Common agricultural policy (CAP): application of direct payments for farmers in respect of the year 2013

2011/0286(COD) - 11/05/2012 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Agriculture and Rural Development adopted the report drafted by Luis Manuel CAPOULAS SANTOS (S&D, PT) on the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 73/2009 as regards the application of direct payments to farmers in respect of the year 2013.

It recommends that the European Parliament's position adopted at first reading, under the ordinary legislative procedure, should amend the Commission proposal as follows:

Voluntary modulation during the 2013 calendar year: Regulation (EC) 378/2007 established a mechanism for voluntary modulation of direct payments, with a view to strengthening rural development policy in certain Member States. The current provision for voluntary modulation of direct payments ends in 2012. The UK is the only Member State to apply this mechanism and therefore faces a significant gap in funding for its rural development programme in 2013. Therefore, Members propose continuing with the existing financial structure for the year 2013 to ensure continuity in payment levels.

Members consider it important, therefore, to provide **continuity of funding** for the commitments in rural development expenditure for the financial year 2014 and to ensure that the amount of direct payments in the calendar year 2013 is maintained at a similar level to that of 2012, without prejudice to the establishment of direct payment national ceilings during the next Financial Framework.

Delegation of powers to the Commission: Members have added provisions for the Commission to adopt delegated acts to provide for rules on how Member States should apply the financial discipline adjustment on the amount of payments to be paid to farmers in 2013.

The power to adopt delegated acts shall be conferred on the Commission for a period of one year from 1 January 2013.

A delegated act shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Financial transfers for Rural Development on the basis of Articles 136 of Council Regulation (EC) No 73/2009: the report notes that Article. 69(6)(b) of Regulation 73/2009 allows Member States to use unused direct payments for specific support measures (Article. 68(1)) or for the EAFRD (Article. 136).

The Commission proposal repeals Article 136, while leaving Article 68 and 69 in force. This discriminates Member States having opted for transfers under Article 136 since they can use these funds in the calendar year 2013 (=financial year 2014) neither in Pillar I nor in the EAFRD. This unequal treatment can be avoided by not repealing Article. 136.

Financial discipline mechanism: the report stresses that the procedure defined in Article 11 of Regulation 73/2009 (relating to the financial discipline mechanism) can not be implemented without the participation of the European Parliament in view of the provisions of the Lisbon Treaty on the common agricultural policy and the budget procedure.

Maintaining Article 11 (regarding financial discipline) unchanged - with the Council acting on a proposal from the Commission - would constitute a continuation of the reservation of Council's implementing powers under the former Article 202 EC. However, in the new legislative context, Members considers that this reservation of implementing powers for the Council is no longer justified.

Transitional national support: Members propose that the new Member States other than Bulgaria, Romania and Cyprus may grant transitional national support in 2013 in a form of decoupled payments to farmers subject to the authorisation by the Commission. The amount of transitional national support may be limited by a specific financial envelope per sector. The sector specific financial envelope shall not exceed the difference between the total level of direct support that the farmers would have been entitled to receive in the sector in the calendar year 2003 under a CAP scheme and the direct support provided to the sector under Regulation No 73/2009.