheme involves binding product specifications and compliance with those specifications is verified by public authorities or by an independent inspection body;

(iv) the scheme is transparent and assures complete traceability of products;

or

(c) voluntary agricultural product certification schemes recognised by the Member States as meeting the Union best practice guidelines for the operation of voluntary certification schemes relating to agricultural products and foodstuffs.

2. Support shall be granted as an annual incentive payment, the level of which shall be determined according to the level of the fixed costs arising from participation in supported schemes, for a maximum duration of five years.

- a quality of the final product that goes significantly beyond the commercial commodity standards as regards public, animal or plant health, animal welfare or environmental protection; *or*

- short and local food supply chains

(ii) the scheme is open to all producers;

(iii) the scheme involves binding product specifications and compliance with those specifications is verified by public authorities or by an independent inspection body;

(iv) the scheme is transparent and assures complete traceability of products;

or

(c) voluntary agricultural-product ***and farm*** certification schemes recognised by the Member States as meeting the Union best practice guidelines for the operation of voluntary certification schemes relating to agricultural products and foodstuffs.

1a. Support may also cover costs arising to farmers or producer groups and producer organisations from information and promotion activities for products under the quality schemes referred to in paragraph 1(a) and (b).

2. Support shall be granted as an annual incentive payment, the level of which shall be determined according to the level of the fixed costs arising from participation in supported schemes, for a maximum duration of five years.

By way of derogation from paragraph 1, support may also be provided to beneficiaries who participated in a similar scheme during the programming period 2007-2013, provided that double payments are excluded and that the overall maximum duration of five years is complied with. Support shall be paid annually on presentation of documents proving participation in the scheme. However, the producer shall make a single application covering a five-year

For the purposes of this paragraph, 'fixed costs' means the costs incurred for entering a supported quality scheme and the annual contribution for participating in that scheme, including, where necessary, expenditure on checks required to verify compliance with the specifications of the scheme.

3. Support shall be limited to the maximum amount laid down in Annex I.

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the specific Union quality schemes to be covered by paragraph 1(a).

Amendment 58

Proposal for a regulation

Article 18

Text proposed by the Commission

Article 18

Investments in physical assets

1. Support under this measure shall cover tangible and/or intangible investments which:

(a) improve the overall performance of the agricultural holding;

(b) concern the processing, marketing **and/or** development of agricultural products covered by Annex I to the Treaty or cotton. *The* output of the production process may be a product not covered by that Annex;

period.

For the purposes of this paragraph, 'fixed costs' means the costs incurred for entering a supported quality scheme and the annual contribution for participating in that scheme, including, where necessary, expenditure on checks required to verify compliance with the specifications of the scheme.

3. Support shall be limited to the maximum amount laid down in Annex I. ***Where support is provided to producer groups in accordance with paragraph 1a, Member States may fix a different maximum amount.***

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the specific Union quality schemes to be covered by paragraph 1(a).

Amendment

Article 18

Investments in physical assets

1. Support under this measure shall cover tangible and/or intangible investments which:

(a) improve the overall performance ***and sustainability*** of the agricultural holding, ***including its resource efficiency and greenhouse gas balance;***

(b) concern the processing, marketing, ***conservation or*** development of agricultural products covered by Annex I to the Treaty or cotton, ***including such products covered by quality schemes as referred to in Article 17;*** the output of the production process may be a product not covered by that Annex; ***support may be granted for the setting up or development***

(c) concern infrastructure related to the development **and** adaptation of agriculture, including access to farm and forest land, land consolidation and improvement, **energy supply** and, **water management**; or

(d) are non productive investments linked to the achievement of agri- and forest-environment commitments, biodiversity conservation status of species and habitat as well as enhancing the public amenity value of a Natura 2000 area or other high nature value area to be defined in the programme.

2. Support under paragraph 1(a) shall be granted to agricultural holdings. ***In the case of investments to support farm restructuring, only farms not exceeding a certain size, to be defined by the Member States in the programme based on the SWOT analysis carried out in relation to the Union priority for rural development “enhancing competitiveness of all types of agriculture and enhancing farm viability”, shall be eligible.***

3. Support under this measure shall be limited to the maximum support rates laid down in Annex I. These maximum rates may be increased for young farmers, collective investments and integrated projects involving support under more than one measure, investments in areas facing significant natural constraints as referred to in Article 33(3) and operations supported in the framework of the EIP for agricultural productivity and sustainability in accordance with the support rates laid down in Annex I. However, the maximum combined support rate may not exceed 90%.

of small scale slaughterhouses;

(c) concern infrastructure related to the development, **modernisation or** adaptation of agriculture, including access to farm and forest land, land consolidation and improvement, **the supply and saving of energy and water** and **the collective management of land and water**, or

(d) are non productive investments linked to the achievement of agri- and forest-environment commitments, biodiversity conservation status of species and habitat **and to the sustainable management of cynegetic and genetic resources**, as well as enhancing the public amenity value of a Natura 2000 area or other high nature value area to be defined in the programme.

2. Support under paragraph 1(a) shall be granted to agricultural holdings **or to producer groups and organisations.**

3. Support under this measure shall be limited to the maximum support rates laid down in Annex I. These maximum rates may be increased for young farmers **for cooperation projects between small farmers to improve the sustainable productivity of their holdings and to encourage them to diversify into alternative sources of revenue including processing; for farmers or groups of farmers investing into agro-ecological production systems; for** collective investments and integrated projects involving support under more than one measure; **for** investments in areas facing significant natural constraints as referred to in Article 33(3) and **for** operations supported in the framework of the EIP for agricultural productivity and sustainability in accordance with the support rates laid

4. Paragraph 3 shall not apply to non-productive investments referred to in paragraph 1(d).

down in Annex I. However, the maximum combined support rate may not exceed 90%.

4. Paragraph 3 shall not apply to non-productive investments referred to in paragraph 1(d).

4a. Support may be granted in respect of investments made by farmers in order to comply with newly introduced Union standards in the fields of environmental protection, public health, animal and plant health, animal welfare and occupational safety adopted after the entry into force of this Regulation.

Amendment 59

Proposal for a regulation

Article 19 – paragraph 1 – point a

Text proposed by the Commission

(a) investments in preventive actions aimed at reducing the consequences of probable natural disasters and catastrophic events;

Amendment

(a) investments in preventive actions aimed at reducing the consequences of probable natural disasters, ***adverse ambient conditions*** and catastrophic events;

Amendment 60

Proposal for a regulation

Article 19 – paragraph 1 – point b

Text proposed by the Commission

(b) investments for the restoration of agricultural land and production potential damaged by natural disasters and catastrophic events.

Amendment

(b) investments for the restoration of agricultural land and production potential damaged by natural disasters, ***adverse ambient conditions*** and catastrophic events.

Amendment 61

Proposal for a regulation

Article 20

Text proposed by the Commission

Article 20

Amendment

Article 20

Farm and business development

1. Support under this measure shall cover:

(a) business start-up aid for:

(i) young farmers;

(ii) non-agricultural activities in rural areas;

(iii) the development of small farms;

(b) investments in non-agricultural activities;

(c) **annual** payments for farmers participating in the small farmers scheme established by Title V of Regulation (EU) No DP/2012 (hereafter "the small farmers scheme") who permanently transfer their holding to another farmer.

2. Support under paragraph 1(a)(i) shall be granted to young farmers.

Support under paragraph 1(a)(ii) shall be granted to farmers or members of **the** farm household **diversifying** into non-agricultural activities and to non-agricultural micro- and small- enterprises in rural areas.

Support under paragraph 1(a)(iii) shall be granted to small farms as defined by Member States.

Support under paragraph 1(b) shall be granted to non- agricultural micro- and small- enterprises in rural areas and to farmers or members of the farm household.

Support under paragraph 1(c) shall be granted to farmers participating in the small farmers scheme, at the time of submitting their application for support, for at least one year and who commit to permanently transfer their entire holding and the corresponding payment entitlements to another farmer. Support

Farm and business development

1. Support under this measure shall cover:

(a) business start-up aid for:

(i) young farmers;

(ii) non-agricultural activities **and the provision of agricultural services** in rural areas;

(iii) the development of small farms;

(b) investments in non-agricultural activities;

(c) **one-off** payments for farmers participating in the small farmers scheme established by Title V of Regulation (EU) No .../2013 [DP] (hereafter "the small farmers scheme") who permanently transfer their holding to another farmer;

(ca) payments for farmers who permanently transfer their holding to another farmer with the intention of creating viable economic units.

2. Support under paragraph 1(a)(i) shall be granted to young farmers.

Support under paragraph 1(a)(ii) shall be granted to farmers or members of **a** farm household **who diversify** into non-agricultural activities and to non-agricultural micro- and small- enterprises in rural areas, **including to those engaged in tourism.**

Support under paragraph 1(a)(iii) shall be granted to small farms as defined by Member States.

Support under paragraph 1(b) shall be granted to non- agricultural micro- and small- enterprises in rural areas and to farmers or members of the farm household.

Support under paragraph 1(c) shall be granted to farmers participating in the small farmers scheme, at the time of submitting their application for support, for at least one year and who commit to permanently transfer their entire holding and the corresponding payment entitlements to another farmer. Support

shall be *paid* from the date of the transfer until 31 December 2020.

shall be *calculated* from the date of the transfer until 31 December 2020.

Support under paragraph 1(ca) shall be granted to farmers on condition that they:

(a) have practised farming for at least 10 years,

(b) undertake to permanently transfer their entire holding and the corresponding payment entitlements to another farmer and

(c) stop all commercial farming activity definitively.

Member States shall lay down additional criteria for the viability of economic units, which may be subject to support under paragraph 1(ca).

2a. When support is provided under paragraphs 1(a)(ii) or 1(b), priority may be given to non-agricultural activities linked to agriculture and forestry as well as to activities developed by community-led local partnerships.

3. Any natural or legal person or a group of natural or legal persons, whatever legal status is granted to the group and its members by national law, may be considered as a member of a farm household, with the exception of farm workers. Where a legal person or a group of legal persons is considered as a member of the farm household, that member must exercise an agricultural activity on the farm at the time of the support application.

3. Any natural or legal person or a group of natural or legal persons, whatever legal status is granted to the group and its members by national law, may be considered as a member of a farm household, with the exception of farm workers. Where a legal person or a group of legal persons is considered as a member of the farm household, that member must exercise an agricultural activity on the farm at the time of the support application.

4. Support under paragraph 1(a) shall be conditional on the submission of a business plan. Implementation of the business plan has to start within six months from the date of the decision granting the aid.

4. Support under paragraph 1(a) shall be conditional on the submission of a business plan. Implementation of the business plan has to start within six months from the date of the decision granting the aid.

Member States shall define upper and lower thresholds for allowing agricultural holdings access to support under paragraphs 1(a)(i) and 1(a)(iii) respectively. The lower threshold for support under paragraph 1(a)(i) shall be significantly higher than the upper threshold for support under paragraph

Member States shall define upper and lower thresholds for allowing agricultural holdings access to support under paragraphs 1(a)(i) and 1(a)(iii) respectively. The lower threshold for support under paragraph 1(a)(i) shall be significantly higher than the upper threshold for support under paragraph

1(a)(iii). Support shall, however, be limited to holdings coming under the definition of micro- and small- enterprises.

5. Support under paragraph 1(a) shall be in the form of a flat rate payment, which may be paid in at least two instalments over a period of maximum five years. Instalments may be degressive. The payment of the last instalment, under paragraph 1(a)(i) and (ii) shall be conditional upon the correct implementation of the business plan.

6. The maximum amount of support for paragraph 1(a) is laid down in Annex I. Member States shall define the amount of support under paragraph 1(a)(i) and (ii) also taking into account the socio-economic situation of the programme area.

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

8. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the minimum content of business plans and the criteria to be used by Member States for setting the thresholds referred to in paragraph 4.

1(a)(iii). Support shall, however, be limited to holdings coming under the definition of micro- and small- enterprises.

Support under paragraph 1(a)(i) may also be targeted at land leasing for young farmers, and may take the form of a bank guarantee for land lease contracts and support for interest rates.

5. Support under paragraph 1(a) shall be in the form of a flat rate payment, which may be paid in at least two instalments over a period of maximum five years. Instalments may be degressive. The payment of the last instalment, under paragraph 1(a)(i) and (ii) shall be conditional upon the correct implementation of the business plan.

6. The maximum amount of support for paragraph 1(a) is laid down in Annex I. Member States shall define the amount of support under paragraph 1(a)(i) and (ii) also taking into account the socio-economic situation of the programme area.

7. Support under paragraph 1(c) shall be equal to 120% of the annual payment that the beneficiary received under the small farmers scheme, ***calculated for the period from the date of the transfer until 31 December 2020. The corresponding amount shall be paid in the form of a one-off payment.***

7a. Support under paragraph 1(ca) shall be granted in the form of a one-off payment up to the maximum amount laid down in Annex I.

8. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the minimum content of business plans and the criteria to be used by Member States for setting the thresholds referred to in paragraph 4.

Amendment 62

Proposal for a regulation

Article 21

Text proposed by the Commission

Article 21

Basic services and village renewal in rural areas

1. Support under this measure shall cover in particular:

(a) the drawing up and updating of plans for the development of municipalities in rural areas and their basic services and of protection and management plans relating to NATURA 2000 sites and other areas of high nature value;

(b) investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy;

(c) broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government solutions;

(d) investments in the setting-up, improvement or expansion of local basic services for the rural population, including leisure and culture, and the related infrastructure;

(e) investments **by** public **bodies** in recreational infrastructure, tourist information and sign-posting of touristic sites;

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

(g) investments targeting the relocation of activities and conversion of buildings or

Amendment

Article 21

Basic services and village renewal in rural areas

1. Support under this measure shall cover in particular:

(a) the drawing up and updating of plans for the development of municipalities in rural areas and their basic services and of protection and management plans relating to NATURA 2000 sites and other areas of high nature value;

(b) investments in the creation, improvement or expansion of all types of small scale infrastructure, including ***the development and expansion of local marketing and agro-tourism; and*** investments in renewable energy, ***energy saving systems and sustainable resource and waste management systems;***

(c) broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government solutions;

(d) investments in the setting-up, improvement or expansion of local basic services for the rural population, including leisure and culture, and the related infrastructure;

(e) investments ***for*** public ***benefit*** in recreational infrastructure, tourist information, ***small scale tourist infrastructure, marketing of rural tourism services*** and sign-posting of touristic sites;

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

(g) investments targeting the relocation of activities and conversion of buildings or

other facilities located close to rural settlements, with a view to improving the quality of life or increasing the environmental performance of the settlement.

2. Support under this measure shall only concern small-scale infrastructure, as defined by each Member State in the programme. However, rural development programmes may provide for specific derogations from this rule for investments in broadband and renewable energy. In this case, clear criteria ensuring complementarity with support under other Union instruments shall be provided.

3. Investments under paragraph 1 shall be eligible for support where the relevant operations are implemented in accordance with plans for the development of municipalities in rural areas and their basic services, where such plans exist and shall be consistent with any local development strategy where one exists.

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the definition of the types of renewable energy infrastructure that shall be eligible for support under this measure.

Amendment 63

Proposal for a regulation Article 22

Text proposed by the Commission

Article 22

Investments in forest area development and improvement of the viability of forests

1. Support under this measure shall

other facilities located close to rural settlements, with a view to improving the quality of life or increasing the environmental performance of the settlement.

Priority may be given to investment in community-led local development initiatives and investment projects that are subject to community ownership and control.

2. Support under this measure shall only concern small-scale infrastructure, as defined by each Member State in the programme. However, rural development programmes may provide for specific derogations from this rule for investments in broadband and renewable energy. In this case, clear criteria ensuring complementarity with support under other Union instruments shall be provided.

3. Investments under paragraph 1 shall be eligible for support where the relevant operations are implemented in accordance with plans for the development of municipalities in rural areas and their basic services, where such plans exist and shall be consistent with any local development strategy where one exists.

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the definition of the types of renewable energy infrastructure that shall be eligible for support under this measure.

Amendment

Article 22

*Investments in **sustainable** forest area development and improvement of the viability of forests*

1. Support under this measure shall

concern:

- (a) afforestation and creation of woodland;
- (b) establishment of agro-forestry systems;
- (c) prevention and restoration of damage to forests from forest fires and natural disasters, including pest and disease outbreaks, catastrophic events and climate related threats;
- (d) investments improving the resilience and environmental value as well as the mitigation potential of forest ecosystems;
- (e) investments in *new* forestry technologies and in processing and marketing of forest products.

2. Limitations on ownership of forests provided for in Articles **36 to 40** shall not apply *for* the tropical or subtropical forests and *for* the wooded areas of the territories of the Azores, Madeira, the Canary islands, the smaller Aegean islands within the meaning of Council Regulation (EEC) No 2019/93 and the French overseas departments.

For holdings above a certain size, to be determined by the Member States in the programme, support shall be conditional on the *submission* of a forest management plan or equivalent instrument in line with sustainable forest management as defined by the Ministerial Conference on the Protection of Forests in Europe of 1993 (hereinafter "sustainable forest management").

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the conditions for establishing the occurrence of a natural disaster or of pests and diseases outbreaks, and the definition of eligible types of preventive actions.

concern:

- (a) afforestation and creation of woodland;
- (b) establishment of agro-forestry systems;
- (c) prevention and restoration of damage to forests from forest fires and natural disasters, including pest and disease outbreaks, catastrophic events and climate related threats;
- (d) investments improving the resilience and environmental value as well as the mitigation potential of forest ecosystems;
- (e) investments in *improved* forestry technologies and in *the* processing, *mobilising* and marketing of forest products.

2. Limitations on ownership of forests provided for in Articles **23 to 27** shall not apply *to* the tropical or subtropical forests and *to* the wooded areas of the territories of the Azores, Madeira, the Canary islands, the smaller Aegean islands within the meaning of Council Regulation (EEC) No 2019/93 *of 19 July 1993 introducing specific measures for the smaller Aegean islands concerning certain agricultural products* and the French overseas departments.

For holdings above a certain size, to be determined by the Member States in the programme, support shall be conditional on the *presentation of the relevant information from* a forest management plan or equivalent instrument in line with sustainable forest management as defined by the Ministerial Conference on the Protection of Forests in Europe of 1993 (hereinafter "sustainable forest management").

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the conditions for establishing the occurrence of a natural disaster or of pests and diseases outbreaks, and the definition of eligible types of preventive actions.

Amendment 64

Proposal for a regulation

Article 23

Text proposed by the Commission

Article 23

Afforestation and creation of woodland

1. Support under Article 22(1)(a) shall be granted to private land-owners and tenants, municipalities and their associations and shall cover the costs of establishment and an annual premium per hectare to cover the costs of maintenance, including early and late cleanings, for a maximum period of **ten** years.

2. Both agricultural and non-agricultural land shall be eligible. Species planted shall be adapted to the environmental and climatic conditions of the area and **answer to** minimum environmental requirements. No support shall be granted for the planting of short rotation **coppice**, Christmas trees or fast growing trees for energy production. In areas where afforestation is made difficult by severe pedo-climatic conditions support may be provided for planting other perennial woody species such as shrubs or bushes suitable to the local conditions.

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 **concerning** the definition of the minimum environmental requirements referred to in paragraph 2.

Amendment

Article 23

Afforestation and creation of woodland

1. Support under Article 22(1)(a) shall be granted to private land-owners and tenants, municipalities and their associations and shall cover the costs of establishment and an annual premium per hectare to cover the costs of maintenance, including early and late cleanings, for a maximum period of **fifteen** years.

2. Both agricultural and non-agricultural land shall be eligible. Species planted shall be adapted to the environmental and climatic conditions of the area and **comply with** minimum environmental requirements. No support shall be granted for the planting of **trees for** short rotation **coppicing**, Christmas trees or fast growing trees for energy production. In areas where afforestation is made difficult by severe pedo-climatic conditions support may be provided for planting other perennial woody species such as shrubs or bushes suitable to the local conditions. **In order to avoid detrimental impacts on the environment or biodiversity, Member States may designate areas as unsuitable for afforestation.**

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 **laying down** the definition of the minimum environmental requirements referred to in paragraph 2, **which shall take into account the diversity of forest ecosystems throughout the Union.**

Amendments 65 and 169

Proposal for a regulation

Article 24

Text proposed by the Commission

Article 24

Establishment of agro-forestry systems

1. Support under Article 22(1)(b) shall be granted to private landowners, tenants, municipalities and their associations and shall cover the costs of establishment and an annual premium per hectare to cover the costs of maintenance for a maximum period of **three** years.
2. "Agro-forestry systems" shall mean land use systems in which trees are grown in combination with **extensive** agriculture on the same land. **The** maximum number of trees to be planted per hectare **shall be determined by the Member States** taking account of local pedo-climatic conditions, forestry species and the need to ensure agricultural use of the land.
3. Support shall be limited to the maximum support rate laid down in Annex I.

Amendment

Article 24

Establishment of agro-forestry systems

1. Support under Article 22(1)(b) shall be granted to private landowners, tenants, municipalities and their associations and shall cover the costs of establishment and an annual premium per hectare to cover the costs of maintenance for a maximum period of **five** years.
2. "Agro-forestry systems" shall mean land use systems in which trees are grown in combination with agriculture on the same land. **Member States shall determine the minimum and** maximum number of trees to be planted **or preserved** per hectare, taking account of local pedo-climatic **and environmental** conditions, forestry species and the need to ensure **sustainable** agricultural use of the land.
3. Support shall be limited to the maximum support rate laid down in Annex I.

(14) *Justification*

Agro-forestry systems should not be limited to extensive agriculture.

Amendment 66

Proposal for a regulation

Article 25

Text proposed by the Commission

Article 25

Prevention and restoration of damage to forests from forest fires and natural disasters and catastrophic events

1. Support under Article 22(1)(c) shall be granted to private, semi public and public forest owners, municipalities, state forests and their associations and shall cover the

Amendment

Article 25

Prevention and restoration of damage to forests from forest fires and natural disasters and catastrophic events

1. Support under Article 22(1)(c) shall be granted to private, semi public and public forest owners, municipalities, state forests and their associations and shall cover the

costs for:

(a) the establishment of protective infrastructure. In the case of firebreaks support may also cover aid contributing to maintenance costs. No support shall be granted for agricultural related activities in areas covered by agri-environment commitments;

(b) local, small scale prevention activities against fire or other natural hazards;

(c) establishing and improving forest fire, pest and diseases monitoring facilities and communication equipment;

(d) restoring forest potential damaged from fires and other natural disasters including pests, diseases as well as catastrophic events and climate change related events.

2. In the case of preventive actions concerning pests and diseases, the risk of a relevant disaster occurrence must be supported by scientific evidence and acknowledged by scientific public organisations. Where relevant, the list of species of organisms harmful to plants which may cause a disaster must be provided in the programme.

Eligible operations shall be consistent with the forest protection plan established by the Member States. For holdings above a certain size, to be determined by the Member States in the programme, support shall be conditional on the submission of a forest management plan detailing the preventive objectives

Forest areas classified as medium to high forest fire risk according to the forest protection plan established by the Member States shall be eligible for support relating to forest fire prevention. Forest areas classified as medium to high forest fire risk

costs for:

(a) the establishment of protective infrastructure. In the case of firebreaks support may also cover aid contributing to maintenance costs. No support shall be granted for agricultural related activities in areas covered by agri-environment commitments. ***Support may be given to livestock farmers whose grazing animals prevent fires through their grazing activity.***

(b) local, small scale prevention activities against fire or other natural hazards;

(c) establishing and improving forest fire, pest and diseases monitoring facilities and communication equipment; ***and***

(d) restoring forest potential damaged from fires and other natural disasters including pests, diseases as well as catastrophic events and climate change related events.

In areas designated as high-risk, the introduction of equipment to prevent forest fires is a precondition for support.

2. In the case of preventive actions concerning pests and diseases, the risk of a relevant disaster occurrence must be supported by scientific evidence and acknowledged by scientific public organisations. Where relevant, the list of species of organisms harmful to plants which may cause a disaster must be provided in the programme.

Eligible operations shall be consistent with the forest protection plan established by the Member States. For holdings above a certain size, to be determined by the Member States in the programme, support shall be conditional on the submission of a forest management plan detailing the preventive objectives..

Forest areas classified as medium to high forest fire risk according to the forest protection plan established by the Member States shall be eligible for support relating to forest fire prevention. Forest areas classified as medium to high forest fire risk

according to the forest protection plan established by the Member States shall be eligible for support relating to forest fire prevention.

3. Support under paragraph 1(d) shall be subject to the formal recognition by the competent public authorities of Member States that a natural disaster has occurred and that this disaster, or measures adopted in accordance with Directive 2000/29/EC to eradicate or contain a plant disease or pest *has* caused *the* destruction *of at least 30%* of the relevant forest potential. *This percentage* shall be determined on the basis of either the average existing forest potential in the three-year period immediately preceding the disaster or on the average of the five-year period immediately preceding the disaster, excluding the highest and the lowest entry.

4. No support under this measure shall be granted for loss of income resulting from the natural disaster.

Member States shall ensure that overcompensation as a result of the combination of this measure and other national or Union support instruments or private insurance schemes is avoided.

Amendment 67

Proposal for a regulation Article 27

Text proposed by the Commission

Article 27

*Investments in **new** forestry technologies and in processing and marketing of forest products*

1. Support under Article 22(1)(e) shall be granted to private forest owners, municipalities and their associations and to SMEs for investments enhancing forestry potential or relating to processing and marketing adding value to forest products.

according to the forest protection plan established by the Member States shall be eligible for support relating to forest fire prevention.

3. Support under paragraph 1(d) shall be subject to the formal recognition by the competent public authorities of Member States that a natural disaster has occurred and that this disaster, or measures adopted in accordance with Directive 2000/29/EC to eradicate or contain a plant disease or pest, *have* caused *significant* destruction of the relevant forest potential *with a threshold to be defined by Member States*. *The extent of the damage* shall be determined on the basis of either the average existing forest potential in the three-year period immediately preceding the disaster or on the average of the five-year period immediately preceding the disaster, excluding the highest and the lowest entry.

4. No support under this measure shall be granted for loss of income resulting from the natural disaster.

Member States shall ensure that overcompensation as a result of the combination of this measure and other national or Union support instruments or private insurance schemes is avoided.

Amendment

Article 27

*Investments in **improved** forestry technologies and in processing, **mobilising** and marketing of forest products*

1. Support under Article 22(1)(e) shall be granted to private forest owners, municipalities and their associations and to SMEs for investments enhancing forestry potential or relating to processing, ***mobilising*** and marketing adding value to

In the territories of the Azores, Madeira, the Canary islands, the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93 and the French overseas departments support may also be granted to enterprises that are not SMEs.

2. Investments related to the improvement of the economic value of forests shall be at the level of the forest holding and may include investments for soil and resource friendly harvesting machinery and practices.

3. Investments related to the use of wood as a raw material or energy source shall be limited to all working operations prior to industrial processing.

4. Support shall be limited to the maximum support rates laid down in Annex I.

Amendment 68

Proposal for a regulation Article 28

Text proposed by the Commission

Article 28

Setting up of producer groups

1. Support under this measure shall be granted in order to facilitate the setting up of producer groups in the agriculture and forestry sectors for the purpose of:

(a) adapting the production and output of producers who are members of such groups to market requirements;

(b) jointly placing goods on the market, including preparation for sale, centralisation of sales and supply to bulk

forest products. In the territories of the Azores, Madeira, the Canary islands, the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93 and the French overseas departments support may also be granted to enterprises that are not SMEs.

Support shall be granted only to investments and technologies that comply with Regulation No (EU) 995/2010 and that do not harm biodiversity or other forest ecosystem services.

2. Investments related to the improvement of the economic value of forests shall be at the level of the forest holding and may include investments for soil and resource friendly harvesting machinery and practices.

3. Investments related to the use of wood as a raw material or energy source shall be limited to all working operations prior to industrial processing.

4. Support shall be limited to the maximum support rates laid down in Annex I.

Amendment

Article 28

Setting up of producer groups and organisations

1. Support under this measure shall be granted in order to facilitate the setting up ***and development*** of producer groups ***and organisations*** in the agriculture and forestry sectors for the purpose of:

(a) adapting the production and output of producers who are members of such groups to market requirements;

(b) jointly placing goods on the market, including preparation for sale, centralisation of sales and supply to bulk

buyers;

(c) establishing common rules on production information, with particular regard to harvesting and availability; and

(d) other activities that may be carried out by producer groups, such as development of business and marketing skills and organisation and facilitation of innovation processes.

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

Member States shall verify that the objectives of the business plan have been reached within five years after recognition of the producer group.

3. The support shall be paid as a flat rate aid in annual instalments for the first five years following the date on which the producer group was recognised on the basis of its business plan. It shall be calculated on the basis of the group's annual marketed production. Member States shall pay the last instalment only after having verified the correct implementation of the business plan.

In the first year Member States may pay support to the producer group calculated on the basis of the average annual value of the marketed production of its members over the three years before they entered the group. In the case of producer groups in the forestry sector, support shall be calculated on the basis of the average marketed production of the members of the group over the last five years before the recognition, excluding the highest and the lowest value.

4. Support shall be limited to the maximum

buyers;

(c) establishing common rules on production information, with particular regard to harvesting and availability; and

(d) other activities that may be carried out by producer groups, such as development of business and marketing skills and organisation and facilitation of innovation processes.

2. Support shall be granted to producer groups which are officially recognised by the Member States' competent authority on the basis of a business plan. ***Priority may be given to producer groups of quality products covered by Article 17 as well as to micro-enterprises. No support shall be granted*** to producer groups ***which do not satisfy the criteria in*** the definition of SMEs.

Member States shall verify that the objectives of the business plan have been reached within five years after recognition of the producer group.

3. The support shall be paid as a flat rate aid in annual instalments for the first five years following the date on which the producer group was recognised on the basis of its business plan. It shall be calculated on the basis of the group's annual marketed production. Member States shall pay the last instalment only after having verified the correct implementation of the business plan.

In the first year Member States may pay support to the producer group calculated on the basis of the average annual value of the marketed production of its members over the three years before they entered the group. In the case of producer groups in the forestry sector, support shall be calculated on the basis of the average marketed production of the members of the group over the last five years before the recognition, excluding the highest and the lowest value.

4. Support shall be limited to the maximum

rates and amounts laid down in Annex I.

rates and amounts laid down in Annex I.

Amendments 144

Proposal for a regulation Article 29

Text proposed by the Commission

Agri-environment- climate

1. Member States shall make support under this measure available throughout their territories, in accordance with their national, regional or local specific needs and priorities. ***Inclusion of this measure*** in rural development programmes shall be compulsory.

2. Agri-environment-climate payments shall be granted to farmers, groups of farmers or groups of farmers and other land-managers who undertake, on a voluntary basis, to carry out operations consisting of one or more agri-environment-climate commitments on agricultural land. Where duly justified to achieve environmental objectives, agri-environment-climate payments may be granted to other land-managers or groups of other land-managers.

Amendment

Agri-environment- climate

1. Member States shall make support under this measure available throughout their territories, in accordance with their national, regional or local specific needs and priorities. ***This measure shall be targeted to the preservation as well as the promotion of the necessary changes into agricultural practices that make a positive contribution to the environment and climate. Its inclusion*** in rural development programmes shall be compulsory.

2. Agri-environment-climate payments shall be granted to farmers, groups of farmers or groups of farmers and other land-managers who undertake, on a voluntary basis, to carry out operations consisting of one or more agri-environment-climate commitments on agricultural land ***or on land suitable for agriculture. Agri-environmental programmes shall target examples of best practice (according to the "forerunner principle"), including those relating to soil management, water management, biodiversity, nutrient recycling and ecosystem maintenance, and prioritise investment in these techniques. Programmes shall seek to spread best practice throughout the territory of the programme. Climate schemes may target the improvement of the greenhouse gas reduction performance of the entire agricultural holding or farm system.*** Where duly justified to achieve environmental objectives, agri-environment-climate payments may be granted to other land-managers or groups of other land-managers.

3. Agri-environment-climate payments cover only those commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No HR/2012 and **other** relevant obligations established under Chapter 2 of Title III of Regulation (EU) No DP/2012, relevant minimum requirements for fertiliser and plant protection products use as well as other relevant mandatory requirements established by national legislation. All such mandatory requirements shall be identified in the programme.

4. Member States shall endeavour to provide persons undertaking to carry out operations under this measure with the knowledge and information required to implement them, including by commitment-related expert advice and/or by making support under this measure conditional to relevant training.

5. Commitments under this measure shall be undertaken for a period of five to seven years. However, where necessary in order to achieve or maintain the environmental benefits sought, Member States may determine a longer period in their rural development programmes for particular types of commitments, including by means of providing for their annual extension after the termination of the initial period.

6. Payments shall be granted annually and shall compensate beneficiaries for all or part of the additional costs and income foregone resulting from the commitments made. Where necessary they may also cover transaction costs to a value of up to 20% of the premium paid for the agri-environment-climate commitments. Where commitments are **undertaken by groups of farmers**, the maximum level shall be 30%.

3. Agri-environment-climate payments cover only those commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No HR/2012 and **all** relevant obligations established under Chapter 2 of Title III of Regulation (EU) No DP/2012, relevant minimum requirements for fertiliser and plant protection products use as well as other relevant mandatory requirements established by national legislation. All such mandatory requirements shall be identified in the programme.

4. Member States shall endeavour to provide persons undertaking to carry out operations under this measure with the knowledge and information required to implement them, including by commitment-related expert advice and/or by making support under this measure conditional to relevant training.

5. Commitments under this measure shall be undertaken for a period of five to seven years. However, where necessary in order to achieve or maintain the environmental benefits sought, Member States may determine a longer period in their rural development programmes for particular types of commitments, including by means of providing for their annual extension after the termination of the initial period.

For new commitments directly following the commitment performed in the initial period, Member States may provide for a shorter period in their rural development programmes.

6. Payments shall be granted annually and shall compensate beneficiaries for all or part of the additional costs and income foregone resulting from the commitments made. Where necessary they may also cover transaction costs to a value of up to 20% of the premium paid for the agri-environment-climate commitments. Where commitments are **part of a collective action**, the maximum level shall be 30%.

No support from EAFRD shall be granted for commitments covered by Chapter 2 of Title III of Regulation (EU) No DP/2012.

6a. For operations concerning environmental conservation, Member States may, in duly justified cases, by way of derogation from paragraph 6, grant support as a flat rate or one-off payment per unit in respect of commitments to renounce commercial use of areas. Such support shall be calculated on the basis of additional costs incurred and income foregone.

7. Where required for ensuring the efficient application of the measure, Member States may use the procedure referred to in Article 49(3) for the selection of beneficiaries.

8. Support shall be limited to the maximum amounts laid down in Annex I.

No support under this measure may be granted for commitments that are covered under the organic farming measure.

9. Support may be provided for the conservation of genetic resources in agriculture for operations not covered by the provisions under paragraphs 1 to 8.

10. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the annual extension of the commitments after the initial period of the operation, conditions applicable to commitments to extensify or manage differently livestock farming, to limit fertilisers, plant protection products or other inputs, to rear local breeds in danger of being lost to farming or to preserve plant genetic resources as well as concerning definition of eligible operations under paragraph 9.

7. Where required for ensuring the efficient application of the measure, Member States may use the procedure referred to in Article 49(3) for the selection of beneficiaries.

8. Support shall be limited to the maximum amounts laid down in Annex I.

No support under this measure may be granted for commitments that are covered under the organic farming measure.

9. Support may be provided for the conservation ***and for the sustainable use and development*** of genetic resources in agriculture for operations not covered by the provisions under paragraphs 1 to 8.

10. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the annual extension of the commitments after the initial period of the operation, conditions applicable to commitments to extensify or manage differently livestock farming, to limit fertilisers, plant protection products or other inputs, to rear local breeds in danger of being lost to farming or to preserve plant genetic resources as well as concerning definition of eligible operations under paragraph 9.

Amendments 70 and 145

Proposal for a regulation

Article 30

Text proposed by the Commission

Article 30

Organic farming

1. Support under this measure shall be granted, per hectare of UAA, to farmers or groups of farmers who undertake, on a voluntary basis to convert to or maintain organic farming practices and methods as defined in Council Regulation (EC) No 834/2007.
2. Support shall only be granted for commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No HR/2012, relevant minimum requirements for fertiliser and plant protection products *use* as well as other relevant mandatory requirements established by national *legislation*. All such requirements shall be identified in the programme.
3. Commitments under this measure shall be undertaken for a period of five to seven years. Where support is granted for the maintenance of organic farming, Member States may provide in their rural development programmes for annual extension after the termination of the initial period.
4. Payments shall be granted annually and shall compensate beneficiaries for all or part of the additional costs and income foregone resulting from the commitments made. Where necessary they may also cover transaction costs to a value of up to 20% of the premium paid for the

Amendment

Article 30

Organic farming

1. Support under this measure shall be granted, per hectare of UAA, to farmers or groups of farmers who undertake, on a voluntary basis to convert to or maintain organic farming practices and methods as defined in Council Regulation (EC) No 834/2007 ***of 28 June 2007 on organic production and labelling of organic products***.
2. Support shall only be granted for commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No HR/2012, ***the relevant obligations established under Chapter 2 of Title III of Regulation (EU) No DP/2012***, relevant minimum requirements for ***the use of*** fertiliser and plant protection products as well as other relevant mandatory requirements established by national *law*. All such requirements shall be identified in the programme.
3. Commitments under this measure shall be undertaken for a period of five to seven years. ***In order to encourage the uptake of this measure also after 2015, Member States may establish a mechanism to support farmers by a follow-up measure after 2020***. Where support is granted for the maintenance of organic farming, Member States may provide in their rural development programmes for annual extension after the termination of the initial period.
4. Payments shall be granted annually and shall compensate beneficiaries for all or part of the additional costs and income foregone resulting from the commitments made. Where necessary they may also cover transaction costs to a value of up to 20% of the premium paid for the

commitments. Where commitments are undertaken by groups of farmers, the maximum level shall be 30%.

5. Support shall be limited to the maximum amounts laid down in Annex I.

commitments. Where commitments are undertaken by groups of farmers **or groups of other land managers**, the maximum level shall be 30%.

5. Support shall be limited to the maximum amounts laid down in Annex I.

5a. In their rural development programmes, Member States shall set out how this measure can be combined with other measures, and in particular with the measures laid down in Articles 17, 18, 28, 29, 31 and 36, in order to expand organic farming and to fulfil environment and rural economic objectives.

Amendments 71 and 146

Proposal for a regulation Article 31

Text proposed by the Commission

Article 31

*Natura 2000 and Water **framework** directive payments*

1. Support under this measure shall be granted annually and per hectare of UAA or per hectare of forest in order to compensate beneficiaries for costs incurred and income foregone resulting from disadvantages in the areas concerned, related to the implementation of **Directives**, 92/43/EEC, 2009/147/EC and 2000/60/EC.

Amendment

Article 31

*Natura 2000 and Water **Framework Directive** payments*

1. Support under this measure shall be granted annually and per hectare of UAA or per hectare of forest in order to compensate beneficiaries for costs incurred and income foregone resulting from disadvantages in the areas concerned, related to the implementation of **Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora¹, Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds² and Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy³.**

For requirements of a permanent nature the support may take the form of a lump sum payment per hectare of UAA or forest to cover full compensation. In this case the requirements shall be recorded as

servitudes on the future use of the land in a national land register. In duly justified cases support may be granted based on unitary costs other than hectare unitary costs, such as the number of kilometres of water course.

The support may cover tangible and/or intangible non productive investments which are necessary to comply with requirements linked to Directives 2009/147/EC, 92/43/EEC and 2000/60/EC.

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

3. Support to farmers, linked to Directives 92/43/EEC and 2009/147/EC shall only be granted in relation to disadvantages resulting from requirements that go beyond the good agricultural and environmental condition provided for in Article 94 and Annex II of Council Regulation (EU) No HR/2012.

4. Support to farmers, linked to Directive 2000/60/EC shall only be granted in relation to specific requirements that:

(a) were introduced by Directive 2000/60/EC, are in accordance with the programmes of measures of the river basin management plans for the purpose of achieving the environmental objectives of that Directive and go beyond the measures required to implement other Union *legislation* for the protection of water;

(b) go beyond the statutory management requirements and the good agricultural and environmental condition provided for in Chapter I of Title VI of Regulation (EU)

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

3. Support to farmers, linked to Directives 92/43/EEC and 2009/147/EC shall only be granted in relation to disadvantages resulting from requirements that go beyond the good agricultural and environmental condition provided for in Article 94 and Annex II of Council Regulation (EU) No .../2013 [HR] **and the relevant obligations established under Chapter 2 of Title III of Regulation (EU) No DP/2012. Specific provisions may be foreseen in the rural development programme for cases where these obligations are incompatible in the holding concerned with the objectives of those Directives.**

4. Support to farmers, linked to Directive 2000/60/EC shall only be granted in relation to specific requirements that:

(a) were introduced by Directive 2000/60/EC, are in accordance with the programmes of measures of the river basin management plans for the purpose of achieving the environmental objectives of that Directive and go beyond the measures required to implement other Union *law* for the protection of water;

(b) go beyond the statutory management requirements and the good agricultural and environmental condition provided for in Chapter I of Title VI of Regulation (EU)

No *HR/2012* and the obligations established under Chapter 2 of Title III of Regulation (EU) No *DP/2012*;

(c) go beyond the level of protection of the Union *legislation* existing at the time Directive 2000/60/EC was adopted as laid down in Article 4(9) of Directive 2000/60/EC; and

(d) impose major changes in type of land use, and/or major restrictions in farming practice resulting in a significant loss of income.

5. The requirements referred to in paragraphs 3 and 4 shall be identified in the programme.

6. The following areas shall be eligible for payments:

(a) Natura 2000 agricultural and forest areas designated pursuant to Directives 92/43/EEC and 2009/147/EC ;

(b) other delimited nature protection areas with environmental restrictions applicable to farming or forests which contribute to the implementation of Article 10 of Directive 92/43/EEC. These areas shall, per rural development programme, not exceed **5%** of the designated Natura 2000 areas covered by its territorial scope;

(c) agricultural areas included in river basin management plans according to Directive 2000/60/EC.

7. Support shall be limited to the maximum amounts laid down in Annex I.

No .../2013 [*HR*] and the obligations established under Chapter 2 of Title III of Regulation (EU) No .../2013 [*DP*];

(c) go beyond the level of protection of the Union *law* existing at the time Directive 2000/60/EC was adopted as laid down in Article 4(9) of Directive 2000/60/EC; and

(d) impose major changes in type of land use, and/or major restrictions in farming practice resulting in a significant loss of income.

5. The requirements referred to in paragraphs 3 and 4 shall be identified in the programme.

6. The following areas shall be eligible for payments:

(a) Natura 2000 agricultural and forest areas designated pursuant to Directives 92/43/EEC and 2009/147/EC ;

(b) other delimited nature protection areas with environmental restrictions applicable to farming or forests which contribute to ***the improvement of populations of species under Annex IV to Directive 92/43/EEC, to the implementation of Article 10 of Directive 92/43/EEC and to all bird species in accordance with Article 1 of Directive 2009/147/EC.*** These areas shall, per rural development programme, not exceed **7%** of the designated Natura 2000 areas covered by its territorial scope;

(c) agricultural ***and forest*** areas included in river basin management plans according to Directive 2000/60/EC.

7. Support shall be limited to the maximum amounts laid down in Annex I.

Member States may, in their financing plans, present separate budgets for payments under Natura 2000 agricultural areas, Natura 2000 forest areas and Water Framework Directive.

¹ OJ L 206, 22.7.1992, p.7.

² OJ L 20, 26.1.2010, p.7.

³ OJ L 327, 22.12.2000, p.1.

Amendment 72

Proposal for a regulation

Article 32

Text proposed by the Commission

Article 32

Payments to areas facing natural or other specific constraints

1. Payments to farmers in mountain areas and other areas facing natural or other specific constraints shall be granted annually per hectare of UAA in order to compensate farmers for additional costs and income foregone related to the constraints for agricultural production in the area concerned.

Additional costs and income foregone shall be calculated in comparison to areas which are not affected by natural or other specific constraints, ***taking into account payments pursuant to Chapter 3 of Title III of Regulation (EU) No DP/2012.***

2. Payments shall be granted to farmers who undertake to pursue their farming activity in the areas designated pursuant to Article 33.

3. Payments shall be fixed between the

Amendment

Article 32

Payments to areas facing natural or other specific constraints

1. Payments to farmers in mountain areas and other areas facing natural or other specific constraints shall be granted annually per hectare of UAA in order to compensate farmers for additional costs and income foregone related to the constraints for agricultural production in the area concerned.

Additional costs and income foregone shall be calculated in comparison to areas which are not affected by natural or other specific constraints. ***Member States shall ensure that overcompensation as a result of the combination of this measure with other national or Union support instruments is avoided.***

When calculating additional costs and income forgone, Member States may, where duly justified, differentiate in order to take into account

- the situation and development objectives peculiar to a region;

- the severity of any permanent natural handicap affecting farming activities;

- the type of production and, where appropriate, the economic structure of the holding.

2. Payments shall be granted to farmers who undertake to pursue their farming activity in the areas designated pursuant to Article 33.

3. Payments shall be fixed between the

minimum and maximum amount laid down in Annex I.

minimum and maximum amount laid down in Annex I.

Member States may, when duly justified, grant individual payments above the maximum amount laid down in Annex I, on condition that the maximum amount is respected on average at programming level.

4. Member States shall provide for degressivity of payments above a threshold level of area per holding, to be defined in the programme.

4. Member States shall provide for degressivity of payments above a threshold level of area per holding, to be defined in the programme.

5. Member States may grant payments under this measure ***between 2014 and 2017*** to farmers in areas which were eligible under Article 36(a)(ii) of Regulation (EC) No 1698/2005 during the 2007-2013 programming period but are no longer eligible following ***the*** new delimitation referred to in Article 33(3). These payments shall be degressive starting in ***2014*** at 80% of the payment received ***in 2013 and ending in 2017*** at 20%.

5. Member States may grant payments under this measure ***for a period of four years*** to farmers in areas which were eligible under Article 36(a)(ii) of Regulation (EC) No 1698/2005 during the 2007-2013 programming period but are no longer eligible following ***a*** new delimitation referred to in Article 33(3). These payments shall be degressive starting, in ***the first year***, at 80% of the payment received ***during the 2007-2013 programming period and ending, in the fourth year***, at 20%.

6. In Member States which have not completed the delimitation referred to in Article 33(3) before 1 January 2014, paragraph 5 shall apply to farmers receiving payments in areas which were eligible for such payments during the 2007-2013 period. Following completion of the delimitation, farmers in areas that remain eligible shall receive full payments under this measure. Farmers in areas that are no longer eligible shall continue to receive payments in accordance with paragraph 5.

Amendment 73

Proposal for a regulation Article 33

Text proposed by the Commission

Amendment

Article 33

Article 33

Designation of areas facing natural and

Designation of areas facing natural and

other specific constraints

1. Member States shall, on the basis of paragraphs 2, 3 and 4, designate areas eligible for payments provided for in Article 32 under the following categories:

- (a) mountain areas;
- (b) areas, other than mountain areas, facing significant natural constraints; and
- (c) other areas affected by specific constraints.

2. In order to be eligible for payments under Article 32, mountain areas shall be characterized by a considerable limitation of the possibilities for using the land and by an appreciable increase in production costs due to:

(a) the existence, because of altitude, of very difficult climatic conditions, the effect of which is substantially to shorten the growing season;

(b) at a lower altitude, the presence over the greater part of the area in question of slopes too steep for the use of machinery or requiring the use of very expensive special equipment, or a combination of these two factors, where the constraints resulting from each taken separately *is* less acute but the combination of the two gives rise to an equivalent constraints.

Areas north of the **62nd** parallel and certain adjacent areas shall be regarded as mountain areas.

3. In order to be eligible for payments under Article 32, areas, other than mountain areas, shall be considered as facing significant natural constraints if at least 66% of the UAA meets at least one of the criteria listed in Annex II at the threshold value indicated. Respect of this condition shall be ensured at the appropriate level of local administrative units ("LAU 2" level).

When delimiting the areas concerned by this paragraph, Member States shall undertake a fine-tuning exercise, based

other specific constraints

1. Member States shall, on the basis of paragraphs 2, 3 and 4, designate areas eligible for payments provided for in Article 32 under the following categories:

- (a) mountain areas;
- (b) areas, other than mountain areas, facing significant natural constraints; and
- (c) other areas affected by specific constraints.

2. In order to be eligible for payments under Article 32, mountain areas shall be characterized by a considerable limitation of the possibilities for using the land and by an appreciable increase in production costs due to:

(a) the existence, because of altitude, of very difficult climatic conditions, the effect of which is substantially to shorten the growing season;

(b) at a lower altitude, the presence over the greater part of the area in question of slopes too steep for the use of machinery or requiring the use of very expensive special equipment, or a combination of these two factors, where the constraints resulting from each taken separately *are* less acute but the combination of the two gives rise to an equivalent constraints.

Areas north of the **62nd** parallel and certain adjacent areas shall be regarded as mountain areas.

3. Member States shall designate areas, other than mountain areas, facing significant natural constraints, as eligible for payments under Article 32. These areas shall be characterised by significant natural constraints, notably low soil productivity or poor climate conditions and by the fact that maintaining extensive farming activity is important for the management of the land.

By 31 December 2014, the Commission shall present a legislative proposal for mandatory bio-physical criteria and the

on objective criteria, with the purpose of excluding areas in which significant natural constraints in accordance with the first subparagraph have been documented but have been overcome by investments or by economic activity.

4. Areas other than those referred to in paragraphs 2 and 3 shall be eligible for payments under Article 32 if they are affected by specific constraints and where land management should be continued in order to conserve or improve the environment, maintain the countryside and preserve the tourist potential of the area or in order to protect the coastline.

Areas affected by specific constraints shall comprise farming areas which are homogeneous from the point of view of natural protection conditions and their total extent shall not exceed 10% of the area of the Member State concerned.

5. Member States shall attach to their rural development programmes:

(a) the existing or amended delimitation pursuant to paragraphs 2 and 4;

(b) *the new delimitation of the areas referred to in paragraph 3.*

Amendment 74

Proposal for a regulation Article 34 – paragraph 2

Text proposed by the Commission

2. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No *HR/2012* and other relevant mandatory requirements established by national *legislation*. These relevant requirements shall be identified in the programme.

corresponding threshold values to be applied for the future delimitation, as well as appropriate rules for fine-tuning and transitional arrangements.

4. Areas other than those referred to in paragraphs 2 and 3 shall be eligible for payments under Article 32 if they are affected by specific constraints, *including very low population density*, and where land management should be continued in order to conserve or improve the environment, maintain the countryside and preserve the tourist potential of the area or in order to protect the coastline.

Areas affected by specific constraints shall comprise farming areas which are homogeneous from the point of view of natural protection conditions and their total extent shall not exceed 10% of the area of the Member State concerned.

5. Member States shall attach to their rural development programmes the existing or amended delimitation pursuant to paragraphs 2, **3** and 4.

Amendment

2. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No .../2013 [*HR*] and other relevant mandatory requirements established by Union *law*. These relevant requirements shall be identified in the programme.

Those commitments shall be undertaken for a renewable period of *one year*.

Those commitments shall be undertaken for a renewable period of *one to seven years*.

Amendment 75

Proposal for a regulation

Article 35 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Support under this measure shall be granted per hectare of forest to forest holders, municipalities and their associations who undertake, on a voluntary basis, to carry out operations consisting of one or more forest-environment commitments. Bodies managing state owned forests may also benefit from support provided they are independent from the state budget.

Amendment

Support under this measure shall be granted per hectare of forest *exclusively* to forest holders, municipalities and their associations who undertake, on a voluntary basis, to carry out operations consisting of one or more forest-environment commitments. Bodies managing state owned forests may also benefit from support provided they are independent from the state budget.

Amendment 76

Proposal for a regulation

Article 35 – paragraph 1 – subparagraph 2

Text proposed by the Commission

For forest holdings above a certain threshold to be determined by Member States in their rural development programmes, support under paragraph 1 shall be conditional on the submission of a forest management plan or equivalent instrument in line with sustainable forest management.

Amendment

deleted

(15) *Justification*

There is already adequate statutory provision at national level for the progressive management of woods and forests irrespective of the size of the holdings concerned. Requiring forest holders to draw up management plans would only mean more red tape.

Amendment 77

Proposal for a regulation

Article 35 – paragraph 3

Text proposed by the Commission

Amendment

3. Payments shall compensate beneficiaries for all or part of the additional costs and income foregone resulting from the commitments made. Where necessary they may also cover transaction costs to a value of up to 20% of the premium paid for the forest-environment commitments. Support shall be limited to the maximum amount laid down in Annex I.

3. Payments shall compensate beneficiaries for all or part of the additional costs and income foregone resulting from the commitments made. Where necessary they may also cover transaction costs to a value of up to 20 % of the premium paid for the forest-environment commitments. Support shall be limited to the maximum amount laid down in Annex I. ***In clearly justified cases, support for agreements not to use trees or stands of trees may also be granted in the form of one-off payments or flat-rate amounts per project, calculated on the basis of the relevant additional costs and loss of income.***

(16) *Justification*

In forest ecosystems it is often more efficient to elaborate funding through several projects rather than through size-based funding. A uniform flat rate of 200,-/ha does not seem to be equivalent to cover the real costs as forests have a long vegetation period.

Amendment 78

Proposal for a regulation

Article 36

Text proposed by the Commission

Amendment

Article 36

Article 36

Co-operation

Co-operation

1. Support under this measure shall promote forms of co-operation involving at least two entities and in particular:

1. Support under this measure shall promote forms of co-operation involving at least two entities and in particular:

(a) co-operation approaches among different actors in the Union agriculture and food chain, forestry sector and among other actors that contribute to achieving the objectives and priorities of rural development policy, including inter-branch organisations;

(a) co-operation approaches among different actors in the Union agriculture and food chain, forestry sector and among other actors that contribute to achieving the objectives and priorities of rural development policy, including ***producer groups, cooperatives and*** inter-branch organisations;

(b) the creation of clusters and networks;

(b) the creation of clusters and networks ***and coordination points;***

(c) the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability as referred to in Article 62.

2. Co-operation under paragraph 1 shall relate in particular to the following:

(a) pilot projects;

(b) the development of new products, practices, processes and technologies in the agriculture, food and forestry sectors

(c) co-operation among small operators in organising joint work processes, sharing facilities and resources;

(d) horizontal and vertical co-operation among supply chain actors for the establishment of logistic platforms to promote short supply chains and local markets;

(e) promotion activities in a local context relating to the development of short supply chains and local markets;

(f) joint action undertaken with a view to mitigating or adapting to climate change;

(g) *collective* approaches to environmental projects and ongoing environmental practices;

(h) horizontal and vertical cooperation among supply chain actors in the sustainable production of biomass for use in food, energy production and industrial processes.

(i) implementation, in particular by public-private partnerships other than those defined in Article 28(1)(b) of Regulation (EU) No [CSF/2012], of local

(c) the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability as referred to in Article 62.

(c a) innovation and co-operation through twinning between networks in the Union and in third countries;

2. Co-operation under paragraph 1 shall relate in particular to the following:

(a) pilot projects, ***demonstration and flagship projects;***

(b) the development of new products, practices, processes and technologies in the agriculture, food and forestry sectors ***including those for the reduction of waste;***

(c) co-operation among small operators in organising joint work processes, sharing facilities and resources;

(d) horizontal and vertical co-operation among supply chain actors for the establishment of logistic platforms to promote short supply chains and local ***and regional*** markets;

(e) promotion activities in a local context relating to the development of short supply chains and local ***and regional*** markets ***and of products under quality schemes;***

(f) joint action undertaken with a view to mitigating or adapting to climate change;

(g) ***co-ordinated*** approaches to environmental projects and ongoing environmental practices; ***including efficient water management, the use of renewable energy and the preservation of agricultural landscape;***

(h) horizontal and vertical cooperation among supply chain actors in the sustainable production of biomass for use in food, energy production and industrial processes.

(i) implementation, in particular by public-private partnerships other than those defined in Article 28(1)(b) of Regulation (EU) No .../2013 [CSF], of local

development strategies addressing one or more of the Union priorities for rural development;

(j) drawing up of forest management plans or equivalent instruments.

3. Support under paragraph 1(b) shall be granted only to newly formed clusters and networks and those commencing an activity that is new to them.

Support for operations under paragraph 2(b) may be granted also to individual actors where this possibility is provided for in the rural development programme.

4. The results of pilot projects and operations by individual actors under paragraph 2(b) shall be disseminated.

5. The following costs, linked to the forms of co-operation referred to in paragraph 1 shall be eligible for support under this measure:

(a) studies of the area concerned, feasibility studies, and costs for the drawing up of a business plan or a forest management plan or equivalent, or local development strategy other than the one referred to in Article 29 of Regulation EU (No) [CSF/2012];

(b) animation of the area concerned in order to make a collective territorial project feasible. In the case of clusters, animation may also concern the organisation of training, networking between members and the recruitment of new members;

(c) running costs of the co-operation;

(d) direct costs of specific projects linked to the implementation of a business plan, a local development strategy other than the

development strategies addressing one or more of the Union priorities for rural development;

(j) drawing up of forest management plans or equivalent instruments.

(ja) the development, including the marketing, of tourism services relating to rural tourism;

(jb) development of ‘social agriculture’ projects.

2a. When allocating support, priority may be given to cooperation among entities involving primary producers.

3. Support for operations under paragraph 2(b) may be granted also to individual actors where this possibility is provided for in the rural development programme.

4. The results of pilot projects and operations by individual actors under paragraph 2(b) shall be disseminated.

5. The following costs, linked to the forms of co-operation referred to in paragraph 1 shall be eligible for support under this measure:

(a) studies of the area concerned, feasibility studies, and costs for the drawing up of a business plan or a forest management plan or equivalent, or local development strategy other than the one referred to in Article 29 of Regulation EU (No) .../2013 [CSF];

(b) animation of the area concerned in order to make a collective territorial project feasible. In the case of clusters, animation may also concern the organisation of training, networking between members and the recruitment of new members;

(c) running costs of the co-operation;

(d) direct costs of specific projects linked to the implementation of a business plan, a local development strategy other than the

one referred to in Article 29 of Regulation (EU) No [CSF/2012] or an action targeted towards innovation;

(e) costs of promotion activities.

6. Where a business plan or a forest management plan or equivalent or a development strategy is implemented, Member States may grant the aid either as a global amount covering the costs of co-operation and the costs of the projects implemented or cover only the costs of the co-operation and use funds from other measures or other Union Funds for project implementation.

7. Co-operation among actors located in different regions or Member States shall also be eligible for support.

8. Support shall be limited to a maximum period of seven years except for collective environmental action in duly justified cases.

9. Co-operation under this measure may be combined with projects supported by Union funds other than the EAFRD in the same territory. Member States shall ensure that overcompensation as a result of the combination of this measure with other national or Union support instruments is avoided.

10. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the further specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets that will be eligible for support, as well as concerning the conditions for granting aid to the types of *operation* listed in paragraph 2.

one referred to in Article 29 of Regulation (EU) No .../2013 [CSF] or an action targeted towards innovation;

(e) costs of promotion activities.

6. Where a business plan or a forest management plan or equivalent or a development strategy is implemented, Member States may grant the aid either as a global amount covering the costs of co-operation and the costs of the projects implemented or cover only the costs of the co-operation and use funds from other measures or other Union Funds for project implementation.

7. Co-operation among actors located in different regions or Member States *as well as co-operation with actors from developing countries* shall also be eligible for support.

8. Support shall be limited to a maximum period of seven years except for collective environmental action in duly justified cases.

9. Co-operation under this measure may be combined with projects supported by Union funds other than the EAFRD in the same territory. Member States shall ensure that overcompensation as a result of the combination of this measure with other national or Union support instruments is avoided.

10. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the further specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets that will be eligible for support, as well as concerning the conditions for granting aid to the types of *co-operation* listed in paragraph 2.

Amendment 79

Proposal for a regulation
Article 37

Text proposed by the Commission

Article 37

Risk management

1. Support under this measure shall cover:
- (a) financial contributions, paid directly to farmers, to premiums for crop, animal and plant insurance against economic losses caused by adverse climatic events and animal or plant diseases or pest infestation;
 - (b) financial contributions to mutual funds to pay financial compensations to farmers, for economic losses caused by the outbreak of an animal or plant disease *or* an environmental incident;
 - (c) an income stabilisation tool, in the form of financial contributions to mutual funds, providing compensation to farmers who experience a severe drop in their income.

2. For the purpose of paragraph 1 points (b) and (c), ‘mutual fund’ shall mean a scheme accredited by the Member State in accordance with its national law for affiliated farmers to insure themselves, whereby compensation payments are made to affiliated farmers affected by economic losses caused by the outbreak of an animal or plant disease *or* an environmental incident or experiencing a severe drop in their income.

3. Member States shall ensure that overcompensation as a result of the combination of this measure with other national or Union support instruments or private insurance schemes is avoided.
Direct income support received under the

Amendment

Article 37

Risk management

1. Support under this measure shall cover:
- (a) financial contributions, paid directly to farmers ***or to groups of farmers***, to premiums for crop, animal and plant insurance against economic losses caused by adverse climatic events and animal or plant diseases or pest infestation;
 - (b) financial contributions to mutual funds to pay financial compensations to farmers, for economic losses caused by the outbreak of an animal or plant disease, ***harmful organisms***, an environmental incident ***or adverse climatic events, including draughts***;
 - (c) an income stabilisation tool, in the form of financial contributions to mutual funds ***or insurance***, providing compensation to farmers who experience a severe drop in their income ***or of financial contributions paid directly to farmers for the payment of insurance premiums to cover the risk of a severe drop in income***.

2. For the purpose of paragraph 1 points (b) and (c), ‘mutual fund’ shall mean a scheme accredited by the Member State in accordance with its national law for affiliated farmers to insure themselves, whereby compensation payments are made to affiliated farmers affected by economic losses caused by the outbreak of an animal or plant disease, ***harmful organisms***, an environmental incident ***or adverse climatic events*** or experiencing a severe drop in their income.

3. Member States shall ensure that overcompensation as a result of the combination of this measure with other national or Union support instruments or private insurance schemes is avoided.

European Globalisation Adjustment Fund³⁶ (hereinafter "EGF") shall also be taken into consideration when estimating the income levels of farmers.

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the minimum and maximum duration of the commercial loans to mutual funds referred to in Articles 39(3)(b) and 40(4).

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the minimum and maximum duration of the commercial loans to mutual funds referred to in Articles 39(3)(b) and 40(4).

The Commission shall carry out a mid-term review concerning the implementation of the risk management measure and shall subsequently submit a report to the European Parliament and the Council. The report shall be accompanied, where necessary, by appropriate legislative proposals for improvement of the implementation of the risk management measure.

Amendment 80

Proposal for a regulation Article 38

Text proposed by the Commission

Article 38

Crop, animal, and plant insurance

1. Support under Article 37(1)(a) shall only be granted for insurance contracts which cover for loss caused by an adverse climatic event or by an animal or plant disease or a pest infestation or a measure adopted in accordance with Directive 2000/29/EC to eradicate or contain a plant disease or pest which ***destroys*** more than 30 % ***of*** the average annual production of the farmer ***in*** the preceding ***three-year period*** or a ***three-year average based on*** the preceding ***five-year period***, excluding the highest and lowest ***entry***.

Amendment

Article 38

Crop, animal, and plant insurance

1. Support under Article 37(1)(a) shall only be granted for insurance contracts which cover loss caused by an adverse climatic event or by an animal or plant disease or a pest infestation or ***for*** a measure adopted in accordance with Directive 2000/29/EC to eradicate or contain a plant disease or pest which ***results in a reduction of annual production of*** more than 30 % ***as compared to*** the average annual production of the farmer. ***That average annual production shall be calculated by taking the figures for*** the preceding ***three years*** or ***for*** the preceding ***five years and*** excluding the highest and lowest ***figures, or, in duly justified exceptional circumstances, by taking the figures for a specific year in the preceding five years.***

The measurement of the extent of the loss caused may be tailored to the specific characteristics of each type of product using

(a) biological indexes (quantity of biomass loss) or equivalent yield loss indexes established at farm, local, regional or national level, or

(b) weather indexes (including quantity of rainfall and temperature) established at local, regional or national level.

2. The occurrence of an adverse climatic event or the outbreak of an animal or plant disease or pest infestation has to be formally recognised as such by the competent authority of the Member State concerned.

Member States may, where appropriate, establish in advance criteria on the basis of which such formal recognition shall be deemed to be granted.

3. Insurance payments shall compensate for not more than the total of the cost of replacing the losses referred to in Article 37(1)(a) and shall not require or specify the type or quantity of future production.

Member States may limit the amount of the premium that is eligible for support by applying appropriate ceilings.

4. Support shall be limited to the maximum rate laid down in Annex I.

2. The occurrence of an adverse climatic event or the outbreak of an animal or plant disease or pest infestation has to be formally recognised as such by the competent authority of the Member State concerned.

Member States may, where appropriate, establish in advance criteria on the basis of which such formal recognition shall be deemed to be granted.

3. Insurance payments shall compensate for not more than the total of the cost of replacing the losses referred to in Article 37(1)(a) and shall not require or specify the type or quantity of future production.

Member States may limit the amount of the premium that is eligible for support by applying appropriate ceilings.

4. Support shall be limited to the maximum rate laid down in Annex I.

Amendment 81

Proposal for a regulation

Article 39

Text proposed by the Commission

Article 39

Mutual funds for animal and plant diseases and environmental incidents

1. In order to be eligible for support the

Amendment

Article 39

*Mutual funds for animal and plant diseases, **harmful organisms**, and environmental incidents **and adverse climatic events***

1. In order to be eligible for support the

mutual fund concerned shall:

- (a) be accredited by the competent authority in accordance with national law;
- (b) have a transparent policy towards payments into and withdrawals from the fund;
- (c) have clear rules attributing responsibilities for any debts incurred.

2. Member States shall define the rules for the constitution and management of the mutual funds, in particular for the granting of compensation payments to farmers in the event of crisis and for the administration and monitoring of compliance with these rules.

3. The financial contributions referred to in Article 37(1)(b) may only relate to:

- (a) the administrative costs of setting up the mutual fund, spread over a maximum of three years in a degressive manner;
- (b) the amounts paid by the mutual fund as financial compensation to farmers. In addition, the financial contribution may relate to interest on commercial loans taken out by the mutual fund for the purpose of paying the financial compensation to farmers in case of crisis.

No contribution by public funds shall be made to initial capital stock.

4. As regards animal diseases, financial compensation under Article 37(1)(b) may **only** be granted in respect of diseases mentioned in the list of animal diseases established by the World Organisation for

mutual fund concerned shall:

- (a) be accredited by the competent authority in accordance with national law;
- (b) have a transparent policy towards payments into and withdrawals from the fund;
- (c) have clear rules attributing responsibilities for any debts incurred.

2. Member States shall define the rules for the constitution and management of the mutual funds, in particular for the granting of compensation payments to farmers in the event of crisis and for the administration and monitoring of compliance with these rules. ***Member States may decide to complement mutual funds by insurance systems.***

Farmers shall only be eligible for compensation payments if they have taken all necessary precautionary measures to improve the resilience of their holding against environmental degradation, animal and plant diseases, harmful organisms and climate change events.

3. The financial contributions referred to in Article 37(1)(b) may only relate to:

- (a) the administrative costs of setting up the mutual fund, spread over a maximum of three years in a degressive manner;
- (b) the amounts paid by the mutual fund as financial compensation to farmers. In addition, the financial contribution may relate to interest on commercial loans taken out by the mutual fund for the purpose of paying the financial compensation to farmers in case of crisis ***or to the insurance premiums for policies taken out by the mutual fund at market cost.***

No contribution by public funds shall be made to initial capital stock.

4. As regards animal diseases, financial compensation under Article 37(1)(b) may be granted in respect of diseases mentioned in the list of animal diseases established by the World Organisation for Animal Health

Animal Health *and/or* in the Annex to Decision 90/424/EEC.

5. Support shall be limited to the maximum support rate laid down in Annex I.

Member States may limit the costs that are eligible for support by applying:

- (a) ceilings per fund;
- (b) appropriate per unit ceilings.

or in the Annex to Decision 90/424/EEC *and in respect of bee diseases*.

5. Support shall be limited to the maximum support rate laid down in Annex I.

Member States may limit the costs that are eligible for support by applying:

- (a) ceilings per fund;
- (b) appropriate per unit ceilings.

Amendment 82

Proposal for a regulation Article 40

Text proposed by the Commission

Article 40

Income stabilisation tool

1. Support under Article 37(1)(c) may only be granted where the drop of income exceeds 30% of the average annual income of the individual farmer in the preceding three-year period or a three-year average based on the preceding five-year period excluding the highest and lowest entry.

Income for the purposes of Article 37(1)(c) shall refer to the sum of revenues the farmer receives from the market, including any form of public support, deducting input costs. Payments by the mutual fund to farmers shall compensate for not more than 70% of the income lost.

2. In order to be eligible for support the mutual fund concerned shall:

- (a) be accredited by the competent authority in accordance with national law;
- (b) have a transparent policy towards payments into and withdrawals from the fund;
- (c) have clear rules attributing responsibilities for any debts incurred.

3. Member States shall define the rules for the constitution and management of the mutual funds, in particular for the granting of compensation payments to farmers in

Amendment

Article 40

Income stabilisation tool

1. Support under Article 37(1)(c) may only be granted where the drop of income exceeds 30% of the average annual income of the individual farmer in the preceding three-year period or a three-year average based on the preceding five-year period excluding the highest and lowest entry.

Income for the purposes of Article 37(1)(c) shall refer to the sum of revenues the farmer receives from the market, including any form of public support, deducting input costs. Payments by the mutual fund *or insurance* to farmers shall compensate for not more than 70% of the income lost.

2. In order to be eligible for support the mutual fund concerned shall:

- (a) be accredited by the competent authority in accordance with national law;
- (b) have a transparent policy towards payments into and withdrawals from the fund;
- (c) have clear rules attributing responsibilities for any debts incurred.

3. Member States shall define the rules for the constitution and management of the mutual funds, in particular for the granting of compensation payments to farmers in

the event of crisis and for the administration and monitoring of compliance with these rules.

4. The financial contributions referred to in Article 37(1)(c) *may* only relate to the amounts paid by the mutual fund as financial compensation to farmers. In addition, the financial contribution may relate to interest on commercial loans taken out by the mutual fund for the purpose of paying the financial compensation to farmers in case of crisis.

No contribution by public funds shall be made to initial capital stock.

5. Support shall be limited to the maximum rate laid down in Annex I.

Amendment 83

Proposal for a regulation

Article 41 – paragraph 1 – point c

Text proposed by the Commission

(c) demarcation with other measures, conversion to units other than those used in Annex I, calculation of transaction costs and conversion or adjustment of commitments under the agri-environment-climate measure referred to in Article 29, the organic farming measure referred to in Article 30 and the forest-environmental and climate services and forest conservation measure referred to in Article 35;

(17) *Justification*

Article 34 also mentions transaction costs whereby these should be outlined in this context along with the transaction costs of the other measures.

Amendment 84

the event of crisis and for the administration and monitoring of compliance with these rules.

The financial contributions referred to in Article 37(1)(c) *shall only be granted for insurance policies covering the losses of income referred to in paragraph 1 or, alternatively, shall* only relate to the amounts paid by the mutual fund as financial compensation to farmers. In addition, the financial contribution may relate to interest on commercial loans taken out by the mutual fund for the purpose of paying the financial compensation to farmers in case of crisis.

No contribution by public funds shall be made to initial capital stock.

5. Support shall be limited to the maximum rate laid down in Annex I.

Amendment

(c) demarcation with other measures, conversion to units other than those used in Annex I, calculation of transaction costs and conversion or adjustment of commitments under the agri-environment-climate measure referred to in Article 29, the organic farming measure referred to in Article 30, *the animal welfare measure referred to in Article 34* and the forest-environmental and climate services and forest conservation measure referred to in Article 35;

Proposal for a regulation
Article 42 – paragraph 1

Text proposed by the Commission

1. In addition to the tasks referred to in Article 30 of Regulation (EU) No [CSF/2012] local action groups may also perform additional tasks delegated to them by the Managing Authority and/or the paying agency.

Amendment

1. In addition to the tasks referred to in Article 30 of Regulation (EU) No .../2013 [CSF] local action groups may also:

(a) perform additional tasks delegated to them by the Managing Authority and/or the paying agency, *or*

(b) *implement alone or together with partners operations with a wide territorial dimension, so-called "umbrella projects", within local development strategy.*

(18) *Justification*

We propose to allow local action groups for independent implementation of projects in the framework of local development strategy of the broad territorial reach, with participation of partners from the LDS area. The current regulations limit the role of LAGs to being an intermediary in transfer of financial means and an animator. It seems that possibility of realisation of flagship projects in the framework of a strategy would create a significant added value. Moreover, our polish experiences show that there is a huge demand for small-scale projects of short duration. Unfortunately, in situation when they have to follow the same administrative path, many applicants resign. Thanks to the proposed amendment, those partners would have contact only with a LAG and they would not need to get through the complicated administrative path.

Amendment 85

Proposal for a regulation
Article 43 – paragraph 1 – point b

Text proposed by the Commission

(b) capacity building, training and networking with a view to preparing and implementing a local development strategy.

Amendment

(b) capacity building, training and networking with a view to preparing and implementing a **community-led** local development strategy.

Amendment 86

Proposal for a regulation
Article 43 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) the possibility for existing local action groups to perform the research and planning of community projects necessary in order to apply for new areas to be covered by the Leader programme.

Amendment 87

Proposal for a regulation
Article 44 - paragraph 1 - point (a) – subparagraph 1

Text proposed by the Commission

Amendment

(a) inter-territorial or transnational co-operation projects;

(a) inter-territorial or transnational co-operation projects, ***including cooperation projects with developing countries;***

Or. en

(19) *Justification*

PCD goes beyond the "do-no-harm" principle, implying that possible synergetic effects of EU internal policies with regard to development objectives should be explored. The Commission Communication and Council Conclusions for a Food Security Policy framework highlight the need to involve key stakeholder groups, such as community development groups, farmer organisations and women's associations, in policy making on rural and agricultural development. This could also be supported through transnational exchanges in the context of LEADER projects.

Amendment 180

Proposal for a regulation
Article 42 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Local action groups comprise also existing LEADER-groups already qualified under Leader II¹ or Leader+² or Article 62 of COUNCIL REGULATION (EC) No 1698/2005 (EAFRD)³ provided that these groups fulfil all requirements laid down in Articles 28, 29 and 30 of the Regulation [CPR].

¹ *Commission notice to the Member States laying down guidelines for global grants or integrated operational programmes for which Member States are invited to submit applications for assistance in the framework of a Community initiative for rural development (Leader II) (OJ C 180, 1.7.1994, p. 48).*

² *Commission notice to the Member States of 14 April 2000 laying down guidelines for the Community initiative for rural development (Leader+) (OJ C 139, 18.5.2000, p. 5). Notice as last amended by Commission communication amending the notice to the Member States of 14 April 2000 laying down guidelines for the Community Initiative for rural development (Leader+) (OJ C 294, 4.12.2003, p. 11).*

³ *Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).*

Amendment 88

Proposal for a regulation Article 44 – paragraph 2 – point b a (new)

Text proposed by the Commission

Amendment

(ba) bodies that pursue development objectives consistent with the priorities laid down in Article 5 of this Regulation.

Amendment 89

Proposal for a regulation Article 45 – paragraph 2

Text proposed by the Commission

Amendment

2. Costs for the animation of the territory referred to in Article 31(d) of Regulation (EU) No [CSF/2012] are costs to **cover actions** to inform about the local

2. Costs for the animation of the territory referred to in Article 31(d) of Regulation (EU) No .../2013 [CSF] are costs **incurred in order to facilitate the exchange**

development strategy *as well as project development tasks.*

between stakeholders, to inform about *and to promote* the local development strategy, *and to support potential beneficiaries in the development of projects and in the preparation of applications*

Amendment 90

Proposal for a regulation

Article 46

Text proposed by the Commission

Amendment

Article 46

Article 46

Investments

Investments

1. In order to be eligible for EAFRD support investment operations shall be preceded by an assessment of the expected environmental impact in accordance with *legislation* specific to that kind of investment **where the investment is likely to have negative effects on the environment.**

1. Member States may make the eligibility of investment operations conditional on a prior assessment of the expected environmental impact in accordance with **national and Union law** specific to that kind of investment. **Member States may give priority to investments which:**

- (a) substantially improve the environmental, climate and animal-welfare performance of the holdings;**
- (b) help to diversify the income sources of farmers; or**
- (c) consist of joint activities.**

2. Eligible expenditure shall be limited to:

2. Eligible expenditure shall be limited to:

- (a) the construction, acquisition, including leasing, or improvement of immovable property;
- (b) the purchase or lease purchase of new machinery and equipment including computing software up to the market value of the asset;
- (c) general costs linked to expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, feasibility studies, the acquisition of patents or licenses.

- (a) the construction, acquisition, including leasing, or improvement of immovable property;
- (b) the purchase or lease purchase of new machinery and equipment including computing software up to the market value of the asset;
- (c) general costs linked to expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, **fees relating to advice on environmental and economic sustainability , including** feasibility studies, **and** the acquisition of patents or licenses.

3. In the case of irrigation, **only**

3. In the case of irrigation, **new**

investments *that lead to a reduction of previous water use by at least 25%* shall be considered as eligible expenditure. *By way of derogation, in the Member States that adhered to the Union from 2004 onwards investments in new irrigation installations can be considered eligible expenditure in cases where an environmental analysis provides evidence that the investment concerned is sustainable and has no negative environmental impact.*

4. In the case of agricultural investments, the purchase of agricultural production rights, payment entitlements, animals, annual plants and their planting shall not be eligible for investment support. However, in case of restoration of agricultural production potential damaged by natural disasters in accordance with Article 19(1)(b), expenditure for the purchase of animals may be eligible expenditure.

5. Beneficiaries of investment related support may request the payment of an advance of up to 50% of the public aid related to the investment from the competent paying agencies if that option is included in the rural development programme.

6. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the conditions under which other costs connected with leasing contracts, second hand equipment and simple replacement investments may be considered as eligible expenditure.

Amendment 91

Proposal for a regulation Article 49 – paragraph 1

Text proposed by the Commission

1. The Managing Authority of the rural development programme shall define selection criteria for operations under all measures following consultation with the

investments, *including the modernisation of existing systems for the improvement of water use efficiency and energy efficiency*, shall be considered to be eligible expenditure. *In areas where river basin management plans, with associated implementation programmes, have been drawn up under Directive 2000/60/EC, those investments shall only be considered to be eligible expenditure if they comply with the environmental objectives of such plans.*

4. In the case of agricultural investments, the purchase of agricultural production rights, payment entitlements, animals, annual plants and their planting shall not be eligible for investment support. However, in case of restoration of agricultural production potential damaged by natural disasters in accordance with Article 19(1)(b), expenditure for the purchase of animals may be eligible expenditure.

5. Beneficiaries of investment related support may request the payment of an advance of up to 50% of the public aid related to the investment from the competent paying agencies if that option is included in the rural development programme.

6. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the conditions under which other costs connected with leasing contracts, second hand equipment and simple replacement investments may be considered as eligible expenditure.

Amendment

1. The Managing Authority of the rural development programme shall define selection criteria for operations under all measures following consultation with the

Monitoring Committee. Selection criteria shall aim to ensure ***equal treatment of applicants***, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development. In defining ***selection*** criteria the principle of proportionality shall be taken into account ***in relation to small grants***.

Monitoring Committee. ***The*** selection criteria shall aim to ensure ***that the measures targeting agricultural holdings are applied only to ‘active farmers’ as defined in Regulation (EU) No .../2013 [DP]. Moreover, these criteria shall aim to ensure a*** better use of financial resources and targeting of measures in accordance with the Union priorities for rural development. In defining ***and applying*** these criteria the principle of proportionality shall be taken into account.

(20) *Justification*

Support through measures targeting agricultural holdings should only benefit ‘active farmers’ as defined by the proposed regulation on CAP direct payments. If this distinction is made in the first pillar, it must also be made in the second pillar.

Amendment 92

Proposal for a regulation
Article 50 – paragraph 1

Text proposed by the Commission

For the purposes of this Regulation the Managing Authority shall define "rural area" at programme level.

Amendment

For the purposes of this Regulation the Managing Authority shall define "rural area" at programme level. ***It may also designate various specific areas within a given measure where there is objective justification for so doing.***

Amendment 93

Proposal for a regulation
Article 51 – paragraph 2

Text proposed by the Commission

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

Amendment

deleted

Amendment 94

Proposal for a regulation
Article 51 – paragraph 3 – subparagraph 1

Text proposed by the Commission

At the initiative of the Member States up to 4% of the total amount of each rural development programme may be devoted to the tasks referred to in Article 52 of Regulation (EC) No [CSF/2012], as well as costs related to preparatory work for the delimitation of areas facing natural constraints referred to in Article 33(3).

Amendment

At the initiative of the Member States up to 4% of the total amount of each rural development programme may be devoted to the tasks referred to in Article 52 of Regulation (EU) No .../2013 [CSF], as well as costs related to preparatory work for the delimitation of areas facing natural **and other specific** constraints referred to in Article 33.

Amendment 95

Proposal for a regulation
Article 52 – paragraph 2 – point a

Text proposed by the Commission

(a) increase the involvement of stakeholders in the implementation of rural development;

Amendment

(a) increase the involvement of **agricultural, forestry and other rural** stakeholders in the implementation of rural development;

Amendment 96

Proposal for a regulation
Article 52 – paragraph 4

Text proposed by the Commission

4. The Commission shall, **by means of implementing acts, set out** the organisational structure and operation of the European network for rural development *network*. **These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 91.**

Amendment

4. The Commission shall **be empowered to adopt delegated acts, in accordance with Article 90, concerning** the organisational structure and operation of the European network for rural development.

(21) *Justification*

This is not a purely technical decision.

Amendment 97

Proposal for a regulation
Article 53

Text proposed by the Commission

Article 53
EIP network

1. A EIP network shall be put in place to support the EIP for agricultural **productivity** and sustainability referred to in Article 61, in accordance with Article 51(1). It shall enable the networking of operational groups, advisory services and researchers
2. The tasks of the EIP network shall be to:
 - (a) provide a help desk function and provide information to key actors concerning the EIP;
 - (b) animate discussions at the level of the programme in view of encouraging the setting up of operational groups;**
 - (c) screen and report on research results and knowledge relevant to the EIP;**
 - (d) collect, consolidate and disseminate **good practice** relevant to innovation;
 - (e) organise conferences and workshops and disseminate information in the field of the EIP.**
3. The Commission shall, **by means of implementing acts, set out** the organisational structure and operation of the EIP network. **These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 91.**

Amendment

Article 53
EIP network

1. A EIP network shall be put in place to support the EIP for agricultural **production, economic viability** and sustainability referred to in Article 61, in accordance with Article 51(1). It shall enable the networking of operational groups, advisory services and researchers
2. The tasks of the EIP network shall be to:
 - (a) provide a help desk function and provide information to key actors, **particularly primary producers, those that supply them and those that they supply,** concerning the EIP;
 - (d) collect, consolidate and disseminate **research findings and new technologies** relevant to innovation **and knowledge exchange;**
 - (da) establish a dialogue between farmers and the research community.**
3. The Commission shall **be empowered to adopt delegated acts, in accordance with Article 90, concerning** the organisational structure and operation of the EIP network.

Amendment 98

Proposal for a regulation
Article 54 – paragraph 3

Text proposed by the Commission

3. The Commission shall, **by means of implementing acts, set out** the organisational structure and operation of the European evaluation network for rural development. **These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 91.**

Amendment

3. The Commission shall **be empowered to adopt delegated acts, in accordance with Article 90, concerning** the organisational structure and operation of the European evaluation network for rural development.

(22) *Justification*

This is not a purely technical decision.

Amendment 99

Proposal for a regulation
Article 55 – paragraph 2 – point c

Text proposed by the Commission

(c) inform the broader public and potential beneficiaries on rural development policy;

Amendment

(c) inform the broader public and potential beneficiaries on rural development policy **and funding opportunities;**

Amendment 100

Proposal for a regulation
Article 55 – paragraph 2 – point d

Text proposed by the Commission

d) foster innovation in agriculture

Amendment

(d) foster innovation in agriculture **and forestry.**

Amendment 101

Proposal for a regulation
Article 55 – paragraph 3 – point b – introductory part

Text proposed by the Commission

(b) for the preparation and implementation of an action plan **containing at least** the following:

Amendment

(b) for the preparation and implementation of an action plan **which may contain** the following:

Amendment 102

Proposal for a regulation

Article 55 – paragraph 3 – point b – point iii

Text proposed by the Commission

Amendment

(iii) support for monitoring, in particular through collection and sharing of relevant feed-back, recommendations and analysis notably from the Monitoring Committees referred to in Article 41 of Regulation (EU) No [CSF/2012]. Local action groups shall also be supported by the national rural network for the monitoring and evaluation of the local development strategies; *deleted*

Amendment 103

Proposal for a regulation

Article 55 – paragraph 3 – point b – point v

Text proposed by the Commission

Amendment

(v) collection of examples of projects covering all priorities of the rural development programmes; *deleted*

Amendment 104

Proposal for a regulation

Article 55 – paragraph 3 – point b – point vi

Text proposed by the Commission

Amendment

(vi) ongoing studies and analysis; *deleted*

Amendment 105

Proposal for a regulation

Article 55 – paragraph 3 – point b – point vii

Text proposed by the Commission

Amendment

(vii) networking activities for local action groups and in particular technical assistance for inter-territorial and transnational co-operation, facilitation of co-operation among local action groups *deleted*

and the search of partners for the measure referred to in Article 36;

Amendment 106

Proposal for a regulation

Article 55 – paragraph 3 – point b – point vii a (new)

Text proposed by the Commission

Amendment

(vii a) a plan to encourage local digital or physical "one-stop-shops", digital or physical, to make information on rural development programmes and the other CSF Fund programmes locally accessible for potential beneficiaries.

Amendment 107

Proposal for a regulation

Article 55 – paragraph 3 – point c

Text proposed by the Commission

Amendment

c) the setting up of a pre-selection board of independent experts and the process of pre-selection of applications for the prize for innovative local co-operation referred to in Article 58(2).

deleted

Amendment 108

Proposal for a regulation

Article 55 – paragraph 4

Text proposed by the Commission

Amendment

4. The Commission shall, **by means of implementing acts, adopt rules** for the establishment and operation of national rural networks. **These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 91.**

4. The Commission shall **be empowered to adopt delegated acts, in accordance with Article 90, concerning** the establishment and operation of national rural networks.

(23) *Justification*

This is not a purely technical decision.

Amendment 109

Proposal for a regulation

Article 56

Text proposed by the Commission

Amendment

Article 56

deleted

Prize for innovative, local cooperation in rural areas

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

Amendment 110

Proposal for a regulation

Article 57

Text proposed by the Commission

Amendment

Article 57

deleted

Call for proposals

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

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

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

Amendment 111

Proposal for a regulation
Article 58

Text proposed by the Commission

Amendment

Article 58

deleted

Selection procedure

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

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

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

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

Amendment 112

Proposal for a regulation
Article 59

Text proposed by the Commission

Amendment

Article 59

deleted

Financial Prize – conditions and payment

- 1. In order for projects to be eligible for the prize, the time required for their completion shall not exceed two years from the date of adoption of the implementing act awarding the prize. The time frame of realisation of the project shall be defined in the application.*
- 2. The prize shall be granted in the form of a lump sum payment. The amount of the payment shall be determined by the Commission, by means of implementing acts, in line with criteria defined in the call for proposals and taking into account the estimated cost of realisation of the project indicated in the application. The maximum prize per project shall not exceed 100 000 euro.*
- 3. Member States shall pay the award to winning applicants after verifying that the project has been completed. The relevant expenditure shall be reimbursed by the Union to Member States in accordance with the provisions of Section 4 of Chapter II of Title IV of Regulation (EU) No HR/2012. Member States may decide to pay fully or partly the sum of the prize to the winning applicants before having verified the completion of the project but they shall, in this case, bear the responsibility for the expenditure until the completion of the project is verified.*

Amendment 113

Proposal for a regulation Article 60

Text proposed by the Commission

Amendment

Article 60

deleted

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

The Commission shall by means of implementing acts lay down detailed provisions on the procedure and timetables for the selection of projects and rules on the setting up of the steering group of independent experts referred to

in Article 58(3). These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 91.

Amendment 114

Proposal for a regulation Title IV

Text proposed by the Commission

EIP for agricultural productivity and sustainability

Amendment

EIP for agricultural **production, economic viability** and sustainability

Amendment 115

Proposal for a regulation Article 61

Text proposed by the Commission

Article 61

Aims

1. The EIP for agricultural **productivity** and sustainability shall:

(a) promote a resource efficient, productive, low emission, climate friendly and resilient agricultural sector, working in harmony with the essential natural resources on which farming **depends**;

(b) help deliver a steady supply of food, feed and biomaterials, both existing and new ones;

(c) improve processes to preserve the environment, adapt to climate change and mitigate it;

(d) build bridges between cutting-edge research knowledge and technology and farmers, businesses and advisory services.

Amendment

Article 61

Aims

1. The EIP for agricultural **production, economic viability** and sustainability shall:

(a) promote a resource efficient, productive, **competitive** low emission, climate friendly and resilient agricultural **and forestry** sector, working in harmony with the essential natural resources on which farming **and forestry depend**;

(b) help **to sustainably increase productivity of European agriculture and** deliver a steady supply of food, feed and biomaterials, both existing and new ones;

(c) improve processes to preserve the environment, **promote agro-ecological production systems** adapt to climate change and mitigate it; **and**

(d) build bridges between cutting-edge research knowledge and technology and farmers, **forest managers, rural communities**, businesses, **NGOs** and advisory services.

(da) facilitate the exchange of research, knowledge and technology relevant for

2. The EIP for agricultural **productivity** and sustainability shall seek to achieve its aims by:

(a) creating added value by better linking research and farming practice and encouraging the wider use of available innovation measures;

(b) promoting the faster and wider transposition of innovative solutions into practice; **and**

(c) informing the scientific community about the research needs of farming practice.

3. The EAFRD shall contribute to the aims of the EIP for agricultural **productivity** and sustainability through support, in accordance with Article 36, of the EIP operational groups referred to in Article 62 and the EIP Network referred to in Article 53.

Amendment 116

Proposal for a regulation Article 62

Text proposed by the Commission

Article 62

agricultural productivity and sustainability between the Union and developing countries, paying particular attention to the needs of smallholder farmers.

2. The EIP for agricultural **production, economic viability** and sustainability shall seek to achieve its aims by:

(a) creating added value by better linking research and farming practice and encouraging the wider use of available innovation measures ***through a participatory approach on the part of stakeholders;***

(b) promoting the faster and wider transposition of innovative solutions into practice;

(c) informing the scientific community about the research needs of farming practice; ***and***

(ca) cooperating with relevant networks and institutions in developing countries.

(cb) identifying regulatory bottlenecks impeding innovation and investment in research and development, in accordance with the principles established in the Commission Communications on ‘Better regulation for growth and jobs in the European Union’ and on ‘Smart regulation in the European Union’.

3. The EAFRD shall contribute to the aims of the EIP for agricultural **production, economic viability** and sustainability through support, in accordance with Article 36, of the EIP operational groups referred to in Article 62 and the EIP Network referred to in Article 53.

Amendment

Article 62

Operational groups

1. EIP operational groups shall form part of the EIP for agricultural **productivity** and sustainability. They shall be set up by interested actors such as farmers, researchers, advisors and businesses involved in the agriculture and food sector.

2. EIP operational groups shall establish internal procedures that ensure transparency in their operation and avoid situations of conflict of interest.

Amendment 117

Proposal for a regulation Article 63

Text proposed by the Commission

Article 63

Tasks of operational groups

1. EIP operational groups shall draw up a plan that contains the following:
 - (a) a description of the innovative project to be developed, tested, adapted or implemented;
 - (b) a description of the expected results and the contribution to the EIP objective of enhancing productivity and sustainable resource management.
2. In implementing their innovative projects operational groups shall:
 - (a) make decisions on the elaboration and

Operational groups

1. EIP operational groups shall form part of the EIP for agricultural **production, economic viability** and sustainability. They shall be set up by interested actors such as farmers, researchers, advisors and businesses involved in the agriculture and food sector. ***The formation of an operational group shall be determined by a consensus on the part of stakeholders representing the broad spectrum of interests across the fields of agriculture rural development and research. Operational groups shall not be set up by a single stakeholder or by a group of stakeholders representing only one set of interests. Operational groups can operate within the borders of a Member State, have members in more than one Member State and in third countries.***

2. EIP operational groups shall establish internal procedures that ensure transparency in their operation and avoid situations of conflict of interest.

Amendment

Article 63

Tasks of operational groups

1. EIP operational groups shall draw up a plan that contains the following:
 - (a) a description of the innovative project to be developed, tested, adapted or implemented;
 - (b) a description of the expected results and the contribution to the EIP objective of enhancing productivity and sustainable resource management.
2. In implementing their innovative projects operational groups shall:
 - (a) make decisions on the elaboration and

implementation of innovative actions; and
(b) implement innovative actions through measures financed through the rural development programmes.

3. Operational groups shall disseminate the results of their project, in particular through the EIP network.

Amendment 118

Proposal for a regulation

Article 64

Text proposed by the Commission

Article 64

Resources and their distribution

1. The total amount of Union support for rural development under this Regulation for the period from 1 January 2014 to 31 December 2020, its annual breakdown and the minimum amount to be concentrated in less developed regions shall be fixed by the European Parliament and the Council, on a proposal from the Commission in accordance with the multiannual financial framework for the years 2014 to 2020 and the Interinstitutional Agreement on cooperation in budgetary matters and on sound financial management for the same period.

2. 0,25% of the resources referred to in paragraph 1 shall be devoted to technical assistance for the Commission as referred to in Article 51(1).

3. For the purpose of their programming and subsequent inclusion in the general budget of the Union, the amounts referred to in paragraph 1 shall be indexed at 2% per year.

4. **The Commission shall, by means of an implementing act, make an** annual breakdown by Member State of the amounts referred to in paragraph 1, after

implementation of innovative actions; and
(b) implement innovative actions through measures financed through the rural development programmes, **or the Horizon 2020 and other Union research programmes, facilitating the application of research results in practice by farmers.**

3. Operational groups shall disseminate the results of their project, in particular through the EIP network.

Amendment

Article 64

Resources and their distribution

1. The total amount of Union support for rural development under this Regulation for the period from 1 January 2014 to 31 December 2020, its annual breakdown and the minimum amount to be concentrated in less developed regions shall be fixed by the European Parliament and the Council, on a proposal from the Commission in accordance with the multiannual financial framework for the years 2014 to 2020 and the Interinstitutional Agreement on cooperation in budgetary matters and on sound financial management for the same period.

2. 0,25% of the resources referred to in paragraph 1 shall be devoted to technical assistance for the Commission as referred to in Article 51(1).

3. For the purpose of their programming and subsequent inclusion in the general budget of the Union, the amounts referred to in paragraph 1 shall be indexed at 2% per year.

4. The annual breakdown by Member State of the amounts referred to in paragraph 1, after deduction of the amount referred to in paragraph 2 and taking into account the

deduction of the amount referred to in paragraph 2 and taking into account the transfer of funds referred to in Article 14(2) of Regulation (EU) No DP/2012. ***In making the annual breakdown the Commission shall take into account:***

- (a) objective criteria linked to the objectives referred to in Article 4; and***
- (b) past performance.***

5. In addition to the amounts referred to in paragraph 4, the implementing act referred to in the same paragraph shall also include the funds transferred to the EAFRD in application of Articles 7(2) and 14(1) of Regulation (EU) No DP/2012 and the funds transferred to the EAFRD in application of Articles 10b and 136 of Council Regulation (EC) No 73/2009 in respect of calendar year 2013.

6. For the purposes of the allocation of the performance reserve referred to in Article 20(2) of Regulation (EU) No [CSF/2012], available assigned revenue collected in accordance with Article 45 of Regulation (EU) No HR/2012 for the EAFRD shall be added to the amounts referred to in Article 18 of Regulation (EU) No [CSF/2012]. It shall be allocated to Member States proportionally to their share of the total amount of support from the EAFRD.

(Commission text in paragraph 5 of Article 64 replaced with text from COM(2012)0553))

Amendment 119

transfer of funds referred to in Article 14(2) of Regulation (EU) No .../2013 [DP] ***is set out in Annex Ia.***

4a. The Commission shall be empowered to adopt delegated acts, in accordance with Article 90, modifying, where necessary, Annex Ia in order to include the funds transferred to the EAFRD pursuant to Article 7(2) and Article 14 of Regulation (EU) No .../2013 [DP].

6. The available assigned revenue collected in accordance with Article 45 of Regulation (EU) No .../2013 [HR] for the EAFRD shall be allocated to Member States proportionally to their share of the total amount of support from the EAFRD.

Proposal for a regulation
Article 65

Text proposed by the Commission

Article 65

Fund contribution

1. The decision approving a rural development programme shall set the maximum contribution from the EAFRD to the programme. The decision shall clearly identify, where necessary, the appropriations allocated to the less developed regions.

2. The EAFRD contribution shall be calculated on the basis of the amount of eligible public expenditure.

3. The rural development programmes shall establish a single EAFRD contribution rate applicable to all measures. Where applicable, a separate EAFRD contribution rate shall be established for less developed regions, and for outermost regions and the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93. The maximum EAFRD contribution rate shall be:

(a) 85% of the eligible public expenditure in the less developed regions, the outermost regions and the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93 ;

(b) 50% of the eligible public expenditure in the other regions.

The minimum EAFRD contribution rate shall be 20%.

4. By way of derogation from paragraph 3, the maximum EAFRD contribution shall be:

(a) 80% for the measures referred to in Articles 15, 28 and 36, for the LEADER local development referred to in Article 28 of Regulation (EU) No [CSF/2012] and for operations under Article 20(1)(a)(i). It may be increased to 90% for the programmes of

Amendment

Article 65

Fund contribution

1. The decision approving a rural development programme shall set the maximum contribution from the EAFRD to the programme. The decision shall clearly identify, where necessary, the appropriations allocated to the less developed regions.

2. The EAFRD contribution shall be calculated on the basis of the amount of eligible public expenditure.

3. The rural development programmes shall establish a single EAFRD contribution rate applicable to all measures. Where applicable, a separate EAFRD contribution rate shall be established for less developed regions, and for outermost regions and the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93. The maximum EAFRD contribution rate shall be:

(a) 85% of the eligible public expenditure in the less developed regions, the outermost regions and the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93;

(b) 50% of the eligible public expenditure in the other regions.

The minimum EAFRD contribution rate shall be 20%.

4. By way of derogation from paragraph 3, the maximum EAFRD contribution shall be:

(a) 80% for the measures referred to in Articles 15, 28 and 36, for the LEADER local development referred to in Article 28 of Regulation (EU) No .../2013 [CSF] and for operations under Article 20(1)(a)(i). It may be increased to 90% for the

less developed regions, the outermost regions and the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93;

(b) 100% for operations receiving funding under Article 66.

programmes of less developed regions, the outermost regions and the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93;

(c) 55 % for the agri-environment-climate measures referred to in Article 29. It may be increased to 90 % for the programmes of less developed regions, outermost regions and smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93.

By way of derogation from paragraph 3 (b), in order to ensure coherence with the level of co-financing rates of other CSF-Funds in transition regions, Member States may increase the maximum EAFRD contribution for measures run under the multi-funds approach in programmes implemented in transition regions as defined in Article 82(2) of Regulation (EU) No .../2013 [CSF].

By way of derogation from paragraph 3, the funds transferred to the EAFRD in application of Article 14 of Regulation (EU) No .../2013 [DP] may be subject to a 95 % EAFRD contribution rate if a Member State fulfils one of the following conditions:

(i) Union financial assistance is made available to it under Council Regulation (EU) No 407/2010 of 11 May 2010 establishing a European financial stabilisation mechanism¹;

(ii) medium-term financial assistance is made available to it in accordance with Council Regulation (EC) No 332/2002 of 18 February 2002 establishing a facility providing medium-term financial assistance for Member States' balances of payments²; or

(iii) financial assistance in the form of an ESM loan is made available to it in accordance with the Treaty establishing the European Stability Mechanism.

5. At least 5%, and in the case of Croatia 2,5%, of the total EAFRD contribution to the rural development programme shall be reserved for Leader.

6. An expenditure co-financed by the EAFRD shall not be co-financed by way of a contribution from the Structural Funds, the Cohesion Fund or any other Union financial instrument.

7. Public expenditure on aid to enterprises shall comply with the aid limits laid down in respect of State aid, unless this Regulation provides otherwise.

4a. The funds derived from the application of Article 14(1a) of Regulation (EU) No .../2013 [DP] shall be reserved for measures under Article 29.

5. At least 5%, and in the case of Croatia 2,5%, of the total EAFRD contribution to the rural development programme shall be reserved for Leader.

5a. At least 25% of the total EAFRD contribution to the rural development programme shall be reserved for measures under Articles 29 and 30.

6. An expenditure co-financed by the EAFRD shall not be co-financed by way of a contribution from the Structural Funds, the Cohesion Fund or any other Union financial instrument. ***This shall not restrict or prevent programming that combines, in a coherent, integrated way, the support by different CSF funds which may be necessary to achieve the thematic objectives in Article 9 of Regulation (EU) No .../2013 [CSF].***

6a. The national contribution to the eligible public expenditure may be replaced by non-commercial private contributions.

7. Public expenditure on aid to enterprises shall comply with the aid limits laid down in respect of state aid, unless this Regulation provides otherwise.

¹ OJ L 118, 12.5.2010, p.1.

² OJ L 53, 23.2.2002, p. 1.

(Commission text in paragraph 5 of Article 65 replaced with text from COM(2012)0553)

Amendment 120

Proposal for a regulation Article 66

Text proposed by the Commission

Article 66

Funding for operations with a significant

Amendment

deleted

contribution to innovation

The funds transferred to the EAFRD in application of Article 7(2) of Regulation (EU) No DP/2012 shall be reserved for operations which provide a significant contribution to innovation relevant to agricultural productivity and sustainability, including climate mitigation or adaptation.

Amendment 121

Proposal for a regulation

Article 67 – paragraph 2 – subparagraph 1

Text proposed by the Commission

Expenditure shall be eligible for an EAFRD contribution only where incurred for operations decided upon by the Managing Authority of the programme in question or under its responsibility, in accordance with selection criteria referred to in Article 49.

Amendment

Expenditure shall be eligible for an EAFRD contribution only where incurred for operations decided upon by the Managing Authority of the programme in question or under its responsibility, in accordance with selection criteria referred to in Article 49, ***with the exception of proposals presented during the transition period between the two programmes, to avoid any hiatus likely to obstruct investment.***

Amendment 181

Proposal for a regulation

Article 67 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. Concerning expenditure, VAT amounts shall be eligible where they are not recoverable under national VAT legislation.

Amendment 122

Proposal for a regulation

Article 69 – paragraph 2

Text proposed by the Commission

Amendment

2. Where aid is granted on the basis of

2. Where aid is granted on the basis of

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

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

(24) *Justification*

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

Amendment 183

Proposal for a regulation

Article 70 – paragraph -1 (new)

Text proposed by the Commission

Amendment

-1. Beneficiaries of support, including local action groups, may request the payment of an advance of up to 50% of public support if that option is included in the rural development programme.

Amendment 123

Proposal for a regulation

Article 73 – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) providing the Commission, on ***a quarterly*** basis, with relevant indicator data on operations selected for funding, including ***key characteristics of the***

(b) providing the Commission, on ***an annual*** basis, with relevant indicator data on operations selected for funding, including ***information about output***

beneficiary as well as the project;

indicators and financial indicators;

(25) *Justification*

A quarterly report leads to an enormous increase of administration, which disagrees with all efforts to simplify.

Amendment 124

Proposal for a regulation

Article 73 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Where a Member State has more than one programme, a coordinating body may be designated with the purpose of at least ensuring consistency in the management of the funds and of providing a link between the Commission and the national management authorities.

(26) *Justification*

As proposed in recital 5 of Regulation 1290/2005 on the financing of the common agricultural policy, it is important to recognise the need for a body coordinating the paying agencies.

Amendment 125

Proposal for a regulation

Article 75 – point a

Text proposed by the Commission

Amendment

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

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

(27) *Justification*

The original wording is too prescriptive.

Amendment 126

Proposal for a regulation

Article 76 – paragraph 1

Text proposed by the Commission

1. A list of common indicators relating to the initial situation as well as to the financial execution, outputs, results **and impact** of the programme and applicable to each programme shall be specified in the monitoring and evaluation system provided for in Article 74 to allow for aggregation of data at Union level.

Amendment 127

**Proposal for a regulation
Article 78 – paragraph 1**

Text proposed by the Commission

Beneficiaries of support under rural development measures and local action groups shall undertake to provide to the Managing Authority and/or to appointed evaluators or other bodies delegated to perform functions on its behalf, all the information necessary to permit monitoring and evaluation of the programme, in particular in relation to meeting specified objectives and priorities.

Amendment 128

**Proposal for a regulation
Article 81 – paragraph 1 – point b**

Text proposed by the Commission

(b) shall examine the **activities and outputs related to the** evaluation plan **of the programme;**

Amendment 129

**Proposal for a regulation
Article 82 – paragraph 1**

Amendment

1. A list of common indicators relating to the initial situation as well as to the financial execution, outputs **and** results of the programme and applicable to each programme shall be specified in the monitoring and evaluation system provided for in Article 74 to allow for aggregation of data at Union level.

Amendment

Beneficiaries of support under rural development measures and local action groups shall undertake to provide to the Managing Authority and/or to appointed evaluators or other bodies delegated to perform functions on its behalf, all the information necessary to permit monitoring and evaluation of the programme, in particular in relation to meeting specified objectives and priorities, **ensuring that the rights to confidentiality and to the protection of personal data enshrined in national and Union law are respected.**

Amendment

(b) shall examine the evaluation plan **presented by the Managing Authority and progress in its implementation.**

Text proposed by the Commission

1. By **31 May** 2016 and by **31 May** each subsequent year until and including **2023**, the Member State shall submit to the Commission an annual implementation report on implementation of the rural development programme in the previous calendar year. The report submitted in 2016 shall cover the calendar years 2014 and 2015.

Amendment

1. By **30 June** 2016 and by **30 June** each subsequent year until and including **2022**, the Member State shall submit to the Commission an annual implementation report on implementation of the rural development programme in the previous calendar year. The **final implementation** report **shall be submitted by the Member State by 31 December 2023**. The report submitted in 2016 shall cover the calendar years 2014 and 2015

Amendment 130

Proposal for a regulation
Article 85

Text proposed by the Commission

In 2023, an ex post evaluation report shall be prepared by the Member States for each of their rural development programmes. This report shall be **submitted to the Commission** by 31 December 2023 at the latest.

Amendment

In 2023, an ex post evaluation report shall be prepared by the Member States for each of their rural development programmes. This report shall be **completed** by 31 December 2023 at the latest.

Amendment 131

Proposal for a regulation
Article 88 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Where Articles 107, 108 and 109 TFEU are applicable, the Commission shall be empowered to adopt delegated acts, in accordance with Article 90, concerning provisions for exempting from state aid rules all measures pursuant to this Regulation that do not fall within the scope of Article 42 TFEU.

Amendment 132

Proposal for a regulation
Article 89 – title

Text proposed by the Commission

Amendment

Additional national financing

Additional national financing ***and aid that does not fall within the scope of Article 42 TFEU***

Amendment 133

Proposal for a regulation Article 89 – paragraph 1

Text proposed by the Commission

Amendment

Payments made by the Member States in relation to operations falling within the scope of Article 42 *of the Treaty* and intended to provide additional financing for rural development for which Union support is granted, shall be notified by Member States and approved by the Commission in accordance with this Regulation as part of the programming referred to in Article 7. When assessing these payments, the Commission shall apply, by way of analogy, the criteria established for the application of Article 107 *of the Treaty*. The Member State concerned shall not put its proposed additional financing for rural development into effect until it has been approved.

Payments made by the Member States in relation to operations falling within the scope of Article 42 *TFEU* and intended to provide additional financing for rural development for which Union support is granted, ***and payments made by the Member States in relation to operations which do not fall within the scope of Article 42 TFEU***, shall be notified by Member States and approved by the Commission in accordance with this Regulation as part of the programming referred to in Article 7. When assessing these payments, the Commission shall apply, by way of analogy, the criteria established for the application of Article 107 *TFEU*. The Member State concerned shall not put its proposed additional financing for rural development into effect until it has been approved.

Amendment 134

Proposal for a regulation Article 90 – paragraph 2

Text proposed by the Commission

Amendment

2. The power to adopt delegated acts referred to in this Regulation shall be conferred on the Commission for ***an indeterminate*** period of ***time from the date of*** entry into force of this Regulation.

2. The power to adopt delegated acts referred to in this Regulation shall be conferred on the Commission for ***a*** period of ***five years from the*** entry into force of this Regulation. ***The Commission shall draw up a report in respect of the delegation of power no later than nine months before the end of the five-year***

		75 %	in the smaller Aegean islands
		65 %	Of the amount of eligible investment in other regions
		40 %	The above rates may be increased by 20 %, provided that maximum combined support does not exceed 90 %, for operations supported in the framework of the EIP

Amendment

18(3)	Investment in physical assets		<u>Agricultural sector</u>
		50 %	Of the amount of eligible investment in less developed regions
		75 %	Of the amount of eligible investment in outermost regions
		75 %	Of the amount of eligible investment in the smaller Aegean islands
		40 %	Of the amount of eligible investment in other regions
			The above rates may be increased by 20 %, provided that maximum combined support does not exceed 90 %, for:
			<ul style="list-style-type: none"> - Young farmers setting up - Collective investments and integrated projects - Areas facing natural constraints as referred to in Article 33. - Operations supported in the framework of the EIP - <i>Organic farmers</i> - <i>measures to fulfil Natura 2000 and the Water Framework Directive</i> - <i>Agri-environmental schemes</i>
	<u>Processing and marketing of Annex I products</u>		
	50 %	Of the amount of eligible investment in less developed regions	
	75 %	Of the amount of eligible investment in outermost regions	
		Of the amount of eligible investment in other regions	

		75 %	investment in the smaller Aegean islands
		40 %	Of the amount of eligible investment in other regions
			The above rates may be increased by 20 %, provided that maximum combined support does not exceed 90 %, for operations supported in the framework of the EIP <i>and in collective investments and integrated projects</i>

Amendment 136

Proposal for a regulation ANNEX I – Article 24(3)

Text proposed by the Commission

24(3)	Establishment of agro-forestry systems	80 %	Of the amount of eligible investment for the establishment of agro-forestry systems
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Amendment

24(3)	Establishment of agro-forestry systems	100 %	Of the amount of eligible investment for the establishment of agro-forestry systems
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Amendment 137

Proposal for a regulation ANNEX I – Article 27(5)

Text proposed by the Commission

27(5)	Investments in new forestry technologies and in processing and marketing of forestry products	50 %	Of the amount of eligible investment in less developed regions
		75 %	Of the amount of eligible investment in outermost regions
		65 %	Of the amount of eligible investment in the smaller Aegean islands
		40 %	Of the amount of eligible investment in other regions

Amendment

27(5)	Investments in new forestry technologies and in processing and	50 %	Of the amount of eligible investment in less developed regions
		75 %	Of the amount of eligible investment in

	marketing of forestry products	75 % 40 %	outermost regions Of the amount of eligible investment in the smaller Aegean islands Of the amount of eligible investment in other regions
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Amendment 138

Proposal for a regulation ANNEX I – Article 32(3)

Text proposed by the Commission

Art. 32(3)	Payments to areas facing natural or other specific constraints	25 250(*) 300(*)	Minimum per ha per year Maximum per ha per year Maximum per ha per year in mountain areas as defined in Article 46(2)
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Amendment

Art. 32(3)	Payments to areas facing natural or other specific constraints	25 250(*) 450(*)	Minimum per ha per year Maximum per ha per year Maximum per ha per year in mountain areas as defined in Article 46(2)
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Amendment 139

Proposal for a regulation Annex I a

Text proposed by the Commission

Amendment

ANNEX Ia

National envelopes referred to in Article 64

(in million EUR)

	2014	2015	2016	2017	2018	2019	2020
<i>Belgium</i>	73.838	73.838	73.838	73.838	73.838	73.838	73.838
<i>Bulgaria</i>	400.215	400.215	400.215	400.215	400.215	400.215	400.215
<i>Czech Republic</i>	432.820	432.820	432.820	432.820	432.820	432.820	432.820
<i>Denmark</i>	87.536	87.536	87.536	87.536	87.536	87.536	87.536
<i>Germany</i>	1.355.922	1.355.922	1.355.922	1.355.922	1.355.922	1.355.922	1.355.922
<i>Estonia</i>	109.623	109.623	109.623	109.623	109.623	109.623	109.623
<i>Ireland</i>	377.842	377.842	377.842	377.842	377.842	377.842	377.842
<i>Greece</i>	595.667	595.667	595.667	595.667	595.667	595.667	595.667
<i>Spain</i>	1.219.781	1.219.781	1.219.781	1.219.781	1.219.781	1.219.781	1.219.781

<i>France</i>	<i>1.148.806</i>	<i>1.148.806</i>	<i>1.148.806</i>	<i>1.148.806</i>	<i>1.148.806</i>	<i>1.148.806</i>	<i>1.148.806</i>
<i>Italy</i>	<i>1.361.055</i>	<i>1.361.055</i>	<i>1.361.055</i>	<i>1.361.055</i>	<i>1.361.055</i>	<i>1.361.055</i>	<i>1.361.055</i>
<i>Cyprus</i>	<i>24.926</i>	<i>24.926</i>	<i>24.926</i>	<i>24.926</i>	<i>24.926</i>	<i>24.926</i>	<i>24.926</i>
<i>Latvia</i>	<i>159.703</i>	<i>159.703</i>	<i>159.703</i>	<i>159.703</i>	<i>159.703</i>	<i>159.703</i>	<i>159.703</i>
<i>Lithuania</i>	<i>267.461</i>	<i>267.461</i>	<i>267.461</i>	<i>267.461</i>	<i>267.461</i>	<i>267.461</i>	<i>267.461</i>
<i>Luxembourg</i>	<i>14.383</i>	<i>14.383</i>	<i>14.383</i>	<i>14.383</i>	<i>14.383</i>	<i>14.383</i>	<i>14.383</i>
<i>Hungary</i>	<i>584.679</i>	<i>584.679</i>	<i>584.679</i>	<i>584.679</i>	<i>584.679</i>	<i>584.679</i>	<i>584.679</i>
<i>Malta</i>	<i>11.762</i>	<i>11.762</i>	<i>11.762</i>	<i>11.762</i>	<i>11.762</i>	<i>11.762</i>	<i>11.762</i>
<i>Netherlands</i>	<i>89.850</i>	<i>89.850</i>	<i>89.850</i>	<i>89.850</i>	<i>89.850</i>	<i>89.850</i>	<i>89.850</i>
<i>Austria</i>	<i>609.744</i>	<i>609.744</i>	<i>609.744</i>	<i>609.744</i>	<i>609.744</i>	<i>609.744</i>	<i>609.744</i>
<i>Poland</i>	<i>2.029.504</i>	<i>2.029.504</i>	<i>2.029.504</i>	<i>2.029.504</i>	<i>2.029.504</i>	<i>2.029.504</i>	<i>2.029.504</i>
<i>Portugal</i>	<i>614.811</i>	<i>614.811</i>	<i>614.811</i>	<i>614.811</i>	<i>614.811</i>	<i>614.811</i>	<i>614.811</i>
<i>Romania</i>	<i>1.435.645</i>	<i>1.435.645</i>	<i>1.435.645</i>	<i>1.435.645</i>	<i>1.435.645</i>	<i>1.435.645</i>	<i>1.435.645</i>
<i>Slovenia</i>	<i>138.743</i>	<i>138.743</i>	<i>138.743</i>	<i>138.743</i>	<i>138.743</i>	<i>138.743</i>	<i>138.743</i>
<i>Slovakia</i>	<i>302.467</i>	<i>302.467</i>	<i>302.467</i>	<i>302.467</i>	<i>302.467</i>	<i>302.467</i>	<i>302.467</i>
<i>Finland</i>	<i>326.416</i>	<i>326.416</i>	<i>326.416</i>	<i>326.416</i>	<i>326.416</i>	<i>326.416</i>	<i>326.416</i>
<i>Sweden</i>	<i>291.736</i>	<i>291.736</i>	<i>291.736</i>	<i>291.736</i>	<i>291.736</i>	<i>291.736</i>	<i>291.736</i>
<i>United-Kingdom</i>	<i>362.465</i>	<i>362.465</i>	<i>362.465</i>	<i>362.465</i>	<i>362.465</i>	<i>362.465</i>	<i>362.465</i>

Amendment 140

Proposal for a regulation Annex II

Text proposed by the Commission

Amendment

Annex deleted

Amendment 141

Proposal for a regulation ANNEX III – Thematic sub-programme 1 – point 1 a (new)

Text proposed by the Commission

Amendment

***Public-private partnerships to facilitate
generational transition***

(29) *Justification*

One of the major issues young farmers face when deciding to start their activity is the expenses and administrative hurdles of taking over the farming activities of their elder. These different elements difficult generational transition and are among the reasons why average age of farmers is above 50 years in the EU. Facilitating generational transition through public-private partnerships should be integrated within the indicative list of measures and operations of particular relevance to thematic sub-programmes in order to take this element into

consideration when developing the rural development tools at national level.

Amendment 142

Proposal for a regulation Annex V – section 3

<i>Text proposed by the Commission</i>	<i>Amendment</i>
Article 17 Quality schemes for agricultural products and foodstuffs	Article 17 Quality schemes for agricultural products and foodstuffs
Article 32 -33 Payments to areas facing natural or other specific constraints	Article 32 -33 Payments to areas facing natural or other specific constraints
	<i>Article 34 Animal welfare</i>

(30) Justification

Farmers producing with good welfare respond to market demands and can get a premium price for their products, improving their competitiveness. They need to be supported to convert into these systems of production.

P7_TA-PROV(2013)0087

Financing, management and monitoring of the CAP (Decision on the opening of interinstitutional negotiations)

European Parliament decision of 13 March 2013 on the opening of, and on the mandate for, interinstitutional negotiations on the proposal for a regulation of the European Parliament and of the Council on the financing, management and monitoring of the CAP (COM(2011)0628/2 – C7-0341/2011 – COM(2012)0551 – C7-0312/2012 – 2011/0288(COD) – 2013/2531(RSP))

The European Parliament,

- having regard to the proposal of the Committee on Agriculture and Rural Development,
- having regard to Rules 70(2) and 70a of its Rules of Procedure,

whereas the financial envelope specified in the legislative proposal is only an indication to the legislative authority and cannot be fixed until agreement is reached on the proposal for a regulation laying down the multiannual financial framework for the years 2014-2020;

decides to open interinstitutional negotiations on the basis of the following mandate:

MANDATE

Amendment 1

Proposal for a regulation Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) Cutting red tape is one of the key objectives and main requirements of the CAP reform. Realistic tolerance thresholds and de minimis limitations should be introduced and an appropriate balance should be struck between trust and scrutiny, in order to ensure that the future administrative burden on Member States and beneficiaries is kept to a reasonable level. As part of this process of cutting red tape, due account should be taken of the administrative and other costs of checks at all levels and the use of effective administrative and monitoring systems should be rewarded. The

overriding objective should be to reduce administrative costs and to ensure that the administrative burden on farmers and administrators returns to a reasonable level.

Amendment 2

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) In order to supplement or amend certain non-essential elements of this Regulation, the power to adopt delegated acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the accreditation of the paying agencies and coordinating bodies, the content of the Farm Advisory System, the measures to be financed by Union budget under public intervention and the valuation of the operations in connection with public intervention, the reductions and suspension of the reimbursements to the Member States, the compensation between expenditure and revenues under the Funds, the recovery of debts, the *penalties* applied to beneficiaries in case of non-compliance with the eligibility conditions, in respect of rules on securities, on the functioning of the integrated administration and control system, of the measures excluded from the scrutiny of transactions, the penalties applied under cross compliance, the rules on maintenance of permanent grassland, the rules on the operative event and the exchange rate to be used by the Member States not using the euro and in respect of the content of the common evaluation framework of the measures adopted under the CAP. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and

Amendment

(3) In order to supplement or amend certain non-essential elements of this Regulation, the power to adopt delegated acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the accreditation of the paying agencies and coordinating bodies, the content of the Farm Advisory System, the measures to be financed by Union budget under public intervention and the valuation of the operations in connection with public intervention, the reductions and suspension of the reimbursements to the Member States, the compensation between expenditure and revenues under the Funds, the recovery of debts, the *administrative penalties* applied to beneficiaries in case of non-compliance with the eligibility conditions, in respect of rules on securities, on the functioning of the integrated administration and control system, of the measures excluded from the scrutiny of transactions, the penalties applied under cross compliance, the rules on maintenance of permanent grassland *and pasture*, the rules on the operative event and the exchange rate to be used by the Member States not using the euro and in respect of the content of the common evaluation framework of the measures adopted under the CAP. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant

Council.

documents to the European Parliament and Council. ***Under to the second subparagraph of Article 287(4) TFEU, the Court of Auditors may deliver opinions at the request of either the European Parliament or of the Council on those delegated acts.***

(The two amendments, replacing 'penalty' with 'administrative penalty' and 'permanent grassland' with 'permanent grassland and pasture', apply throughout the text; adopting them will necessitate corresponding changes throughout.)

Amendment 3

Proposal for a regulation Recital 5 a (new)

Text proposed by the Commission

Amendment

(5a) This Regulation should provide, where appropriate, for exemptions in cases of force majeure and in exceptional circumstances. In connection with agricultural regulations, the concept of force majeure should be interpreted in light of the case-law of the Court of Justice.

Amendment 4

Proposal for a regulation Recital 9 a (new)

Text proposed by the Commission

Amendment

(9a) The increasing requirements for certification bodies and paying agencies should not be coupled with a further increase in red tape in the Member States. Above all, those requirements should not be more stringent than international auditing standards. As regards the scope and content of the certification process, a balanced cost-benefit ratio should be maintained and any additional reporting requirements should bring clear added value.

Amendment 5

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

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

Amendment 6

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

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 .../2013 [DP] 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

water, animal and plant disease notification and innovation as well as the sustainable development of the *economical* activity of *the small* farms.

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 should be allowed to 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.*

Amendment 7

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, 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.

Amendment 8

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) The financial resources required to cover the expenditure effected by the accredited paying agencies in respect of the EAGF, are to be made available to the Member States by the Commission in the form of reimbursements against the booking of the expenditure effected by those agencies. Until such reimbursements, in the form of monthly payments, have been paid, financial resources are to be mobilised by the Member States in accordance with the needs of their accredited paying agencies. **The** personnel costs and the administrative costs of the Member States and the beneficiaries involved in the execution of the CAP should be borne by themselves.

Amendment

(13) The financial resources required to cover the expenditure effected by the accredited paying agencies in respect of the EAGF, are to be made available to the Member States by the Commission in the form of reimbursements against the booking of the expenditure effected by those agencies. Until such reimbursements, in the form of monthly payments, have been paid, financial resources are to be mobilised by the Member States in accordance with the needs of their accredited paying agencies. ***In order to improve the operational efficiency of the paying agencies, the*** personnel costs and the administrative costs of the Member States and the beneficiaries involved in the execution of the CAP should be borne by ***the agencies*** themselves.

Amendment 9

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) The use of the agro-meteorological system and the acquisition and improvement of satellite images should provide the Commission with the means to manage the agricultural markets **and** to facilitate the monitoring of agricultural expenditure.

Amendment

(14) The use of the agro-meteorological system and the acquisition and improvement of satellite images should provide the Commission with the means to manage the agricultural markets, to facilitate the monitoring of agricultural expenditure ***and of the use of the resources upon which agriculture is dependent, including in respect of agro-forestry systems, and to assess and to provide timely aid in the case of natural disasters.***

Amendment 10

Proposal for a regulation

Recital 23

Text proposed by the Commission

(23) The rural development programmes are financed from the Union budget on the basis of commitments in annual instalments. Member States should be able to draw on the Union funds provided for as soon as they begin the programmes. A suitably restricted prefinancing system ensuring a steady flow of funds so that payments to beneficiaries under the programmes are made at the appropriate time *is* therefore *needed*.

Amendment

(23) The rural development programmes are financed from the Union budget on the basis of commitments in annual instalments. Member States should be able to draw on the Union funds provided for as soon as they begin the programmes. A suitably restricted prefinancing system ensuring a steady flow of funds, so that payments to beneficiaries under the programmes are made at the appropriate time, *should* therefore *be made a priority*.

Amendment 11

Proposal for a regulation

Recital 27

Text proposed by the Commission

(27) Sectoral agricultural legislation requires Member States to send information on the numbers of checks carried out and their outcome within specified deadlines. Those control statistics are used to determine the level of error at Member State level and, more generally, for the purposes of checking the management of the EAGF and the EAFRD. They are an important source for the Commission to satisfy itself as to the correct management of funds and are an essential element for the annual declaration of assurance. Given the vital nature of this statistical information and in order to ensure that Member States respect their obligation to send it in time, it is necessary to provide a deterrent to late provision of the data required in a manner proportionate to the extent of the data deficit. Therefore, provisions should be put in place whereby the Commission can suspend part of the monthly or interim payments for which the relevant statistical information has not been sent in time.

Amendment

(27) Sectoral agricultural legislation requires Member States to send information on the numbers of checks carried out and their outcome within specified deadlines. Those control statistics are used to determine the level of error at Member State level and, more generally, for the purposes of checking the management of the EAGF and the EAFRD. They are an important source for the Commission to satisfy itself as to the correct management of funds and are an essential element for the annual declaration of assurance. Given the vital nature of this statistical information and in order to ensure that Member States respect their obligation to send it in time, it is necessary to provide a *proportionate* deterrent to late provision of the data required in a manner proportionate to the extent of the data deficit. Therefore, provisions should be put in place whereby the Commission can suspend part of the monthly or interim payments for which the relevant statistical information has not been sent in time. *However, such suspension should only be*

used where the delay places the annual budget discharge mechanism at risk, in accordance with the principle of proportionality.

Amendment 12

Proposal for a regulation Recital 30

Text proposed by the Commission

(30) The financing of measures and operations under the CAP will in part involve shared management. To ensure that Union funds are soundly managed, the Commission should perform checks on the management of the Funds by the Member State authorities responsible for making payments. It is appropriate to define the nature *of the checks to be made by the Commission*, to specify the terms of its responsibilities for implementing the budget and to clarify the Member States' cooperation obligations.

Amendment

(30) The financing of measures and operations under the CAP will in part involve shared management. To ensure that Union funds are soundly managed, the Commission should perform *the necessary* checks on the management of the Funds by the Member State authorities responsible for making payments. It is appropriate to define the *general rules and principles to be followed by the Commission when carrying out checks, as well as their* nature, to specify the terms of its responsibilities for implementing the budget and to clarify the Member States' cooperation obligations.

Amendment 13

Proposal for a regulation Recital 31

Text proposed by the Commission

(31) In order to allow the Commission to fulfil its obligation to check the existence and proper functioning of management and inspection systems for Union expenditure in the Member States, provision should be made, *irrespective of the inspection carried out by Member States themselves*, for checks by persons delegated by the Commission who should be able to request assistance from the Member States in their work.

Amendment

(31) In order to allow the Commission to fulfil its obligation to check the existence and proper functioning of management and inspection systems for Union expenditure in the Member States, provision should be made for checks by persons delegated by the Commission who should be able to request assistance from the Member States in their work. *Such national provision should take into account the principle of proportionality, the level of confidence that exists as to the reliability of national control and management systems, and the overall effectiveness of the national controls in the checks that the*

Commission has carried out.

Amendment 14

Proposal for a regulation Recital 36

Text proposed by the Commission

(36) The recovery procedures used by the Member States may have the effect of delaying recovery for a number of years, with no guarantee that the outcome will actually be successful. The cost of implementing those procedures may also be out of proportion to the amounts which are or may be collected. Consequently, Member States should be permitted to halt recovery procedures in certain cases.

Amendment

(36) The recovery procedures used by the Member States may have the effect of delaying recovery for a number of years, with no guarantee that the outcome will actually be successful. The cost of implementing those procedures may also be out of proportion to the amounts which are or may be collected. ***The threshold for recovery of amounts unduly paid, including interest, is set very low and recovery should only be undertaken when cost-effective.*** Consequently, Member States should be permitted to halt recovery procedures in certain cases.

Amendment 15

Proposal for a regulation Recital 37

Text proposed by the Commission

(37) In order to protect the financial interests of the Union budget, measures should be taken by Member States to satisfy themselves that transactions financed by the EAGF and the EAFRD are actually carried out and are executed correctly. Member States should also prevent, detect and deal effectively with any irregularities or non-compliance with obligations committed by beneficiaries. To this end, Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests should apply.

Amendment

(37) In order to protect the financial interests of the Union budget, ***proportionate*** measures should be taken by Member States to satisfy themselves that transactions financed by the EAGF and the EAFRD are actually carried out and are executed correctly. Member States should also prevent, detect and deal effectively with any irregularities or non-compliance with obligations committed by beneficiaries. To this end, Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests should apply. ***In order to ensure that the Union's policy priorities and objectives are consistent, risks to the environment and public health should be included in the scope of what is considered to present***

a risk to the general budget of the European Union, since the costs associated with these are externalised to other areas of public, including Union, spending. Minimising additional costs in other areas should ensure efficiency in public spending.

Amendment 16

Proposal for a regulation Recital 37 a (new)

Text proposed by the Commission

Amendment

(37a) In addition to Regulation (EC, Euratom) No 2988/95, more detailed provisions should be laid down in this Regulation dealing with irregularities in the field of the common agricultural policy. A beneficiary who receives aid without complying with the eligibility criteria or commitments for the grant of that aid should be considered to have wrongly obtained an advantage. Such advantages are to be withdrawn pursuant to Article 4 of Regulation (EC, Euratom) No 2988/95. In order to deter beneficiaries from non-compliance, administrative penalties within the meaning of Article 5 of Regulation (EC, Euratom) No 2988/95 should apply, in the form of reduction or exclusion from aid, in particular in situations where intentional irregularities or those caused by negligence are involved. Those administrative penalties may affect aid for which eligibility conditions or commitments have been met. However, it is important that, in the case of irregularities related to Title III of Chapter 2 of Regulation (EU) No .../2013 [DP], the sum of all withdrawals and reductions of aid should not exceed the payment referred to in that Chapter.

Amendment 17

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.***

Amendment 18

Proposal for a regulation
Recital 38 a (new)

Text proposed by the Commission

Amendment

(38a) A fair system of penalties for farmers who commit irregularities should rule out double penalties and the simultaneous application of administrative penalties under this Regulation or criminal penalties under criminal law, except in cases of fraud.

Amendment 19

Proposal for a regulation
Recital 38 b (new)

Text proposed by the Commission

Amendment

(38b) Administrative penalties, including the obligation to pay back any payments obtained by the farmer, should not be imposed on the basis of circumstances that are objectively beyond the farmer's control, and particularly not of unforeseeable events.

Amendment 20

Proposal for a regulation

Recital 41

Text proposed by the Commission

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.

(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.***

Amendment 21

Proposal for a regulation

Recital 44

Text proposed by the Commission

Amendment

(44) Under Regulation (EC) No 485/2008, Member States are to take the measures necessary to ensure effective protection of the financial interests of the Union budget, and particularly in order to check the genuineness and compliance of operations financed by the EAGF. In the interests of clarity and rationality, the relevant provisions should be integrated into the same act. Regulation (EC) No 485/2008 should therefore be repealed.

(44) Under Regulation (EC) No 485/2008, Member States are to take the measures necessary to ensure effective protection of the financial interests of the Union budget, and particularly in order to check the genuineness and compliance of operations financed by the EAGF. In the interests of ***simplicity***, clarity and rationality, the relevant provisions should be integrated into the same act. Regulation (EC) No 485/2008 should therefore be repealed.

Amendment 22

Proposal for a regulation

Recital 50

Text proposed by the Commission

(50) Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and amending Regulations (EEC) No 2019/93, (EC) No 1452/2001, (EC) No 1453/2001, (EC) No 1454/2001, (EC) 1868/94, (EC) No 1251/1999, (EC) No 1254/1999, (EC) No 1673/2000, (EEC) No 2358/71 and (EC) No 2529/2001²⁵, which was replaced by Regulation (EC) No 73/2009, established the principle that the full payment to beneficiaries of some supports under the CAP should be linked to compliance with rules relating to land management, agricultural production and agricultural activity. That principle was subsequently reflected in Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)²⁶ and Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation)²⁷. Under this so-called ‘cross compliance’ system Member States are to impose penalties in the form of reduction or exclusion of support received under the CAP in whole or in part.

Amendment

(50) Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and amending Regulations (EEC) No 2019/93, (EC) No 1452/2001, (EC) No 1453/2001, (EC) No 1454/2001, (EC) 1868/94, (EC) No 1251/1999, (EC) No 1254/1999, (EC) No 1673/2000, (EEC) No 2358/71 and (EC) No 2529/2001²⁵, which was replaced by Regulation (EC) No 73/2009, established the principle that the full payment to beneficiaries of some supports under the CAP should be linked to compliance with rules relating to land management, agricultural production and agricultural activity. That principle was subsequently reflected in Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)²⁶ and Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation)²⁷. Under this so-called ‘cross compliance’ system Member States are to impose **administrative** penalties in the form of reduction or exclusion of support received under the CAP in whole or in part, **in accordance with the principle of proportionality and taking into account the general criteria for the graduation of these penalties as defined in this Regulation.**

Amendment 23

Proposal for a regulation

Recital 53

Text proposed by the Commission

(53) Statutory management requirements need to be fully implemented by Member States in order to become operational at farm level and ensure the necessary equal treatment between farmers.

Amendment

(53) Statutory management requirements need to be fully implemented by Member States in order to become operational at farm level and ensure the necessary equal treatment between farmers. ***The Commission should issue guidelines on the interpretation of the rules on animal identification and registration for cross-compliance purposes, which should, where appropriate, provide for flexibility at farm level in order to strike the necessary balance between safeguarding the spirit of the legislation and applying proportionate administrative penalties only in the case of non-compliance directly and unequivocally attributable to the beneficiaries, in particular in respect of repeated failure of the technology in use.***

Amendment 24

Proposal for a regulation

Recital 54

Text proposed by the Commission

(54) As regards Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy the provisions will only be operational under cross compliance when all Member States will have fully implemented them in particular with clear obligations for farmers. According to the Directive the requirements at farm level will be applied at the latest by 1 January 2013.

Amendment

deleted

Amendment 26

Proposal for a regulation
Recital 56

Text proposed by the Commission

(56) According to Article 22 of Directive 2000/60/EC, Council Directive 80/68/EEC of 17 December 1979 on the protection of groundwater against pollution caused by certain dangerous substances shall be repealed on 23 December 2013. In order to maintain the rules under cross compliance related to protection of groundwater, it is appropriate, while awaiting the inclusion of Directive 2000/60/EC in cross compliance, to adjust the scope of cross-compliance and to define a standard of good agricultural and environmental condition encompassing the requirements of Articles 4 and 5 of the Directive 80/68/EEC.

Amendment

deleted

Amendment 27

Proposal for a regulation
Recital 57

Text proposed by the Commission

(57) The cross compliance system implies certain administrative constraints for both beneficiaries and national administrations since record keeping must be ensured, checks must be carried out and penalties have to be applied where necessary. Those penalties should be proportionate, effective and dissuasive. Such penalties should be without prejudice to other penalties laid down under other provisions of Union or national law. For the sake of consistency, it is appropriate to merge the relevant Union provisions into one single legal instrument. For farmers participating in the small farmers scheme referred to in Title V of Regulation (EU) No xxx/xxx[DP], the efforts to be made under the cross compliance system may be considered as exceeding the benefit of keeping those farmers under that system. For reasons of

Amendment

(57) The cross compliance system implies certain administrative constraints for both beneficiaries and national administrations since record keeping must be ensured, checks must be carried out and penalties have to be applied where necessary. Those penalties should be proportionate, effective and dissuasive. Such penalties should be without prejudice to other penalties laid down under other provisions of Union or national law. For the sake of consistency, it is appropriate to merge the relevant Union provisions into one single legal instrument. For farmers participating in the small farmers scheme referred to in Title V of Regulation (EU) No .../2013[DP], the efforts to be made under the cross compliance system may be considered as exceeding the benefit of keeping those farmers under that system. For reasons of

simplification, those farmers should therefore be exempted from cross compliance and in particular from its control system and from the risk of cross compliance penalties. However, that exemption should be without prejudice to the obligation to respect the applicable provisions of the sectoral legislation and to the possibility to be checked and to be imposed penalties under that legislation.

simplification, those farmers should therefore be exempted from cross compliance and in particular from its control system and from the risk of cross compliance penalties. However, that exemption should be without prejudice to the obligation to respect the applicable provisions of the sectoral legislation and to the possibility to be checked and to be imposed penalties under that legislation.

Minor unintentional infringements associated with cross compliance inspections should not incur a penalty. Instead a warning should be issued and compliance monitored at a future inspection.

Amendment 28

Proposal for a regulation

Recital 60

Text proposed by the Commission

(60) An effective implementation of cross compliance requires verification at beneficiaries' level that obligations are respected. Where a Member State decides to make use of the option not to apply a reduction or exclusion where the amount concerned is less than EUR 100, the competent control authority should, for a sample of beneficiaries in the following year, verify that the findings of the non-compliance concerned have been remedied.

Amendment

(60) An effective implementation of cross compliance requires verification at beneficiaries' level that obligations are respected. Where a Member State decides to make use of the option not to apply a reduction or exclusion where the amount concerned is less than EUR 100, the competent control authority should, for a sample of beneficiaries in the following year, verify that the findings of the non-compliance concerned have been remedied.

Member States may also set up an early-warning system applicable to non-severe first non-compliances in order to achieve a better acceptance of the cross compliance system by farming communities and in order to better involve farmers in the implementation of the requirements. This system should include warning letters calling for remedial action by the beneficiary concerned followed, in the next year, by verification, by the Member State, of compliance.

Amendment 29

Proposal for a regulation
Recital 68

Text proposed by the Commission

(68) Each measure under the CAP should be subject to monitoring and evaluation in order to improve its quality and demonstrate its achievements. In this context a list of indicators should be determined and the impact of the CAP policy assessed by the Commission in relation to policy objectives. The Commission should set up a framework for a common monitoring and evaluation ensuring among others that relevant data, including information from Member States is available on a timely manner. In so doing it should take into account the data needs and synergies between potential data sources. Moreover, the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A Budget for Europe 2020 - Part II stated that the climate related expenditure in the overall Union budget should increase to at least 20%, with contribution from different policies. The Commission should therefore be able to assess the impact of the Union's support in the framework of the CAP to climate objectives.

Amendment

(68) Each measure under the CAP should be subject to monitoring and evaluation in order to improve its quality and demonstrate its achievements. In this context a list of indicators should be determined and the impact of the CAP policy assessed by the Commission in relation to policy objectives. The Commission should set up a framework for a common monitoring and evaluation ensuring among others that relevant data, including information from Member States is available on a timely manner. In so doing it should take into account the data needs and synergies between potential data sources, ***drawing, as far as possible, on existing data sources. In addition, the monitoring and evaluation framework should take account of and properly reflect the structure of the CAP, since the monitoring and evaluation framework for the second pillar cannot be applied to the first pillar, in particular because under the first pillar there is scope for generating synergies, given the comparably uniform nature of the measures. Proper account should be taken of this.*** Moreover, the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A Budget for Europe 2020 - Part II stated that the climate related expenditure in the overall Union budget should increase to at least 20%, with contribution from different policies. The Commission should therefore be able to assess the impact of the Union's support in the framework of the CAP to climate objectives.

Amendment 30

Proposal for a regulation

Recital 70c

Text proposed by the Commission

(70c) In its judgment, the Court did not contest the legitimacy of the objective of reinforcing public control of the use of the money from the EAGF and the EAFRD. ***This objective should be analysed in the light of the new financial management and control framework to be applied as from 1 January 2014. In the context of this framework, the controls by the national administrations cannot be exhaustive and, in particular, for almost all schemes only a limited part of the population can be checked on-the-spot. An increase of the minimum control rates beyond the levels currently applied would, in the present context, put additional financial and administrative burden on the national administrations and would not be cost-effective. Moreover, the new framework provides that, under certain conditions, Member States may reduce the number of on-the-spot checks. Against this background, the publication of the name of the beneficiaries of the agricultural funds reinforces the public control of the use of those funds and, therefore, is a useful addition to the existing management and control framework that is necessary to ensure an adequate level of protection of the Union's financial interest. The national authorities, while applying the new rules simplifying the administrative process of the implementation of Union funds and reducing the administrative costs, should be enabled to rely on the public control, notably through its preventive and deterrent effect against fraud and any misuse of the public funds, by discouraging individual beneficiaries from irregular behaviour.***

Amendment 31

Proposal for a regulation

Amendment

(70c) In its judgment, the Court did not contest the legitimacy of the objective of reinforcing public control of the use of the money from the EAGF and the EAFRD.

Recital 70d

Text proposed by the Commission

(70d) The objective of the public control of the use of the money from the EAGF and the EAFRD pursued with the publication of beneficiaries may be achieved only by ensuring a certain degree of information to be **delivered** to the knowledge of the public. That information should cover data on **the identity of the beneficiary**, the amount awarded and under *which* of the funds, the purpose and the nature of the measure concerned. **The publication of that information should be made in such a way as to cause less interference with the beneficiaries' right** to respect for their private life in general and to protection of their personal data in particular, rights recognised by Articles 7 and 8 of the Charter of Fundamental Rights of the European Union.

Amendment

(70d) The objective of the public control of the use of the money from the EAGF and the EAFRD pursued with the publication of beneficiaries may be achieved only by ensuring a certain degree of information to be **brought** to the knowledge of the public. That information should cover data on the amount awarded under *each* of the funds, the purpose and the nature of the measure concerned. **In order to provide an accurate picture of the territorial distribution of CAP support, information on the location of the holdings to which those measures apply should also be provided.** The **right of beneficiaries to respect for their private life in general and to protection of their personal data in particular, rights recognised by Articles 7 and 8 of the Charter of Fundamental Rights of the European Union, should be safeguarded.**

Amendment 32

Proposal for a regulation

Recital 70f

Text proposed by the Commission

(70f) In order to observe a balance between the pursued objective of the public control of the use of the money from the EAGF and the EAFRD on the one hand and the beneficiaries' right to respect for their private life in general and to protection of their personal data on the other hand, the importance of the aid should be taken into account. Following the extensive analysis and the consultation with the stakeholders it appeared that in order to reinforce the effectiveness of such publication and to limit the interference with the beneficiaries' rights, a threshold should be set up as regards the amount of aid received below which the name of the

Amendment

deleted

beneficiary should not be published.

Amendment 33

Proposal for a regulation

Recital 70g

Text proposed by the Commission

(70g) The threshold should reflect and be based on the level of the support schemes set up within the framework of the CAP. As the structures of the Member States' agricultural economies vary considerably and may differ significantly from the average Union farm structure, the application of different minimum thresholds that reflect the particular situation of the Member States should be allowed. Regulation xxx/xxx [DP] sets out a simple and specific scheme for small farms. Article 49 of that Regulation lays down criteria for calculating the amount of aid. For reasons of consistency, those criteria should also be used for fixing specific thresholds per Member State for the publication of the name of a beneficiary. Except for the name, below that specific threshold the publication should contain all the relevant information in order to allow the taxpayers to have an accurate image of the CAP.

Amendment

deleted

Amendment 34

Proposal for a regulation

Recital 70h

Text proposed by the Commission

(70h) In addition, making this information accessible to the public enhances transparency regarding the use of Union funds in the CAP, thus contributing to the visibility and better understanding of that policy. It enables citizens to participate more closely in the decision-making process and guarantees that the administration enjoys greater legitimacy

Amendment

*(70h) In addition, making this information accessible to the public enhances transparency regarding the use of Union funds in the CAP, thus contributing to the visibility and better understanding of that policy. **Similar rules should also apply to beneficiaries of funding from other Union funds (ERFD, ESF and EFF) so that this objective can also be achieved in other***

and is more effective and more accountable to the citizen. It would also help local people to witness concrete examples of the provision of "public goods" by farming and underpin the legitimacy of state support for the agricultural sector. Furthermore, the personal accountability of the farmers for use of the public funds received will be reinforced.

fields of Union policy. It enables citizens to participate more closely in the decision-making process and guarantees that the administration enjoys greater legitimacy and is more effective and more accountable to the citizen. It would also help local people to witness concrete examples of the provision of "public goods" by farming and underpin the legitimacy of state support for the agricultural sector. Furthermore, the personal accountability of the farmers for use of the public funds received will be reinforced.

Amendment 35

Proposal for a regulation

Article 2 – paragraph 1 – subparagraph 1

Text proposed by the Commission

1. The definitions of "farmer", "agricultural activity", "agricultural area", "**holding**" laid down in Article 4 of Regulation (EU) xxx/xxx[DP] shall apply for the purposes of this Regulation, *save as otherwise provided for in this Regulation.*

Amendment

1. The definitions of "farmer", "agricultural activity" **and** "agricultural area" laid down in Article 4 of Regulation (EU) .../2013[DP] shall apply for the purposes of this Regulation.

Amendment 36

Proposal for a regulation

Article 2 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

Save for the purpose of Title VI, the definition of "holding" laid down in Article 4 of Regulation (EU) .../2013[DP] shall apply for the purposes of this Regulation.

Amendment 37

Proposal for a regulation

Article 2 – paragraph 1 – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

For the purposes of this Regulation, "sectoral agricultural legislation" means

any applicable act adopted on the basis of Article 43 TFEU within the framework of the CAP as well as, where applicable, any delegated acts or implementing acts adopted on the basis of those acts.

Amendment 38

Proposal for a regulation

Article 2 – paragraph 2 – point e a (new)

Text proposed by the Commission

Amendment

(ea) a plant disease affecting part or all of the beneficiary's crops;

Amendment 39

Proposal for a regulation

Article 2 – paragraph 2 – point f

Text proposed by the Commission

Amendment

(f) expropriation of *a large* part of the holding if that could not have been anticipated on the day of lodging the application.

(f) expropriation of *all or* part of the holding if that could not have been anticipated on the day of lodging the application, *or repossession of the land by the owner.*

Amendment 40

Proposal for a regulation

Article 7 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Amendment

1. Paying agencies shall be *dedicated* departments or bodies of the Member States responsible for the management and control of expenditure referred to in Article 4(1) and Article 5.

1. Paying agencies shall be departments or bodies of the Member States responsible for the management and control of *all* expenditure referred to in *both* Article 4(1) and Article 5.

Amendment 41

Proposal for a regulation

Article 7 – paragraph 2 – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

The Commission shall, on a risk basis, review the documentary evidence provided by the Member States pursuant to Article 102 and assess the functioning of the systems in order to confirm that management and control bodies satisfy the conditions for national accreditation.

Amendment 42

Proposal for a regulation

Article 7 – paragraph 3 – point b

Text proposed by the Commission

Amendment

(b) a management declaration of assurance as to the completeness, accuracy and veracity of the accounts, the proper functioning of the internal control systems as well as to the legality and regularity of the underlying transactions ***and the respect of the principle of sound financial management;***

(b) a management declaration of assurance as to the completeness, accuracy and veracity of the accounts ***and*** the proper functioning of the internal control systems, ***based on measurable performance criteria,*** as well as to the legality and regularity of the underlying transactions ;

Amendment 43

Proposal for a regulation

Article 7 – paragraph 3 – point c

Text proposed by the Commission

Amendment

(c) a summary of the results of all available audits and checks carried out, including an analysis of systematic ***or*** recurrent weaknesses as well as corrective actions taken or planned.

(c) a summary of:

(i) the results of all available audits and checks carried out, including an analysis of systematic ***and*** recurrent weaknesses as well as corrective actions taken or planned,
(ii) ***the control statistics sent in accordance with Article 102(1)(c)(v), and***

(iii) other checks that are considered relevant.

Amendment 44

Proposal for a regulation

Article 7 – paragraph 4 – subparagraph 2 – introductory phrase

Text proposed by the Commission

4. Where more than one paying agency is accredited, the Member State shall **designate** a body, hereinafter referred to as the "coordinating body", to which it assigns the following tasks:

Amendment

Where, **as a result of a Member State's constitutional arrangements**, more than one paying agency is accredited, the Member State shall **select** a body, hereinafter referred to as the "coordinating body", to which it assigns the following tasks:

Amendment 45

Proposal for a regulation

Article 7 – paragraph 5

Text proposed by the Commission

5. Where an accredited paying agency does not meet or no longer meets one or more of the accreditation criteria referred to in paragraph 2, the Member State shall withdraw its accreditation unless the paying agency makes the necessary changes within a period to be determined according to the severity of the problem.

Amendment

5. Where an accredited paying agency does not meet or no longer meets one or more of the accreditation criteria referred to in paragraph 2, the Member State shall, **on its own initiative or at the request of the Commission**, withdraw its accreditation unless the paying agency makes the necessary changes within a period to be determined according to the severity of the problem.

Amendment 46

Proposal for a regulation

Article 8 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) rules on the scope and work underlying the management declaration of the paying agencies;

Amendment 47

Proposal for a regulation

Article 8 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) the obligations of the paying agencies as regards public intervention, as well as the content of their management and control responsibilities;

Amendment 48

Proposal for a regulation

Article 8 – paragraph 2 – point a

Text proposed by the Commission

Amendment

(a) the obligations of the paying agencies as regards public intervention, as well as on the content of their management and control responsibilities.

deleted

Amendment 49

Proposal for a regulation

Article 9

Text proposed by the Commission

Amendment

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.***

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

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).*

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).

Amendment 50

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

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)

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 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

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;

(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 .../2013[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

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

national legislation, as referred to in Article 29 and 30 of Regulation (EU) No .../2013 [RD]

Amendment 51

Proposal for a regulation

Article 13 – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that the advisors within the farm advisory system are suitably qualified and regularly **trained**.

Amendment

1. Member States shall ensure that the advisors within the farm advisory system are suitably qualified and regularly **undergo in-service training**.

Amendment 52

Proposal for a regulation

Article 13 – paragraph 3

Text proposed by the Commission

3. The **competent** national authority shall provide the beneficiary, **where appropriate by the use of electronic means**, with the appropriate list of **designated** bodies.

Amendment

3. The national authority shall provide the **potential** beneficiary with the appropriate list of **selected** bodies **primarily by electronic means**.

Amendment 53

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.

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 .../2013[DP];*

(c) *networks operating with limited resources within the meaning of Articles 53, 61 and 62 of Regulation (EU) (EU) No .../2013 [RD].*

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

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

Amendment 54

Proposal for a regulation Article 15 – paragraph 2

Text proposed by the Commission

2. The Commission may, by means of implementing acts, adopt rules for the uniform implementation of the farm advisory system. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 112(3).

Amendment

deleted

Amendment 55

Proposal for a regulation Article 16 – paragraph 2

Text proposed by the Commission

2. In the event that the Union legislation provides for sums to be reduced from the amount referred to in paragraph 1, the Commission shall, *by means of implementing acts, set* the net balance available for EAGF expenditure on the basis of the data referred to in that legislation.

Amendment

2. In the event that the Union legislation provides for sums to be reduced from the amount referred to in paragraph 1, the Commission shall *be empowered to adopt delegated acts, in accordance with Article 111, setting* the net balance available for EAGF expenditure on the basis of the data referred to in that legislation.

Amendment 56

Proposal for a regulation

Article 22 – paragraph 1

Text proposed by the Commission

The measures financed pursuant to point (c) of Article 6 shall aim to give the Commission the means to manage Union agricultural markets in a global context, to ensure agri-economic monitoring of agricultural land and of the condition of crops so as to enable estimates to be made, ***in particular*** as regards yields and agricultural production, to share the access to such estimates in an international context, such as initiatives coordinated by United Nations organisations or other international agencies, to contribute to transparency of world markets, and to ensure ***technological*** follow-up of the agri-meteorological system.

Amendment

The measures financed pursuant to point (c) of Article 6 shall aim to give the Commission the means to manage Union agricultural markets in a global context, to ensure agri-economic ***and agro-ecological*** monitoring of agricultural ***and forest*** land and of the condition of ***the agricultural resource base and*** crops, so as to enable estimates to be made; ***for example*** as regards yields, ***resource efficiency*** and ***long-term*** agricultural production, to share the access to such estimates in an international context, such as initiatives coordinated by United Nations organisations or other international agencies, to contribute to transparency of world markets, and to ensure follow-up of the agri-meteorological system.

Amendment 57

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.

Amendment 58

Proposal for a regulation

Article 25 – paragraph 2

Text proposed by the Commission

2. The Council, acting on a proposal from the Commission presented no later than 31 March of the calendar year in respect of which the adjustment referred to in paragraph 1 applies, shall determine the adjustment no later than 30 June of the same calendar year.

Amendment

2. The ***European Parliament and the*** Council, acting on a proposal from the Commission presented no later than 31 March of the calendar year in respect of which the adjustment referred to in paragraph 1 applies, shall determine the adjustment no later than 30 June of the same calendar year.

Amendment 59

Proposal for a regulation

Article 25 – paragraph 3

Text proposed by the Commission

3. If by 30 June in any year the adjustment rate has not been set, the Commission shall set it by means of an implementing act and shall inform the Council immediately. Such implementing act shall be adopted in accordance with the advisory procedure referred to in Article 112(2).

Amendment

3. If by 30 June in any year the adjustment rate has not been set, the Commission shall set it by means of an implementing act and shall inform the ***European Parliament and the*** Council immediately. Such implementing act shall be adopted in accordance with the advisory procedure referred to in Article 112(2).

Amendment 60

Proposal for a regulation

Article 25 – paragraph 4

Text proposed by the Commission

4. Until 1 December, ***on a proposal by the Commission, on the basis of new information in its possession, the Council may adapt*** the adjustment rate for direct payments set in accordance with paragraphs 2 or 3.

Amendment

4. ***If new material information becomes available after the adoption, on the basis of that information, of the decision referred to in paragraphs 2 and 3, the Commission may, until 1 December, without using either of the procedures referred to in Article 112(2) and (3), adopt implementing acts adapting*** the adjustment rate for direct payments set in accordance with paragraphs 2 or 3.

Amendment 61

Proposal for a regulation Article 25 – paragraph 6

Text proposed by the Commission

6. Before **applying this Article, account shall first be taken of the amount authorised by the budget authority** for the Reserve for crises in the agricultural sector referred to in point 14 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management.

Amendment

6. Before **submitting the proposal referred to in paragraph 2, the Commission shall determine whether the conditions** for the **mobilisation of the** Reserve for crises in the agricultural sector referred to in point 14 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management **have been met, and, if they have, the Commission shall submit a proposal to that effect.**

Amendment 62

Proposal for a regulation Article 26 – paragraph 2

Text proposed by the Commission

2. If, on drawing up the draft budget for financial year N, there appears to be a risk that the amount referred to in Article 16 for financial year N will be exceeded, the Commission shall propose to the European Parliament and the Council **or to the Council** the measures necessary to ensure compliance with that amount.

Amendment

2. If, on drawing up the draft budget for financial year N, there appears to be a risk that the amount referred to in Article 16 for financial year N will be exceeded, the Commission shall propose to the European Parliament and the Council the measures necessary to ensure compliance with that amount.

Amendment 63

Proposal for a regulation Article 26 – paragraph 3

Text proposed by the Commission

3. At any time, if the Commission considers that there is a risk of the amount referred to in Article 16 being exceeded and that it cannot take adequate measures to remedy the situation under its powers, it shall propose other measures to ensure compliance with that amount. These

Amendment

3. At any time, if the Commission considers that there is a risk of the amount referred to in Article 16 being exceeded and that it cannot take adequate measures to remedy the situation under its powers, it shall propose other measures to ensure compliance with that amount. These

measures shall be adopted *by the Council on the basis of Article 43(3) of the Treaty* or by the European Parliament and the Council on the basis of Article 43(2) of the Treaty.

measures shall be adopted by the European Parliament and the Council on the basis of Article 43(2) of the Treaty.

Amendments 195 and 202

Proposal for a regulation Article 29

Text proposed by the Commission

Without prejudice to the eligibility for support under Article 30(2) of Regulation (EU) No RD/xxx, expenditure financed under the EAFRD shall not be subject of any other financing under the EU budget.

Amendment

Expenditure financed under the EAFRD shall not be subject of any other financing under the EU budget.

Amendment 65

Proposal for a regulation Article 34 – paragraph 1

Text proposed by the Commission

1. Following the Commission decision approving the programme, an initial prefinancing amount for the whole programming period shall be paid by the Commission. This initial pre-financing amount shall represent **4 %** of the EAFRD contribution to the programme concerned. It may be split into a maximum of three instalments depending on budget availability. The first instalment shall represent 2 % of the EAFRD contribution to the programme concerned.

Amendment

1. Following the decision of the Commission approving the **rural development** programme, an initial prefinancing amount for the whole programming period shall be paid by the Commission **to the Member State**. This initial pre-financing amount shall represent **7 %** of the EAFRD contribution to the programme concerned. It may be split into a maximum of three instalments depending on budget availability. The first instalment shall represent 2 % of the EAFRD contribution to the programme concerned.

Amendment 66

Proposal for a regulation Article 35 – paragraph 1

Text proposed by the Commission

1. Interim payments shall be made for each rural development programme. They shall be calculated by applying the co-financing

Amendment

1. Interim payments shall be made for each rural development programme. They shall be calculated by applying the co-financing

rate for each measure to the incurred public expenditure pertaining to it.

rate for each measure to the incurred public expenditure pertaining to it *or to the total eligible expenditure, including public and private expenditure.*

Amendment 67

Proposal for a regulation

Article 35 – paragraph 3 – point a

Text proposed by the Commission

(a) transmission to the Commission of a declaration of expenditure signed by the accredited paying agency, in accordance with Article 102(1)(c);

Amendment

(a) transmission to the Commission of a **monthly** declaration of expenditure signed by the accredited paying agency, in accordance with Article 102(1)(c);

Amendment 68

Proposal for a regulation

Article 37 – paragraph 1

Text proposed by the Commission

1. The Commission shall automatically decommit any portion of a budget commitment **for a rural development programme** that has not been used for the purpose of prefinancing or making interim payments or for which no declaration of expenditure fulfilling the requirements laid down in Article 35(3) has been presented to it in relation to expenditure incurred by 31 December of the second year following that of the budget commitment.

Amendment

1. The Commission shall automatically decommit any portion of a **Member State's** budget commitment that has not been used for the purpose of prefinancing or making interim payments or for which no declaration of expenditure fulfilling the requirements laid down in Article 35(3) has been presented to it in relation to expenditure incurred by 31 December of the second year following that of the budget commitment.

Amendment 69

Proposal for a regulation

Article 37 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Member States which, because of their federal system of government, submit several rural development programmes, may offset amounts not used by 31 December of the second year following that of the budget commitment for one or more rural development programmes

against amounts spent after that date under other rural development programmes. Should any amounts remain to be decommitted after such offsetting, they shall be charged, on a proportional basis, to the rural development programmes in respect of which underspends have been recorded.

Amendment 70

Proposal for a regulation

Article 37 – paragraph 4 – subparagraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) that part of the budget commitments which concerns aid pursuant to points (b) and (c) of Article 37(1) of Regulation (EU) No .../2013[RD].

Amendment 71

Proposal for a regulation

Article 38

Text proposed by the Commission

Amendment

Article 38

deleted

Budget Commitments

The Commission Decision adopting the list of the projects to which the Prize for innovative, local cooperation is awarded, as referred to in Article 58(4) of Regulation (EU) No RD/xxx shall constitute a financing decision within the meaning of Article [75(2)] of Regulation (EU) No FR/xxx. Following the adoption of the Decision referred to in the first paragraph, the Commission shall make a budget commitment by Member State for the total amount of the prizes granted to projects in that Member State within the limit referred to in Article 51(2) of Regulation (EU) No RD/xxx.

Amendment 72

Proposal for a regulation
Article 39

Text proposed by the Commission

Amendment

Article 39

deleted

Payments to the Member States

1. Within the framework of the interim payments referred to in Article 35, the Commission shall make payments in order to reimburse the expenditure incurred by accredited paying agencies in awarding the Prizes referred to in this Section in the limits of the available budget commitments for the Member States concerned.

2. Each payment shall be subject to the transmission to the Commission of a declaration of expenditure signed by the accredited paying agency, in accordance with Article 102(1)(c).

3. Accredited paying agencies shall establish and forward, either directly or via the intermediary of the coordinating body, where one has been appointed, declarations of expenditure relating to the Prize for innovative, local cooperation to the Commission, within periods set by the Commission by means of implementing acts adopted in accordance with the examination procedure referred to in Article 112(3).

Declarations of expenditure shall cover expenditure that the paying agencies have incurred during each of the periods concerned.

Amendment 73

Proposal for a regulation
Article 40

Text proposed by the Commission

Amendment

Article 40

deleted

Automatic decommitment for the Prize for innovative, local cooperation

The Commission shall automatically decommit the amounts referred to in the second subparagraph of Article 38 that have not been used for reimbursing the Member States as laid down in Article 39 or for which no declaration of expenditure meeting the conditions laid down in that Article has been presented to it in relation to expenditure incurred by 31 December of the second year following that of the budget commitment.

Article 37(3), (4) and (5) shall apply mutatis mutandis.

Amendment 74

Proposal for a regulation Article 42 – paragraph 2

Text proposed by the Commission

2. Where the latest possible date of payment is not respected by the Member States, they shall pay the beneficiaries default interests, *supported from the national budget.*

Amendment

2. Where the latest possible date of payment is not respected by the Member States, they shall pay the beneficiaries default interests. *This paragraph shall not apply in cases where the payment delay is not the fault of the Member State concerned.*

Amendments 196, 197, 198 and 199

Proposal for a regulation Article 43 – paragraph 2 – subparagraph 1

Text proposed by the Commission

The Commission may, by way of implementing acts, reduce or suspend the monthly or interim payments to a Member State if *all* of the following conditions are met:

(a) one or more of the key components of the national control system in question do

Amendment

The Commission may, by way of implementing acts, reduce or suspend the monthly or interim payments to a Member State if *one or more of the key components of the national control system in question do not exist or are not effective due to the gravity or persistence of the deficiencies found, or irregular payments are not being recovered with the necessary diligence and if one* of the following conditions are met:

deleted

not exist or are not effective due to the gravity or persistence of the deficiencies found, or irregular payments are not being recovered with the necessary diligence;

(b) the deficiencies referred to *in point (a)* are of a continuous nature and have been the reason for at least two implementing acts pursuant to Article 54, excluding from Union financing expenditure from the Member State concerned; *and*

(c) the Commission concludes that the Member State concerned is not in a position to implement the necessary *measures to remedy the situation in the immediate future.*

(b) *either* the deficiencies referred to *above* are of a continuous nature and have been the reason for at least two implementing acts pursuant to Article 54, excluding from Union financing expenditure from the Member State concerned; *or*

(c) the Commission concludes that the Member State concerned is not in a position to implement the necessary *remedial measures in the immediate future, in accordance with an action plan with clear progress indicators, to be established in consultation with the Commission.*

Amendment 75

Proposal for a regulation Article 44 – paragraph 1

Text proposed by the Commission

When sectoral agricultural legislation requires Member States to submit, within a specific period of time, information on the *numbers* of checks carried out and their outcome and the Member States overrun that period, the Commission may suspend the monthly payments referred to in Article 18 or the interim payments referred to in Article 35 for which the relevant statistical information has not been sent in time.

Amendment

Where sectoral agricultural legislation requires Member States to submit, within a specific period of time, information on the *number* of checks carried out *under Article 61* and their outcome and *where* the Member States overrun that period, the Commission may suspend *the* monthly payments referred to in Article 18 or the interim payments referred to in Article 35 for which the relevant statistical information has not been sent in time *provided that the Commission has made available to the Member States in good time prior to the start of the reference period all the information, forms and explanations they need to compile the relevant statistics. In doing so, the Commission shall act in accordance with the principle of proportionality and the detailed rules it has adopted on the basis of Article 48(5), taking account of the extent of the delay. In particular, the*

Commission shall clearly distinguish between a situation where the late submission of information places the annual budget discharge mechanism at risk and a situation where such a risk does not exist. Before suspending the monthly payments the Commission shall notify in writing the Member State concerned.

Amendment 76

Proposal for a regulation

Article 47 – paragraph 1 – subparagraph 2

Text proposed by the Commission

It shall supply coherent, objective and comprehensive information, both inside and outside the Union, in order to give an overall picture of that policy.

Amendment

It shall supply coherent, objective and comprehensive information, both inside and outside the Union, in order to give an **accurate** overall picture of that policy.

Amendment 77

Proposal for a regulation

Article 48 – paragraph 6

Text proposed by the Commission

6. The Commission **may lay down, by means of implementing acts**, further details on the obligation laid down in Article 46 as well as the specific conditions applying to the information to be booked in the accounts kept by the paying agencies. **Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 112(3).**

Amendment

6. The Commission **shall be empowered to adopt delegated acts, in accordance with Article 111, laying down** further details on the obligation laid down in Article 46 as well as the specific conditions applying to the information to be booked in the accounts kept by the paying agencies.

Amendment 78

Proposal for a regulation

Article 48 – paragraph 6 a (new)

Text proposed by the Commission

Amendment

6a. The Commission shall be empowered to adopt delegated acts, in accordance with Article 111, laying down further rules on the payment by the Member

States of default interests to the beneficiaries as referred to in Article 42(2).

Amendment 79

Proposal for a regulation

Article 48 – paragraph 7 – point c

Text proposed by the Commission

Amendment

(c) rules on the payment by the Member States of default interests to the beneficiaries as referred to in Article 42(2).

deleted

Amendment 80

Proposal for a regulation

Article 49 – paragraph 1 – subparagraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) whether a paying agency complies with the accreditation criteria laid down in Article 7(2) and whether the Member State correctly applies the provisions of Article 7(5);

Amendment 81

Proposal for a regulation

Article 49 – paragraph 1 – subparagraph 1 – point c b (new)

Text proposed by the Commission

Amendment

(cb) the work which the certification bodies are required to carry under Article 9;

Amendment 82

Proposal for a regulation

Article 49 – paragraph 1 – subparagraph 1 – point c c (new)

Text proposed by the Commission

Amendment

(cc) compliance with the obligations laid down in Article 56(1).

Amendment 83

Proposal for a regulation

Article 49 – paragraph 2 – subparagraph 1

Text proposed by the Commission

2. The Commission shall give sufficient prior notice of an on-the-spot check to the Member State concerned or the Member State within whose territory the check is to take place. Agents from the Member State concerned may take part in such checks.

Amendment

2. The Commission shall give sufficient prior notice of an on-the-spot check to the Member State concerned or the Member State within whose territory the check is to take place ***and shall coordinate checks with a view to reducing any negative impact on paying agencies.*** Agents from the Member State concerned may take part in such checks.

Amendment 84

Proposal for a regulation

Article 50 – paragraph 3

Text proposed by the Commission

3. Member States shall make available to the Commission all information about irregularities ***and suspected fraud cases*** detected, and about the steps taken to recover undue payments in connection with those irregularities and frauds pursuant to Section III of this Chapter.

Amendment

3. Member States shall make available to the Commission all information about irregularities detected and about the steps taken to recover undue payments in connection with those irregularities and frauds pursuant to Section III of this Chapter.

Amendment 85

Proposal for a regulation

Article 51 – paragraph 1

Text proposed by the Commission

The accredited paying agencies shall keep supporting documents relating to payments made and documents relating to the performance of the administrative and physical checks required by Union legislation, and shall make the documents and information available to the Commission.

Amendment

The accredited paying agencies shall keep supporting documents relating to payments made and documents relating to the performance of the administrative and physical checks required by Union legislation, and shall make the documents and information available to the Commission. ***Such supporting documents may be kept in electronic form.***

Amendment 86

Proposal for a regulation

Article 52 – paragraph 1 – introductory part

Text proposed by the Commission

The Commission *may, by means of implementing acts, lay down* rules regarding:

Amendment

The Commission *shall be empowered to adopt delegated acts, in accordance with Article 111, laying down* rules regarding:

Amendment 87

Proposal for a regulation

Article 52 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) the conditions, under which the electronic storage of supporting documents referred to in the first subparagraph of Article 51 is to be performed, including its form and duration.

Amendment 88

Proposal for a regulation

Article 52 – paragraph 2

Text proposed by the Commission

The implementing acts provided for in the first paragraph shall be adopted in accordance with the examination procedure referred to in Article 112(3).

Amendment

deleted

Amendment 89

Proposal for a regulation

Article 54 – paragraph 2

Text proposed by the Commission

2. The Commission shall assess the amounts to be excluded on the basis of the gravity of the non-conformity recorded. It shall take due account of the nature *and gravity* of the infringement and of the *financial damage caused* to the *Union*.

Amendment

2. The Commission shall assess the amounts to be excluded on the basis of the gravity of the non-conformity recorded. It shall take due account of the nature of the infringement and *it shall base the amounts excluded on an assessment* of the *risk* to

the *agricultural funds stemming from the infringement*.

Amendment 90

Proposal for a regulation

Article 54 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The Commission shall base its financial corrections on individual cases of irregularity identified, or by taking account of the systemic nature of the irregularity to determine whether an extrapolated or flat rate correction should be applied.

Flat rate corrections shall only be applied where it is impossible, due to the nature of the case, to either identify the extent and amount of the irregularity found or to extrapolate the amount to be corrected

Amendment 91

Proposal for a regulation

Article 54 – paragraph 3 – subparagraph 1

Text proposed by the Commission

Amendment

Before the adoption of any decision to refuse financing, the findings from the Commission's inspection and the Member State's replies shall be notified in writing, following which the two parties shall attempt to reach agreement on the action to be taken.

Before the adoption of any decision to refuse financing, the findings from the Commission's inspection and the Member State's replies shall be notified in writing, following which the two parties shall attempt to reach agreement on the action to be taken. ***In this context the Member States shall be given the opportunity to demonstrate, through an examination of the documentation concerned, that the actual extent of irregularity is less than the Commission's assessment.***

Amendment 92

Proposal for a regulation

Article 54 – paragraph 3 – subparagraph 2

Text proposed by the Commission

If agreement is not reached, the Member State may request opening of a procedure aimed at reconciling each party's position within four months. A report of the outcome of the procedure shall be given to the Commission, which shall *examine it* before deciding on any refusal of financing.

Amendment

If agreement is not reached, the Member State may request opening of a procedure aimed at reconciling each party's position within four months. A report of the outcome of the procedure shall be given to the Commission, which shall *take into account the report's recommendations* before deciding on any refusal of financing. *The Commission shall give reasons if it does not decide to follow the recommendations in the report.*

Amendment 93

Proposal for a regulation

Article 54 – paragraph 5 – point b

Text proposed by the Commission

(b) national aids *or infringements* for which the procedure laid down in Article 108 or Article 258 *of the Treaty respectively has begun*;

Amendment

(b) national aids for which the procedure laid down in Article 108(2) *TFEU has been initiated by the Commission* or *infringements which the Commission has notified to the Member State concerned by a letter of formal notice in accordance with Article 258 TFEU*;

Amendment 94

Proposal for a regulation

Article 55 – paragraph 1 – introductory part

Text proposed by the Commission

The Commission shall, *by means of implementing* acts, *lay down rules for the implementation of*:

Amendment

The Commission shall *be empowered to adopt delegated* acts, *in accordance with Article 111, laying down objectives for the various phases of the clearance of accounts procedure, the respective roles and responsibilities of the different parties involved as well as rules concerning*:

Amendment 95

Proposal for a regulation

Article 55 – paragraph 1 – point b

Text proposed by the Commission

(b) the conformity clearance provided for in Article 54 with regard to the measures to be taken in connection with the adoption of the decision and its implementation, including the information exchange between the Commission and the Member States **and** the deadlines to be respected as well as the conciliation procedure provided for in that Article, including the establishment, tasks, composition and working arrangements of the conciliation body.

Amendment

(b) the conformity clearance provided for in Article 54 with regard to the measures to be taken in connection with the adoption of the decision and its implementation, including the information exchange between the Commission and the Member States, the ***rates of co-financing corrections to be applied, the*** deadlines to be respected as well as the conciliation procedure provided for in that Article, including the establishment, tasks, composition and working arrangements of the conciliation body.

Amendment 96

**Proposal for a regulation
Article 55 – paragraph 2**

Text proposed by the Commission

The implementing acts provided for in the first paragraph shall be adopted in accordance with the examination procedure referred to in Article 112(3).

Amendment

deleted

Amendment 97

**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.

Amendment 98

Proposal for a regulation

Article 56 – paragraph 2 – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

However, if, for reasons not attributable to the Member State concerned, it is not possible for recovery to take place within the time limit specified in the first subparagraph and if the amount to be recovered exceeds EUR 1 million, the Commission may, at the request of the Member State, extend the time limit by a period up to half of the original period.

Amendment 99

Proposal for a regulation

Article 56 – paragraph 3 – subparagraph 1 – point a

Text proposed by the Commission

Amendment

(a) if the costs already and likely to be incurred total more than the amount to be recovered, or

(a) if the costs already and likely to be incurred total more than the amount to be recovered; *this condition shall be deemed to have been met if the amount to be recovered from the beneficiary in the context of a single payment does not exceed EUR 300; or*

Amendment 100

Proposal for a regulation

Article 57 – paragraph 2

Text proposed by the Commission

Amendment

When the Union budget is credited as referred in the first paragraph, the Member State may retain **10** % of the corresponding amounts as flat rate recovery costs, except in cases of irregularity or negligence attributable to its administrative authorities or other official bodies.

When the Union budget is credited as referred in the first paragraph, the Member State may retain **20** % of the corresponding amounts as flat rate recovery costs, except in cases of irregularity or negligence attributable to its administrative authorities or other official bodies.

Amendment 101

Proposal for a regulation

Article 59

Text proposed by the Commission

In order to ensure correct and efficient application of the provisions relating to recovery set out in this Section, the Commission shall be empowered to adopt delegated act in accordance with Article 111 concerning specific obligations to be complied with by the Member States.

Amendment

In order to ensure correct and efficient application of the provisions relating to ***the conditions and procedures for the recovery of debts and the default interest thereon*** set out in this Section, the Commission shall be empowered to adopt delegated act in accordance with Article 111 concerning specific obligations to be complied with by the Member States.

Amendment 102

Proposal for a regulation

Article 60 – paragraph 1 – point b

Text proposed by the Commission

(b) ***offer*** effective prevention against fraud, especially as regards the areas with a higher level of risk, and which shall act as a deterrent, having regard to the costs and benefits as well as the proportionality of the measures;

Amendment

(b) ***ensure*** effective prevention against fraud, especially as regards the areas with a higher level of risk, and which shall act as a deterrent, having regard to the costs and benefits as well as the proportionality of the measures;

Amendment 103

Proposal for a regulation

Article 60 – paragraph 1 – point e a (new)

Text proposed by the Commission

Amendment

(ea) prevent undue environmental and public health costs, especially to avoid funding of activities under the CAP which generate additional costs to other policy areas within the general budget of the European Union, especially the environment and public health.

Amendment 104

Proposal for a regulation

Article 60 – paragraph 2

Text proposed by the Commission

2. Member States shall set up efficient

Amendment

2. Member States shall set up efficient,

management and control systems in order to ensure compliance with the legislation governing Union support schemes.

proportionate and risk-based management and control systems in order to ensure compliance with the legislation governing Union support schemes.

Amendment 105

Proposal for a regulation Article 60 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The introduction of new payment systems, which would in turn necessitate the introduction of new greening-related monitoring and penalty systems, is to be avoided as this would create a need for additional, complicated administrative procedures and more red tape.

Amendment 106

Proposal for a regulation Article 60 – paragraph 4 – subparagraph 1

Text proposed by the Commission

Amendment

The Commission may, by means of implementing acts, adopt rules aiming at reaching a uniform application of paragraphs 1 and 2 of this Article.

In order to ensure that the objectives of paragraphs 1 and 2 of this Article are achieved correctly and efficiently, the Commission shall be empowered to adopt delegated acts, in accordance with Article 111, laying down specific obligations for the Member States.

Amendment 107

Proposal for a regulation Article 60 – paragraph 4 – subparagraph 2

Text proposed by the Commission

Amendment

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 112(3).

deleted

Amendment 108

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 ***the purpose of which 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.***

Amendment 109

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 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

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***, 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***

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 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.

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 .../2013 [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 .../2013 [DP], a system for checks on the approved interbranch organisations;

(h) with regard to wine as referred to in Regulation (EU) No .../2013[sCMO], 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 *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 .../2013[DP], Regulation (EU) No .../2013[RD] or Regulation (EU) No .../2013[sCMO] respectively.

Amendment 110

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*.

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*.

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.

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.

Amendment 111

Proposal for a regulation Article 65 a (new)

Text proposed by the Commission

Amendment

Article 65a

Withdrawals and reductions as regards payment for agricultural practices beneficial for the climate and the

environment

Notwithstanding Article 65, the sum of the withdrawals and reductions applied in accordance with that Article as a result of non-compliance with the obligations referred to in Title III of Chapter 2 of Regulation .../2013[DP] shall not exceed the amount of the payment referred to in that Chapter.

Amendment 112

Proposal for a regulation

Article 66 – paragraph 1 – point a

Text proposed by the Commission

(a) the suspension of the right to participate in an aid scheme, the exclusion and suspension of payment or a reduction rate of aids, payments or refunds *or any other penalty, in particular* in case time limits have not been respected, the product, size or quantity is not in conformity with the application, the evaluation of a scheme or the notification of information did not take place, is incorrect or is not notified on time;

Amendment

(a) the suspension of the right to participate in an aid scheme, the exclusion and suspension of payment or a reduction rate of aids, payments or refunds, in case time limits have not been respected, the product, size or quantity is not in conformity with the application, the evaluation of a scheme or the notification of information did not take place, is incorrect or is not notified on time;

Amendment 113

Proposal for a regulation

Article 66 – paragraph 1 – point g

Text proposed by the Commission

(g) the withdrawal or suspension of an approval or a recognition, *in particular* when an operator, producer organisation, association of producer organisations, producer group or inter-branch organisation fails to respect or no longer meets the conditions required, including failure to make notifications;

Amendment

(g) the withdrawal or suspension of an approval or a recognition, when an operator, producer organisation, association of producer organisations, producer group or inter-branch organisation fails to respect or no longer meets the conditions required, including failure to make notifications;

Amendment 114

Proposal for a regulation

Article 66 – paragraph 1 — subparagraph 1 – point i a (new)

Text proposed by the Commission

Amendment

(ia) the procedures and technical criteria related to the measures and penalties in points (a) to (i), where non-compliance with any of the obligations resulting from the application of the relevant legislation is found;

Amendment 115

Proposal for a regulation

Article 66 – paragraph 2 – subparagraph 1 – point a

Text proposed by the Commission

Amendment

(a) the procedures and technical criteria related to the measures and penalties referred to in paragraph 1 where non-compliance with any of the obligations resulting from the application of the relevant legislation is found;

deleted

Amendment 116

Proposal for a regulation

Article 66 – paragraph 2 – subparagraph 1 – point b

Text proposed by the Commission

Amendment

(b) the **rules and** procedures regarding the recovery of undue payments resulting from the application of the relevant legislation.

(b) the procedures regarding the recovery of undue payments resulting from the application of the relevant legislation.

Amendment 117

Proposal for a regulation

Article 68

Text proposed by the Commission

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

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 .../2013 [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.

the support granted in accordance with Articles 22(1)(a) and (b), 29 to 32, 34 and 35 of Regulation .../2013 [RD] and where applicable Article 28(1)(b) of regulation (EU) .../2013[CR].

However, this Chapter shall not apply to measures referred to in Article 29(9) of Regulation (EU) No .../2013[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.

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

Amendment 118

Proposal for a regulation

Article 70 – paragraph 1 – subparagraph 2

Text proposed by the Commission

This database shall in particular allow consultation through the competent authority of the Member State, of the data relating to the calendar and/or marketing years, starting from 2000. It shall also allow direct and immediate consultation of the data relating to at least the previous five consecutive calendar years.

Amendment

This database shall in particular allow consultation through the competent authority of the Member State, of the data relating to the calendar and/or marketing years, starting from 2000. ***However, the Member States which acceded to the Union in 2004 shall only be required to ensure consultation of the data from 2004.*** It shall also allow direct and immediate consultation of the data relating to at least the previous five consecutive calendar years.

Amendment 119

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 .../2013[DP]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.

Amendment 120

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

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 *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.

plan of beneficiaries *comprising of 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.

Amendment 121

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

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.

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 % of the applicable payment referred to in Title III of Regulation (EU) .../2013 [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.

Amendment 122

Proposal for a regulation Article 77 – paragraph 1 – point a a (new)

Text proposed by the Commission

Amendment

(aa) rules on the use of technology when setting up the integrated system to ensure their optimisation;

Amendment 123

Proposal for a regulation Article 77 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) the basic features, definitions and quality requirements for the computerised database provided for in Article 70;

Amendment 124

Proposal for a regulation Article 77 – paragraph 1 – point b b (new)

Text proposed by the Commission

Amendment

(bb) the basic features, definitions and quality requirements for the identification system for agricultural parcels, provided for in Article 71, and for the identification of the beneficiaries, provided for in Article 74;

Amendment 125

Proposal for a regulation

Article 77 – paragraph 1 – point b c (new)

Text proposed by the Commission

Amendment

(bc) the basic features, definitions and quality requirements for the system for the identification and registration of payment entitlements provided for in Article 72;

Amendment 126

Proposal for a regulation

Article 77 – paragraph 1 – point b d (new)

Text proposed by the Commission

Amendment

(bd) rules on the aid application and payments claims provided for in Article 73, and the application for payment entitlements, including the final date for submission of applications, the requirements as to the minimum amount of information to be included in the application, provisions for amendments to or the withdrawal of aid applications, exemption from the requirement to submit an aid application and provisions which allow Member States to apply simplified procedures or to correct obvious errors;

Amendment 127

Proposal for a regulation

Article 77 – paragraph 1 – point b e (new)

Text proposed by the Commission

Amendment

(be) rules on the carrying out of checks in order to verify compliance with obligations, and the correctness and completeness of the information provided in the aid application or payment claim;

Amendment 128

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 .../2013 [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;***

Amendment 129

Proposal for a regulation

Article 77 – paragraph 3 – point b

Text proposed by the Commission

(b) provisions to ensure a harmonised and proportionate treatment of ***intentional*** irregularities, situations of minor errors, accumulation of reductions and simultaneous application of different reductions;

Amendment

(b) provisions to ensure a harmonised and proportionate treatment of ***severe*** irregularities, situations of minor errors, accumulation of reductions and simultaneous application of different reductions;

Amendment 130

Proposal for a regulation
Article 78 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) the basic features, definitions and quality requirements for the computerised database provided for in Article 70;

deleted

Amendment 131

Proposal for a regulation
Article 78 – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) the basic features, definitions and quality requirements for the identification system for agricultural parcels provided for in Article 71 and for the identification of the beneficiaries as provided for in Article 74;

deleted

Amendment 132

Proposal for a regulation
Article 78 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) the basic features, definitions and quality requirements for the system for the identification and registration of payment entitlements provided for in Article 72;

deleted

Amendment 133

Proposal for a regulation
Article 78 – paragraph 1 – point d

Text proposed by the Commission

Amendment

(d) rules on the aid application and payments claims provided for in Article 73, and the application for payment entitlements, including the final date for submission of applications, the requirements as to the minimum amount of information to be included in the

deleted

application, provisions for amendments to or the withdrawal of aid applications, exemption from the requirement to submit an aid application and provisions which allow Member States to apply simplified procedures or to correct obvious errors;

Amendment 134

Proposal for a regulation Article 78 – paragraph 1 – point e

Text proposed by the Commission

Amendment

(e) rules on the carrying out of checks in order to verify compliance with obligations, and the correctness and completeness of the information provided in the aid application or payment claim;

deleted

Amendment 135

Proposal for a regulation Article 78 – paragraph 1 – point f

Text proposed by the Commission

Amendment

(f) technical definitions needed for the purpose of the uniform implementation of this Chapter;

deleted

Amendment 136

Proposal for a regulation Article 88 – paragraph 2 – subparagraph 1 – introductory part

Text proposed by the Commission

Amendment

The Commission shall, where necessary, by means of implementing acts adopt the provisions aiming at reaching a uniform application of this **Regulation in the Union**, in particular relating to the following:

The Commission shall, where necessary, by means of implementing acts adopt the provisions aiming at reaching a uniform application of this **Chapter**, in particular relating to the following:

Amendment 137

Proposal for a regulation Article 90 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

(3a) The Commission shall be empowered to adopt delegated acts, in accordance with Article 111, concerning the following:

(a) the actions to be implemented by the Member States to prevent the unlawful use of protected designations of origin and protected geographical indications;

(b) relevant checks and verification to be carried out by the Member States, including testing.

Amendment 138

Proposal for a regulation

Article 90 – paragraph 4 – subparagraph 1 – point c

Text proposed by the Commission

Amendment

(c) the actions to be implemented by the Member States to prevent the unlawful use of protected designations of origin and protected geographical indications;

deleted

Amendment 139

Proposal for a regulation

Article 90 – paragraph 4 – subparagraph 1 – point d

Text proposed by the Commission

Amendment

(d) checks and verification to be carried out by the Member States, including testing.

deleted

Amendment 140

Proposal for a regulation

Article 91 – paragraph 2 – point a

Text proposed by the Commission

Amendment

(a) the non-compliance is the result of an act or omission directly attributable to the beneficiary concerned;

a) the non-compliance is the result of an act or omission directly *and unequivocally* attributable to the beneficiary concerned;

Amendment 141

Proposal for a regulation

Article 91 – paragraph 2 – subparagraph 1 – point b

Text proposed by the Commission

(b) the non-compliance is related to the agricultural activity of the beneficiary; **and**

Amendment

(b) the non-compliance is related to the agricultural activity of the beneficiary; **or**

Amendment 142

Proposal for a regulation

Article 93 – paragraph 3

Text proposed by the Commission

Directive 2000/60/EC of 23 October 2000 establishing a framework for Community action in the field of water policy will be considered as being part of Annex II once this Directive is implemented by all Member States and the obligations directly applicable to farmers have been identified. In order to take account of those elements the Commission shall be empowered to adopt delegated acts in accordance with Article 111 for the purpose of amending the Annex II within 12 months starting at the moment the last Member State has notified the implementation of the Directive to the Commission.

Amendment

deleted

Amendment 144

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

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***. Member States which were ***Member States before*** 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

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.*

maintained under permanent grassland *and permanent pasture* within defined limits. Member States which became *Member States* 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.

Amendment 145

Proposal for a regulation Article 93 – paragraph 8

Text proposed by the Commission

Furthermore, the Commission shall, by means of implementing acts, adopt the methods for the determination of the ratio of permanent grassland and agricultural land that has to be maintained. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 112(3).

Amendment

The Commission shall *be empowered to adopt delegated acts, in accordance with Article 111, laying down* the methods for the determination of the ratio of permanent grassland and agricultural land that has to be maintained.

Amendment 146

Proposal for a regulation Article 94

Text proposed by the Commission

Member States shall ensure that all agricultural area, *including land which is no longer used for production purposes*, is maintained in good agricultural and environmental condition. Member States

Amendment

Member States shall ensure that all agricultural area is maintained in good agricultural and environmental condition. Member States shall define, at national or regional level, minimum standards for

shall define, at national or regional level, minimum standards for beneficiaries for good agricultural and environmental condition of land on the basis of Annex II, taking into account the specific characteristics of the areas concerned, including soil and climatic condition, existing farming systems, land use, crop rotation, farming practices, and farm structures. Member States shall not define minimum requirements which are not established in Annex II.

beneficiaries for good agricultural and environmental condition of land on the basis of Annex II, taking into account the specific characteristics of the areas concerned, including soil and climatic condition, existing farming systems, land use, crop rotation, farming practices, and farm structures. Member States shall not define minimum requirements which are not established in Annex II.

Amendment 147

Proposal for a regulation

Article 96 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Member States may make use of their existing administration and control systems to ensure compliance with the rules on cross compliance.

Amendment

Member States may make use of their existing administration and control systems to ensure compliance with the rules on cross compliance ***and shall define a set of verifiable requirements and standards to be applied at farm level.***

Amendment 148

Proposal for a regulation

Article 96 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Checks of requirements, standards, acts or areas of cross compliance may take account of the following factors:

- farmers' participation in the farm advisory system provided for in Title III of this Regulation;***
- farmers' participation in a certification system, if such system covers the requirements and standards concerned.***

Amendment 149

Proposal for a regulation Article 96 – paragraph 3

Text proposed by the Commission

3. Member States shall carry out on-the-spot checks to verify whether a beneficiary complies with the obligations laid down in this Title.

Amendment

3. Member States shall carry out on-the-spot checks to verify whether a beneficiary complies with the obligations laid down in this Title. ***In doing so, Member States shall focus primarily on claims with the highest risks according to the principle of proportionality.***

Amendment 150

Proposal for a regulation Article 96 – paragraph 4 – subparagraph 1

Text proposed by the Commission

The Commission shall, ***by means of implementing*** acts, adopt rules on the carrying out of checks in order to verify compliance with the obligations referred to in this Title.

Amendment

The Commission shall ***be empowered to adopt delegated*** acts, ***in accordance with Article 111, laying down*** rules on the carrying out of checks in order to verify compliance with the obligations referred to in this Title.

Amendment 151

Proposal for a regulation Article 96 – paragraph 4 – subparagraph 2

Text proposed by the Commission

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 112(3).

Amendment

deleted

Amendment 152

Proposal for a regulation Article 97 – paragraph 1 – subparagraph 1

Text proposed by the Commission

1. The penalty provided for in Article 91 shall be applied when the rules on cross

Amendment

1. The penalty provided for in Article 91 shall be applied when the rules on cross

compliance are not complied with at any time in a given calendar year (hereinafter referred to as ‘the calendar year concerned’), and the non-compliance in question is attributable to the beneficiary who submitted the aid application or the payment claim in the calendar year concerned.

compliance are not complied with at any time in a given calendar year (hereinafter referred to as ‘the calendar year concerned’), and the non-compliance in question is ***directly and unequivocally*** attributable to the beneficiary who submitted the aid application or the payment claim in the calendar year concerned.

Amendment 153

Proposal for a regulation

Article 97 – paragraph 3 – subparagraph 2

Text proposed by the Commission

Where a Member State decides to make use of the option provided for in the first subparagraph, the competent authority shall, for a sample of beneficiaries, take in the following year the actions necessary to verify that the beneficiary has remedied the findings of non-compliance concerned. The finding and the obligation to take remedial action shall be notified to the beneficiary.

Amendment

deleted

Amendment 154

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

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, 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.**

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

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 **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.

of paragraph 1.

Amendment 155

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

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 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 for cases where administrative penalties are not to be imposed for non-compliance due to technical failure of the systems for identification and registration of animals, referred to in Annex II, SMR 7 and SMR 8, which does not result from an act or omission directly attributable to the beneficiary concerned.***

Amendment 156

Proposal for a regulation Article 102 – paragraph 1 – subparagraph 1 – point c – point v

Text proposed by the Commission

- (v) ***a*** summary of the results of all available audits and checks carried out in accordance with the schedule and detailed provisions laid down in the sector specific rules.

Amendment

- (v) ***an annual*** summary, ***together with the EAGF and EAFRD expenditure account***, of the results of all available audits and checks carried out in accordance with the schedule and detailed provisions laid down in the sector specific rules.

Amendment 157

Proposal for a regulation

Article 102 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

(3a) Where, in order to fulfil their obligations under this Article, Member States are required to carry out statistical analyses, the Commission shall furnish them with all necessary information in good time.

Amendment 158

Proposal for a regulation

Article 106 — paragraph 3

Text proposed by the Commission

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 ***most recent*** exchange rate set by the European Central Bank prior to 1 October of the year for which the aid is granted.

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.

Amendment 159

Proposal for a regulation

Article 107 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Amendment

1. The Commission ***may, by means of implementing acts***, adopt measures ***in order*** to safeguard the application of Union legislation if exceptional monetary practices related to national currency are likely to jeopardise it. Those measures may, where necessary, derogate from the existing rules.

1. The Commission ***shall be empowered to adopt delegated acts, in accordance with Article 111, concerning*** measures to safeguard the application of Union legislation if exceptional monetary practices related to national currency are likely to jeopardise it. Those measures may, where necessary, derogate from the existing rules.

Amendment 160

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;
- (b) sustainable management of natural resources and climate action, with a focus

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 .../2013[DP],
- (b) the market measures provided for in Regulation (EU) No .../2013[sCMO],
- (c) the rural development measures provided for in Regulation (EU) No .../2013[RD] and of,
- (d) the application of the cross compliance provided for in this Regulation.

The Commission shall monitor those 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.

Amendment 162

Proposal for a regulation

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.

Article 110b

Text proposed by the Commission

Amendment

Article 110b **Threshold**

deleted

Where the amount of aid received in one year by a beneficiary is equal or less than the amount fixed by a Member State pursuant to Article 49 of Regulation (EU) No DP/xxx that Member State shall not publish the name of that beneficiary as provided for in point (a) of the first subparagraph of Article 110a(1) of this Regulation.

The amounts fixed by a Member State pursuant to Article 49 of Regulation (EU) No DP/xxx and notified to the Commission under that Regulation shall be made public by the Commission in accordance with the rules adopted under Article 110d.

Where the first paragraph of this Article applies the Member States shall publish the information referred to in points (b), (c) and (d) of the first subparagraph of Article 110a(1) and the beneficiary shall be identified by a code. Member States shall decide on the form of that code.

Amendment 200

Proposal for a regulation **Article 110 c (new)**

Text proposed by the Commission

Amendment

Article 110c

Ex post publication of the beneficiaries of the EAGF and the EAFRD

Member States shall ensure annual ex post publication of the beneficiaries of the EAGF and the EAFRD. In doing so, they shall apply, mutatis mutandis, Article 21 of Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 on the

financial rules applicable to the general budget of the Union.

(a) without prejudice to the first paragraph of Article 110b of this Regulation, the name of the beneficiaries, as follows:

(i) the first name and the surname where the beneficiaries are natural persons;

(ii) the full legal name as registered where the beneficiaries are legal persons 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 beneficiaries are associations without an own legal personality;

(b) the municipality where the beneficiary resides 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 EAGF and the EAFRD received by each beneficiary in the financial year concerned;

(d) the nature and the description of the measures financed by the EAGF or the EAFRD 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.

Amendment 165

Proposal for a regulation
Article 111 – paragraph 2

Text proposed by the Commission

The *delegation of* power referred to in *this Regulation* shall be conferred on the Commission for *an indeterminate period of time from the entry into force of this Regulation*.

Amendment

The power *to adopt delegated acts* referred to in *Articles ...* shall be conferred on the Commission for *a period of five years from ...**

**Date of entry into force of this Regulation.*

Amendment 166

Proposal for a regulation
Article 111 – paragraph 2 — subparagraph 1a (new)

Text proposed by the Commission

Amendment

The Commission shall, not later than nine months before the expiry of a period of five years, submit a report on the delegated powers. The delegation of power shall be extended by the same period if the European Parliament and the Council agree to this extension not later than three months before the end of each period. To this end, the European Parliament shall decide by a majority of its members and the Council by a qualified majority.

Amendment 167

Proposal for a regulation
Annex 1 – paragraph 1 – subparagraph 1 – indent 1 a (new)

Text proposed by the Commission

Amendment

- Information helping farmers to plan how best to invest in "climate-proofing" their farm systems, and which Union funds they can use to do so; specifically, information on adapting farmland to climatic fluctuations and longer term changes and information on how to adopt practical agronomic measures to increase

the resilience of farming systems to floods and droughts and to improve and optimise soil carbon levels.

Amendment 168

Proposal for a regulation

Annex 1 – paragraph 1 – subparagraph 2 – indent 7 a (new)

Text proposed by the Commission

Amendment

- Information on the positive correlation between biodiversity and agro-ecosystem resilience, and the spreading of risk, and also the link between monocultures and susceptibility to crop failure/damage from pests and extreme climatic events

Amendment 169

Proposal for a regulation

Annex 1 – paragraph 1 – subparagraph 2 – indent 8 a (new)

Text proposed by the Commission

Amendment

- Information on how to best prevent the spread of alien invasive species and why this is important for the effective functioning of the ecosystem and for its resilience against climate change, including information on access to funding for eradication schemes where additional costs are implied

Amendment 170

Proposal for a regulation

Annex 1 – paragraph 1 – subparagraph 3 – indent 5 b (new)

Text proposed by the Commission

Amendment

- Information on sustainable, low volume irrigation systems and on how to optimise rain-fed systems, in order to promote efficient water use.

Amendment 171

Proposal for a regulation

Annex 1 – paragraph 1 – subparagraph 3 – indent 5 c (new)

Text proposed by the Commission

Amendment

- Information on reducing water use in agriculture, including crop choice, on improving soil humus to increase water retention and on decreasing the need to irrigate.

Amendment 172

Proposal for a regulation

Annex 1 – paragraph 1 – subparagraph 5 – indent 1

Text proposed by the Commission

Amendment

– Information on ***actions targeted towards innovation.***

– Information on ***the objectives of the European Innovation Partnerships for Agricultural productivity and sustainability as stated on Article 61 of Regulation (EU) No .../2013 [RD].***

Amendment 173

Proposal for a regulation

Annex 1 – paragraph 1 – subparagraph 5 – indent 1 a (new)

Text proposed by the Commission

Amendment

- Information on the existing operational groups created under article 62 of Regulation (EU) No .../2013 [RD] including their tasks and foster exchange and cooperation with them when appropriate.

Amendment 174

Proposal for a regulation

Annex 1 – paragraph 1 – subparagraph 5 – indent 3 a (new)

Text proposed by the Commission

Amendment

- Information on Rural Development Programmes oriented to the fulfilment of the priorities of knowledge transfer and innovation in agriculture as referred to in Article 5 (1) of Regulation (EU) No .../2013 [RD].

Amendment 175

Proposal for a regulation

Annex 1 – paragraph 1 – subparagraph 5 a (new)

Text proposed by the Commission

Amendment

Exchange of best practice, training and capacity building (horizontal to all themes mentioned above)

Amendment 176

Proposal for a regulation

Annex II — Main Issue ‘Water’ — SMR1 — last column

Text proposed by the Commission

Amendment

Articles 4 and 5

Compliance with the action programme and with the code of good practice for farms in vulnerable areas

Amendment 180

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.***

Amendment 181

Proposal for a regulation

Annex II — Main Issue "Soil and carbon stock" — GAEC 7

Text proposed by the Commission

Amendment

Protection of wetland and carbon rich soils including a ban of first ploughing

deleted

Amendment 184

Proposal for a regulation

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

Text proposed by the Commission

Amendment

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***

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 192

Proposal for a regulation

Annex II — Main Issue "Action on antimicrobial resistance (AMR)" (new)

Text proposed by the Commission

Amendment

Action on antimicrobial resistance (AMR)

Amendment 193

Proposal for a regulation

Annex II — Main Issue "Action on antimicrobial resistance (AMR)" (new) — GAEC 8c (new)

Text proposed by the Commission

Amendment

Commission Action plan against the rising threats from Antimicrobial Resistance, (COM(2011) 748, 15.11.2011). For food producing animals: Good Farming Practices to avoid infections including density limits, documentation of treatments including prophylaxis, no use of critically important antimicrobials

Amendment 194

Proposal for a regulation

Annex II — Main Issue 'Plant protection products' — SMR 10 — last column

Text proposed by the Commission

Amendment

Article 55, first and second sentence

Correct application of plant protection products; use of authorised products only,

in the recommended quantities and in line with the indications on the label. Keeping a record of the name of the product used, its formulation, the date on which it was applied to the parcel of land concerned, the person applying it and the level of that person's qualifications, the amount applied and the method of application