Common agricultural policy (CAP): financing, management and monitoring 2014-2020

2011/0288(COD) - 20/11/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 500 votes to 177 with 10 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy.

Parliament adopted its position in first reading following the ordinary legislative procedure. The amendments adopted in plenary were the result of a compromise between Parliament and Council. They amend the Commission proposal as follows:

Accreditation of paying agencies: in order to be accredited, paying agencies responsible for the management and control of expenditure must have an administrative organisation and a system of internal control which **provide sufficient guarantees** that payments are legal and regular and properly accounted for. Member States will be authorised to maintain the number of paying agencies which have been accredited before the entry into force of the Regulation.

Before the end of 2016, the Commission shall present a report to the Council and the European Parliament on the operation of the system of paying agencies in the Union accompanied, where appropriate, by legislative proposals.

Certification bodies: the certification body shall be a public or private audit body designated by the Member State. Where it is a private audit body, and the applicable Union or national law so requires, it shall be selected by the Member State by means of a public tendering procedure. It shall provide an opinion, drawn up in accordance with internationally accepted audit standards.

Reserve for crises in the agricultural sector: a reserve for crises in the agricultural sector intended to provide additional support for the sector in case of major crises affecting the agricultural production or distribution shall be established by applying, at the beginning of each year, a reduction to direct payments with the financial discipline mechanism.

The total amount of the reserve shall be **EUR 2 800 million** with equal annual instalments of EUR 400 million (2011 prices) for the period 2014-2020.

Prefinancing: following the Commission decision 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 be paid in instalments (2014, 2015 et 2016).

Suspension of payments: the possibility for reducing or suspending payments in case of significant and persistent deficiencies in national control systems should be reinforced in order to provide the Commission with the possibility to suspend payments rapidly when serious deficiencies are detected. Such possibility should also be extended by **including negligence in the system for recovery of irregular payments.**

As regards the EAGF, sums recovered should be paid back to that Fund where the expenditure is not in conformity with Union legislation and no entitlement existed. Member States should request recovery from the beneficiary within 18 months after a control report or similar document, stating that an irregularity has taken place, has been approved.

Identification system for agricultural parcels: use shall be made of computerised geographical information system techniques, including aerial or spatial orthoimagery, with a homogenous standard guaranteeing accuracy at least equivalent to cartography at a **scale of 1: 10 000 and, as from 2016, at a scale of 1:5000,** while taking into account the outline and condition of the parcel.

Member States shall ensure that the identification system for agricultural parcels contains a reference layer to accommodate ecological focus areas.

Penalties: Parliament clarified the provisions concerning the application of administrative penalties in case of non-compliance with the eligibility conditions, commitments or other obligations resulting from the

These administrative penalties may take **one of the following forms**: (I) reduction in the amount of aid or support; (ii) payment of an amount calculated on the basis of the quantity and/or the time concerned by non-compliance; (iii) suspension or withdrawal of an approval, recognition or authorisation; (iv) exclusion from the right to benefit from the aid scheme.

The administrative penalties shall be **proportionate and graduated** according to the severity, extent, duration and reoccurrence of the non-compliance found. No administrative penalties shall be imposed where the non-compliance is due to force majeure.

In cases of infringement of the sectoral agricultural legislation, where detailed rules on administrative penalties have not been laid down by Union legislative and non-legislative acts, Member States should impose national penalties which should be effective, dissuasive and proportionate.

Transparency: the amended text stipulated that Member States should ensure annual ex post publication of the beneficiaries of the EAGF and the EAFRD. The publication shall contain: (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; (iii) the municipality where the beneficiary resides or is registered; (iv) the amounts of payment corresponding to each measure financed by the EAGF and the EAFRD received; (v) the nature and the description of the measures financed.

Member States shall not publish the name of a beneficiary where the amount of aid received in one year by a beneficiary is equal or less than EUR 1250.

Beneficiaries should be informed that their data will be made public and informed of their rights under the data protection rules.

Data shall not be stored in a form that permits identification of data subjects for longer than is necessary for the purposes for which they were collected or for which they are further processed.