

Management of expenditure relating to the food chain, animal health, animal welfare, plant health and plant reproductive material, 2014-2020

2013/0169(COD) - 07/06/2013 - Legislative proposal

PURPOSE: to provide for the scope and objectives for food and feed expenditure and to modernise the financial provisions for this area.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Union legislation provides for requirements regarding food and food safety and feed and feed safety, at all stages of production, including rules aimed at guaranteeing fair practices in trade and the provision of information to consumers.

The general objective of Union legislation in those areas is to contribute to a high level of health for humans, animals and plants along the food chain, a high level of protection and information of consumers and a high level of protection of the environment while favouring competitiveness and creation of jobs. **The pursuit of that general objective requires appropriate financial resources.**

This piecemeal framework is not in line with some provisions of the Financial Regulation and is quite complex. It has evolved over time and it needs to be rationalised.

This is an opportunity to **replace the current financial provisions in multiple legal bases by one single, clear and modern financial framework** which optimises the implementation and the functioning of financial management of expenditure in the field of food and feed.

IMPACT ASSESSMENT: **four options** have been considered:

- **Option 1:** no change. The current legal framework will not be consistent with the Multiannual Financial Framework. Expenditure on plant health could not be increased.
- **Option 2:** bring existing legislation into one legislative instrument.
- **Option 3a:** establish a single coherent financial programme, largely using existing financial provisions but with improvements.
- **Option 3b:** introduction of aspects of Cost and Responsibility Sharing Schemes (CRSS).
- **Option 4:** stop all EU actions.

Option 3a is the preferred option.

LEGAL BASIS: Articles 43(2) and 168(4)(b) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: this proposal is part of the 'Healthier Animals and Plants for a Safer Food Chain Package'. Its main elements are:

Scope and objectives of costs: the draft Regulation provides for the scope and objectives for food and feed expenditure up to a maximum ceiling of **EUR 1 891,936 million** in current prices. The **objectives** are: (i) a high level of safety of food and food production systems; (ii) a higher animal health status and animal welfare; (iii) the detection and eradication of pests; (iv) to ensure an effective implementation of official controls. These objectives are accompanied with their indicators.

Measures and eligible costs: the funding rates for grants are rationalised. A standard funding rate is set at **50%** of the eligible costs. This rate can be raised under certain conditions up to **75% and 100%**. In order to avoid the administrative burden of the management of microprogrammes, this Regulation sets a minimal amount for grants of **EUR 50 000**. This Regulation also provides for the access to the Reserve for crises in the agricultural sector in certain circumstances.

Plant health, in order to protect the EU against pests linked inter alia to trade globalisation and climate change, Union financial contribution will also cover survey programmes for the presence of pests and phytosanitary support measures for the outermost territories of Member States.

Official controls carried out by the Member States: the proposed Regulation provides for the possibility to support Union reference laboratories and projects aimed at improving the effectiveness and efficiency of official controls.

Transparency: this Regulation sets the procedures of submission and evaluation of annual and multiannual control programmes and the procedure for setting or updating the list of animal diseases or plant pests eligible for co-funding.

Simplification: the procedures for financing these areas are simplified. In particular the number of decisions the Commission will have to adopt will decrease significantly. For example, the reimbursement decisions will not be taken by the Commission any more.

Implementing powers: in order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission with regard to the establishment and amendment of the lists of animal diseases and zoonoses which qualify for Union funding, as well as the establishment of work programmes.

BUDGETARY IMPLICATION: on 29 June 2011, the European Commission presented its [proposal for a multiannual financial framework for 2014-2020](#) which was [amended on 6 July 2012](#). Taking into account the conclusions of the European Council of 7/8 February 2013, the Commission is proposing a maximum amount of **EUR 1 891,936 million** for expenditure in relation to food and feed during the whole period 2014-2020.

Total appropriations (including human resources and administrative expenditure) is estimated at **EUR 1 960 886 million** for the whole period.

The Commission may use, on the basis of a cost-benefit analysis, an existing executive agency for the implementation of this Programme.