Common agricultural policy (CAP): direct payments to farmers under support schemes 2014-2020

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PURPOSE: to amend the Commission proposal for a regulation establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

BACKGROUND: on 19 October 2011, the Commission adopted its proposal for a regulation establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

The accession of Croatia to the EU is scheduled for 1 July 2013. Although the Act of Accession has not yet been ratified by all Member States, the Commission has recently updated its <u>Multi-Annual Financial Framework proposals</u> to take into account Croatia's accession. A similar adjustment exercise should be prepared for the CAP reform proposals to ensure that once they are adopted, Croatia will be fully covered as a new Member State .

IMPACT ASSESSMENT: there was no need for consultation of interested parties or an impact assessment since these adjustments follow from the Act of Accession, in the case of Croatia, and for what concerns the voluntary modulation for the UK, the adoption of Regulation (EU) No. 671/2012.

CONTENT: the adjustment will take the form of an amendment to the proposal for a regulation establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy, to include in the proposal those provisions specific to Croatia which are already in the Accession Treaty. The main changes relate to the inclusion of provisions on:

- the gradual introduction of direct payments in Croatia (phasing-in);
- the possibility of granting complementary national direct payments (CNDPs) to complement those support schemes listed in Annex I which Croatia will implement following the reform;
- certain financial aspects (national envelopes in Annex II, net amounts after capping in Annex III, maximum amount of CNDPs that may be granted in Annex V); and
- the implementation of the special national de-mining reserve in Croatia. That de-mining reserve relates to de-mined land which has returned to use for agricultural areas.

BUDGETARY IMPLICATIONS: the amendment has no budgetary implications, apart from those already set out in the explanatory memorandum for the updated proposals for the <u>Multiannual Financial Framework</u>.