Basic information

2011/0282(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
European Agricultural Fund for Rural Development (EAFRD): support for rural development 2014-2020 Repealing Regulation (EC) No 1698/2005 2004/0161(CNS) See also 2011/0280(COD) See also 2011/0281(COD) Repealed by 2018/0216(COD) Amended by 2013/0117(COD) Amended by 2015/0263(COD) Amended by 2016/0282B(COD) Amended by 2018/0414(COD) Amended by 2019/0254(COD) Amended by 2020/0075(COD) Amended by 2022/0166(COD) See also 2011/0285(COD) See also 2011/0286(COD) See also 2011/0288(COD) See also 2013/2530(RSP) **Subject** 3.10.01.02 Rural development, European Agricultural Fund for Rural Development (EAFRD)	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AGRI Agriculture and Rural Development	CAPOULAS SANTOS Luis Manuel (S&D)	26/09/2011
	Shadow rapporteur KÖSTINGER Elisabeth (PPE) PAULSEN Marit (ALDE) SMITH Alyn (Verts/ALE) NICHOLSON James (ECR) LE HYARIC Patrick (GUE/NGL) SCOTTÀ Giancarlo (EFD)	

Committee for opinion	Rapporteur for opinion	Appointed
DEVE Development	SCHNIEBER-JASTRAM Birgit (PPE)	07/11/2011

BUDG Budgets	LA VIA Giovanni (PPE)	06/02/2012
CONT Budgetary Control	DEUTSCH Tamás (PPE)	24/11/2011
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
ENVI Environment, Public Health and Food Safety	KADENBACH Karin (S&D)	14/11/2011
REGI Regional Development	SCHROEDTER Elisabeth (Verts/ALE)	23/11/2011

Committee for opinion on the legal basis	Rapporteur for opinion	Appointed
JURI Legal Affairs	VOSS Axel (PPE)	25/06/2012

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	3137	2011-12-15
Agriculture and Fisheries	3234	2013-04-22
Agriculture and Fisheries	3253	2013-07-15
Agriculture and Fisheries	3285	2013-12-16
Agriculture and Fisheries	3249	2013-06-24
Agriculture and Fisheries	3120	2011-10-20
Agriculture and Fisheries	3257	2013-09-23
Agriculture and Fisheries	3232	2013-03-19
Agriculture and Fisheries	3176	2012-06-18
Agriculture and Fisheries	3212	2012-12-18
Agriculture and Fisheries	3202	2012-11-28
Agriculture and Fisheries	3182	2012-07-16
Agriculture and Fisheries	3165	2012-05-14

European Commission

Commission DG	Commissioner
Agriculture and Rural Development	CIOLOŞ Dacian

European Economic and Social Committee

Key events

Date	Event	Reference	Summary
12/10/2011	Legislative proposal published	COM(2011)0627	Summary
20/10/2011	Debate in Council		Summary
25/10/2011	Committee referral announced in Parliament, 1st reading		
15/12/2011	Debate in Council		Summary
14/05/2012	Debate in Council		Summary
18/06/2012	Debate in Council		Summary
16/07/2012	Debate in Council		Summary
28/11/2012	Debate in Council		
18/12/2012	Debate in Council		
19/03/2013	Debate in Council		
22/04/2013	Debate in Council		
24/06/2013	Debate in Council		
15/07/2013	Debate in Council		
23/09/2013	Debate in Council		
30/09/2013	Vote in committee, 1st reading		
05/11/2013	Committee report tabled for plenary, 1st reading	A7-0361/2013	Summary
20/11/2013	Decision by Parliament, 1st reading	T7-0491/2013	Summary
20/11/2013	Results of vote in Parliament		
20/11/2013	Debate in Parliament		
16/12/2013	Act adopted by Council after Parliament's 1st reading		
16/12/2013	End of procedure in Parliament		
17/12/2013	Final act signed		
20/12/2013	Final act published in Official Journal		

Technical information	
Procedure reference	2011/0282(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Repealing Regulation (EC) No 1698/2005 2004/0161(CNS) See also 2011/0280(COD) See also 2011/0281(COD) Repealed by 2018/0216(COD) Amended by 2013/0117(COD) Amended by 2015/0263(COD) Amended by 2016/0282B(COD) Amended by 2018/0414(COD) Amended by 2019/0254(COD) Amended by 2020/0075(COD)

	Amended by 2022/0166(COD) See also 2011/0285(COD) See also 2011/0286(COD) See also 2011/0288(COD) See also 2013/2530(RSP)
Legal basis	Treaty on the Functioning of the European Union TFEU 042-p1 Treaty on the Functioning of the European Union TFEU 043
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/7/07529

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE474.053	24/05/2012	
Committee opinion	DEVE	PE485.892	21/06/2012	
Specific opinion	JURI	PE492.924	12/07/2012	
Amendments tabled in committee		PE489.640	20/07/2012	
Amendments tabled in committee		PE492.797	24/07/2012	
Amendments tabled in committee		PE492.949	24/07/2012	
Amendments tabled in committee		PE494.479	25/07/2012	
Amendments tabled in committee		PE494.480	25/07/2012	
Amendments tabled in committee		PE494.481	26/07/2012	
Amendments tabled in committee		PE494.602	26/07/2012	
Committee opinion	CONT	PE489.357	21/09/2012	
Committee opinion	ENVI	PE486.102	24/09/2012	
Committee opinion	REGI	PE492.639	16/10/2012	
Committee opinion	BUDG	PE491.200	17/10/2012	
Amendments tabled in committee		PE497.987	18/10/2012	
Amendments tabled in committee		PE501.948	18/12/2012	
Committee report tabled for plenary, 1st reading/single reading		A7-0361/2013	05/11/2013	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0491/2013	20/11/2013	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00093/2013/LEX	17/12/2013	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2011)0627	12/10/2011	Summary
Document attached to the procedure	SEC(2011)1153	12/10/2011	
Document attached to the procedure	SEC(2011)1154	12/10/2011	
Supplementary legislative basic document	COM(2012)0553	25/09/2012	Summary
Commission response to text adopted in plenary	SP(2014)87	30/01/2014	
Follow-up document	COM(2016)0812	20/12/2016	Summary
Follow-up document	SWD(2016)0447	20/12/2016	
Follow-up document	COM(2019)0433	27/09/2019	Summary
Follow-up document	SWD(2024)0170	01/07/2024	
Follow-up document	SWD(2024)0171	01/07/2024	

National parliaments

Document type	Parliament/Chamber	Reference	Date	Summary
Contribution	RO_SENATE	COM(2011)0627	12/12/2011	
Contribution	PT_PARLIAMENT	COM(2011)0627	15/12/2011	
Contribution	BG_PARLIAMENT	COM(2011)0627	16/12/2011	
Contribution	DE_BUNDESRAT	COM(2011)0627	20/12/2011	
Contribution	UK_HOUSE-OF-LORDS	COM(2011)0627	10/02/2012	
Contribution	CZ_SENATE	COM(2011)0627	29/03/2012	
Contribution	IT_SENATE	COM(2011)0627	02/05/2012	
Contribution	IE_HOUSES-OF-OIREACHTAS	COM(2011)0627	21/06/2012	
Contribution	IT_CHAMBER	COM(2011)0627	20/08/2012	
Contribution	IT_SENATE	COM(2012)0553	16/11/2012	
Contribution	PT_PARLIAMENT	COM(2012)0553	28/11/2012	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
	Document attached to the	N7-0044/2012		

EDPS	procedure	OJ C 035 09.02.2012, p. 0001	14/12/2011	Summary
CofR	Committee of the Regions: opinion	CDR0065/2012	04/05/2012	
EESC	Economic and Social Committee: opinion, report	CES2436/2012	12/12/2012	

Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	
European Commission	EUR-Lex	

Final act

Corrigendum to final act 32013R1305R(01)
OJ L 130 19.05.2016, p. 0001

Regulation 2013/1305
OJ L 347 20.12.2013, p. 0487 Summary

Delegated acts

Reference	Subject
2014/2657(DEA)	Examination of delegated act
2014/2656(DEA)	Examination of delegated act
2015/2739(DEA)	Examination of delegated act
2015/2673(DEA)	Examination of delegated act
2017/2987(DEA)	Examination of delegated act
2018/2915(DEA)	Examination of delegated act
2018/2933(DEA)	Examination of delegated act
2021/2517(DEA)	Examination of delegated act
2021/2628(DEA)	Examination of delegated act
2022/2891(DEA)	Examination of delegated act

European Agricultural Fund for Rural Development (EAFRD): support for rural development 2014-2020

2011/0282(COD) - 27/09/2019 - Follow-up document

The Commission presented a report on the exercise of the power to adopt delegated acts conferred on the Commission by the main regulations of the common agricultural policy, namely:

- Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD);
- Regulation (EU) No 1306/2013 of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy;
- Regulation (EU) No 1307/2013 of the European Parliament and of the Council laying down rules on direct payments to farmers under support schemes within the framework of the common agricultural policy;
- Regulation (EU) No 1308/2013 of the European Parliament and of the Council on the common organisation of the markets in agricultural products.

The power to adopt delegated acts shall be conferred on the Commission for a period of seven years from the date of entry into force of this Regulation. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the seven-year period. The delegation of power is tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.

The Commission decided to submit this report some months before the ultimate legal deadline as this will allow the European Parliament and the Council to have an overall picture of the use of the empowerments for delegated acts in the four main Regulations of the Common Agricultural Policy, when the colegislators are discussing the proposals of the Commission for the Common Agricultural Policy post 2020.

Exercise of Delegation

At this stage, the Commission has adopted nine delegated acts under Regulation (EU) No 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).

(1) The Commission adopted six delegated acts amending Annex I to review the ceilings set out in Annex I on the basis of Article 58(7): Commission Delegated Regulation (EU) No 994/2014, Commission Delegated Regulation (EU) No 1378/2014, Commission Delegated Regulation (EU) 2015/791, Commission Delegated Regulation (EU) 2016/142, Commission Delegated Regulation (EU) 2018/162 and Commission Delegated Regulation (EU) 2019/71.

Most of these delegated acts, except Delegated Regulation (EU) 2015/791, reviewed the breakdown of Union support for rural development for Member States and years based on Member States' use of the possibility of financial flexibility between pillars provided for in Regulation (EC) No 73 /2009 and Regulation (EU) No 1307/2013.Neither the European Parliament nor the Council issued any objection to any of the Delegated Regulations.

(2) Further to these six delegated acts, the Commission adopted one delegated act: Commission Delegated Regulation (EU) No 807/2014 which provide in particular for:

- the conditions under which a legal person may be considered to be a 'young farmer' and the setting of a grace period for the acquisition of occupational skills;
- provisions concerning the duration and content of farm and forest exchange schemes and farm and forest visits;
- provisions on the specific Union quality schemes, characteristics of groups of producers, and types of actions that may receive support;
- rules on the content of business plans and criteria to be used by Member States for granting support for farm and business development, minimum environmental requirements in the context of the afforestation and creation of woodland measures;
- conditions for local breeds and plant varieties in danger of being lost to farming and conservation of genetic resources under threat of genetic erosion and the definition of eligible operations;
- the calculation methods to be used to ensure that double funding is excluded when granting agri-environmental-climate, organic farming and Natura 2000 and Water Framework Directive payments;
- the definition of the areas in which animal welfare commitments are to provide upgraded standards of production methods;
- the types of operations eligible for support in the area of forest-environmental and climate services and forest conservations;
- the specification of the characteristics of pilot projects, clusters, networks, short supply chains, and local markets, eligible for support under the Co-operation measure, as well as conditions for granting support.
- Since its adoption, this delegated act has been amended twice:
- the first time by Commission Delegated Regulation (EU) 2015/1367 as regards transitional provisions for the 2007-2013 rural development programmes;
- the second time by Commission Delegated Regulation (EU) 2019/94 as regards the conditions under which a legal person may be considered to be a 'young farmer', the minimum and maximum duration of commercial loans to mutual funds and as regards a correction connected with leasing contracts and second hand equipment.

Conclusions

Overall, the Commission has exercised its delegated powers correctly. With the exception of the empowerment of Article 202 (export refunds), it cannot be excluded that the empowerments will be needed in future.

European Agricultural Fund for Rural Development (EAFRD): support for rural development 2014-2020

2011/0282(COD) - 20/12/2016

This Commission report is the first in a series of annual reports to the EU institutions on the implementation of the European Structural and Investment Funds (ESI Funds). It provides an overview of the 2016 annual implementation reports on the 533 programmes submitted by Member States and regions for the 2014-2015 period and summarises the available evaluations of these programmes.

The late adoption of the multiannual financial framework for the period 2014-2020 has had an impact on the adoption of legislation governing the ESI Funds. By the end of 2014, 220 programmes had been adopted. However, the majority (313) of programmes were finalised in 2015 181 of which were completed only in the second half of the year.

Progress in implementation: on the basis of the 2016 annual implementation reports covering 2014 and 2015, it appears that the total volume of projects selected for support from the Funds amounted to **EUR 58.8 billion**, or 9.2% of the total volume of investment planned for the 2014-2020 period. The EU's contribution to the selected projects is estimated at EUR 41.8 billion.

- According to the most recent financial data submitted up to the autumn of 2016, **implementation has accelerated significantly** in terms of the volume of project selection. The total financial volume of selected projects more than doubled in nine months, **from EUR 58.8 billion at the end of 2015 to EUR 128.8 billion** (20.2% of planned investments).
- By the end of 2015, the Member States and regions had selected **989 000 projects** ranging from investments in heavy infrastructure to individual support to farms. A total of **274,000 businesses** benefited from the selected operations, representing approximately 13.6% of the target of supporting 2 million businesses by the end of the period.
- At the time of the adoption of the programmes, about **75% of all conditionalities** to ensure investment effectiveness (*ex ante* conditions) were met.
- The implementation of programme **structures and procedures** to ensure the robustness and quality of investments throughout the programme life cycle has been important for the successful launch of the programmes.
- Lastly, more than two-thirds of the country-specific recommendations adopted in 2014 in the context of the **European Semester** concerned investments under the ESI Funds and were therefore integrated into the priorities of the Member States' programmes.

Implementation by theme: the report provides an overview of the financial volume and the selection rate of projects for the ESI Funds by thematic objective at the end of 2015. The main findings are as follows:

- in total, an amount of around EUR 181 billion was provided for investments in the area of **research and innovation, information and communications technology and SME competitiveness**, mainly from the ERDF and the EAFRD. By the end of 2015, EUR 737 million for projects in the digital economy themes accounted for 4% of the planned total;
- at the end of 2015, more than EUR 20 billion was already allocated to specific projects in the fields of the **low-carbon economy** (EUR 2.3 billion), **climate change** (EUR 6.6 billion), **the environment and transport** (EUR 7.6 billion), and **energy networks** (EUR 4.1 billion), representing around 9% of the total amount across all the funds contributing directly (ERDF, Cohesion Fund, EAFRD and EMFF);
- projects representing more than EUR 11.5 billion (more than 12% of the planned amount) were selected in the field of **employment, social inclusion and education**; ESF and the Youth Employment Initiative (YEI) actions involved 2.7 million participants, including 1.6 million unemployed and 700,000 inactive; social inclusion is the area where the most noticeable progress is being made in respect of the ESF;
- lastly, an amount of approximately EUR 6 billion has been programmed to support **institutional capacity building** and efficiency of public administration, mainly under the ESF, with an ERDF contribution also planned. By the end of 2015, more than 11% of the total budget had been allocated to projects.

The Commission now considers it vital that the **implementation of the new programmes is accelerated** throughout the European Union.

Recent data show a more uniform state of advancement in most Member States and themes. The evolution of these trends will be further evaluated in the 2017 reporting cycle, which will provide a more comprehensive picture of implementation and allow for better reporting on a qualitative level.

European Agricultural Fund for Rural Development (EAFRD): support for rural development 2014-2020

2011/0282(COD) - 25/09/2012 - Supplementary legislative basic document

OBJECTIVE: to amend the Commission proposalfor a Regulation on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).

CONTEXT: on 12 October 2011 the Commission adopted its proposal for a Regulation on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).

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 Multi-Annual Financial Framework proposals in view of 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.

The adoption of Regulation (EU) No 671/2012 of the European Parliament and of the Council of 11 July 2012 amending Council Regulation (EC) No 73 /2009 as regards the application of direct payments to farmers in respect of the year 2013 provides for voluntary adjustment for the United Kingdom whereby funds for direct payments for calendar year 2013 would be made available for the next rural development programming period.

As a consequence a relevant provision to allow transfer of the funds to the EAFRD should be made in the CAP reform proposal for rural development.

IMPACT ASSESSMENT: there was no need for consultation of interested parties or an impact assessment since these adjustments follow, in relation to Croatia, from the Act of Accession and, in relation to the voluntary adjustment for the United Kingdom, from the adoption of Regulation (EU) No 671 /2012.

CONTENT: the adjustment will take the form of an amendment to 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) in order to:

- introduce a temporary additional measure on financing complementary national direct payments;
- provide for specific conditions applicable to Croatia in relation to LEADER (minimum EAFRD contribution reserved for LEADER of 2.5% instead 5%) and investments for the implementation of Council Directive 91/676/EEC for a maximum period of four years (provision of a support rate of 75%);
- introduce an empowerment to the Commission to adopt transitional rules for the transition of Croatia from support under IPARD to support under the new Rural Development regime, also covering the ex-post evaluation;
- in relation to voluntary adjustment for the UK the adjustment consists in introducing a reference to the amounts to be transferred in application of the relevant provisions of Regulation (EC) No 73/2009.

BUDGETARY IMPLICATION: this amendment has no budgetary implications, apart from those already set out in the explanatory memorandum for the updated proposals for the Multi-Annual Financial Framework.

European Agricultural Fund for Rural Development (EAFRD): support for rural development 2014-2020

2011/0282(COD) - 05/11/2013 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Agriculture and Rural Development adopted the report by Luis Manuel CAPOULAS SANTOS (S&D, PT) 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).

The committee recommended that the Parliament's position adopted at first reading, following the ordinary legislative procedure, should amend the Commission proposal. The main amendments were as follows:

Mission, objectives and priorities: support for rural development, including for activities in the **food, as well as non-food, sector and forestry**, should contribute to achieving the following objectives:

- fostering the competitiveness of agriculture;
- ensuring the sustainable management of natural resources, and climate action;
- achieving a balanced territorial development of rural economies and communities including the creation and maintenance of employment.

Union priorities for rural development should contribute, *inter alia*, to:

- strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of **improved environmental management and performance**;
- improving the economic performance of all farms and facilitating farm restructuring and modernisation;
- facilitating the entry of adequately skilled farmers into the agricultural sector;
- improving competitiveness of primary producers;
- improving water management, including fertiliser and pesticide management;
- preventing soil erosion;
- reducing green house gas and ammonia emissions from agriculture.

In order to ensure the effective use of EAFRD resources, support should be **limited to active farmers.**

Support to young farmers: support may be granted to young farmers setting-up for the first time in an agricultural holding as head of the holding for investments to comply with Union standards applying to agricultural production, including occupational safety. Such support may be provided for a maximum of 24 months from the date of setting up.

Investment in the area of irrigation: the EAFRD may support investments in irrigation to provide economic and environmental benefits, but it should be ensured that the irrigation concerned is sustainable.

To this end, in every case, support should be granted only if a river basin management plan is in place in the area concerned as required by Directive 2000/60/EC, and if water metering is already in place at the level of the investment or is put in place as part of the investment.

Risk management: support under this measure shall cover:

- financial contributions to premiums for crop, animal and plant insurance against economic losses to farmers caused by adverse climatic events, animal or plant diseases, pest infestation, or an environmental incident;
- financial contributions to mutual funds to pay financial compensations to farmers, for economic losses caused by adverse climatic events.

Leader: support for Leader local development shall be granted to co-operation projects within a Member State (inter-territorial co-operation) or cooperation projects between territories in several Member States or with territories in third countries (transnational co-operation).

Financial resources and their distribution: the total amount of Union support for rural development under this Regulation for the period from 1 January 2014 to 31 December 2020 shall be **EUR 84 936 million**, in 2011 prices, in accordance with the multiannual financial framework for the years 2014 to 2020.

The amended text introduced the **annual breakdown by Member State** of the amounts set out in Annex Ia. The Commission shall be empowered to adopt delegated acts to review the ceilings set out in Annex Ia.

The maximum EAFRD contribution rate shall be:

- **85%** of the eligible public expenditure in the less developed regions, the outermost regions and the smaller Aegean islands;
- **75%** of the eligible public expenditure for all regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita is above 75% of the GDP average of the EU-27;
- **63%** of the eligible public expenditure for other transition regions;
- **53%** of the eligible public expenditure in the other regions.

At least 30% of the total EAFRD contribution to the rural development programme shall be reserved for measures for environment and climate related investments.

European Innovation Partnership (EIP): the EIP for agricultural productivity and sustainability should contribute to achieve the EU 2020 objectives of a smart, sustainable and inclusive growth. It is important that it brings together all relevant actors at Union, national and regional levels, bringing new ideas to Member States on how to streamline, simplify and better coordinate existing instruments and initiatives and complement them with new actions where necessary.

European Agricultural Fund for Rural Development (EAFRD): support for rural development 2014-2020

2011/0282(COD) - 20/11/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 576 votes to 101 with 11 abstentions, a legislative resolution 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).

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:

Mission, objectives and priorities: support for rural development, including for activities in the **food, as well as non-food, sector and forestry**, should contribute to achieving the following objectives:

- fostering the competitiveness of agriculture;
- ensuring the sustainable management of natural resources, and climate action;
- achieving a balanced territorial development of rural economies and communities including the creation and maintenance of employment.

Union priorities for rural development should contribute, inter alia, to:

strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of **improved environmental management and performance**;

- improving the economic performance of all farms and facilitating farm restructuring and modernisation;
- facilitating the entry of adequately skilled farmers into the agricultural sector;
- improving competitiveness of primary producers;
- restore, preserve and strengthen biodiversity, including areas facing natural or other specific constraints;
- improving water management, including fertiliser and pesticide management;
- preventing soil erosion;
- reducing green house gas and ammonia emissions from agriculture.
- enhancing carbon sequestration with regard to land use, land use change and the forestry sector.

Each programme shall address at least four priorities.

In order to ensure the effective use of EAFRD resources, support should be **limited to active farmers.**

In addition, payments to farmers must not lead to double funding.

Farm advisory services: these must help farmers, young farmers, forest holders, other land managers and SMEs in rural areas.

Young farmers setting-up for the first time in an agricultural holding as head of the holding for investments will be granted support to comply with Union standards applying to agricultural production, including occupational safety. Such support may be provided for a maximum of 24 months from the date of setting up.

The farm advisory system **may also cover advice** on: (i) climate change mitigation and adaptation, (ii) biodiversity, (iii) protection of water, (iv) the development of short supply chains, (v) organic farming and (vi) health aspects of animal husbandry.

When providing support to SMEs, Member States may also give support to micro-enterprises, and SMEs linked to the agriculture and forestry sectors.

Investment in the area of irrigation: the EAFRD may support investments in irrigation to provide economic and environmental benefits, but it should be ensured that the irrigation concerned is sustainable.

To this end, in every case, support should be granted only if a river basin management plan is in place in the area concerned as required by Directive 2000/60/EC, and if water metering is already in place at the level of the investment or is put in place as part of the investment.

Risk management: support under this measure shall cover:

- financial contributions to premiums for crop, animal and plant insurance against **economic losses to farmers** caused by adverse climatic events, animal or plant diseases, pest infestation, or an environmental incident;
- financial contributions to mutual funds to pay financial compensations to farmers, for economic losses caused by adverse climatic events.

Support will only be granted if **more than 30 %** of the average annual production of the farmer in the preceding three-year period was destroyed.

Leader: support for Leader local development shall be granted to co-operation projects within a Member State (inter-territorial co-operation) or cooperation projects between territories in several Member States or with territories in third countries (transnational co-operation).

Financial resources and their distribution: the total amount of Union support for rural development under this Regulation for the period from 1 January 2014 to 31 December 2020 shall be **EUR 84 936 million**, in 2011 prices, in accordance with the multiannual financial framework for the years 2014 to 2020.

The amended text introduced the **annual breakdown by Member State** of the amounts set out in Annex Ia. The Commission shall be empowered to adopt delegated acts to review the ceilings set out in Annex Ia.

The maximum EAFRD contribution rate shall be:

- **85%** of the eligible public expenditure in the less developed regions, the outermost regions and the smaller Aegean islands;
- **75%** of the eligible public expenditure for all regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita is above 75% of the GDP average of the EU-27;
- **63%** of the eligible public expenditure for other transition regions;
- **53%** of the eligible public expenditure in the other regions.

At least 30% of the total EAFRD contribution to the rural development programme shall be reserved for measures for environment and climate related investments.

European Innovation Partnership (EIP): the EIP for agricultural productivity and sustainability should contribute to achieve the EU 2020 objectives of a smart, sustainable and inclusive growth. It is important that it brings together all relevant actors at Union, national and regional levels, bringing new ideas to Member States on how to streamline, simplify and better coordinate existing instruments and initiatives and complement them with new actions where necessary.

European Agricultural Fund for Rural Development (EAFRD): support for rural development 2014-2020

2011/0282(COD) - 17/12/2013 - Final act

PURPOSE : to lay down new rules on the Common Agricultural Policy (CAP) for the period 2014-2020 (support for rural development by EAFRD).

LEGISLATIVE ACT : Regulation (EU) n° 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005

CONTENT : this Regulation is part of a series of measures aiming to **reform the Common Agricultural Policy (CAP).** The CAP reform package contains four main legal texts:

- the Regulation establishing **rules for direct payments** to farmers;
- the Regulation on the common organisation of the market in agricultural products;
- this Regulation on **support for rural development**;
- the Regulation on the financing, management and monitoring of the CAP (horizontal Regulation.)

The package also includes a transitional Regulation for 2014.

The main objectives of the reform are to **make the CAP greener, more equitable and better targeted.** The reformed CAP remains a strong common policy structured around its **two complementary pillars**: direct payments and market management (first pillar) and rural development (second pillar).

This Regulation lays down general rules governing **Union support for rural development, financed by the European Agricultural Fund for Rural Development ("the EAFRD").** It sets out the objectives to which rural development policy is to contribute and the relevant Union priorities for rural development.

Mission and priorities: the EAFRD shall contribute to the Europe 2020 Strategy by promoting sustainable rural development throughout the Union in a manner that complements the other instruments of the CAP, the cohesion policy and the common fisheries policy.

The Common Provisions Regulation on five structural and investment funds will now provide common rules on programming for all EU Funds, requiring Member States to establish a Partnership contract at national level covering their respective programmes for each Fund, including the EAFRD.

There are six Union priorities for rural development:

- fostering **knowledge transfer and innovation** in agriculture, forestry, and rural areas;
- enhancing **farm viability** and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests;
- promoting **food chain organisation,** including processing and marketing of agricultural products, animal welfare and risk management in agriculture;
- restoring, preserving and enhancing **ecosystems** related to agriculture and forestry;
- promoting **resource efficiency** and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors;
- promoting **social inclusion**, poverty reduction and economic development in rural areas.

Investments: in the interest of simplification, but also of allowing beneficiaries to design and realise integrated projects with increased added value, a single measure will cover most types of physical investments. These aim 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 the infrastructure related to the development, modernisation or adaptation of agriculture and forestry, including access to farm and forest land, land consolidation and improvement, and the supply and saving of energy and water;
- support non -productive investments linked to the achievement of agri- environment -climate objectives, including biodiversity conservation status of species and habitat.

Farm advisory services: support will be provided for farmers, young farmers, forest holders, other land managers and SMEs in rural areas to improve the sustainable management and overall performance of their holding or business. Support will also be given to producer groups and organisations of **quality products** covered by the measure on quality schemes for agricultural products and foodstuffs.

Forestry : support for investments in forestry has also been simplified and streamlined. There will be a single integrated measure covering all investments, and support will be targeted to specific forest holders to increase both efficiency and effectiveness of the measure.

Climate and environment: the measures concerning environment and climate (**agri Environment, organic farming Natura 2000 and the Water Framework Directive**) have been strengthened to increase their effectiveness and their implementation has remained compulsory. Moreover, a large degree of flexibility has been introduced by allowing for shorter commitments periods and periods of conversion, in order to encourage a wider uptake of the measures.

Areas with natural constraints: payments to farmers in mountain areas or in other areas facing natural or other specific constraints will be made annually per hectare of agricultural area.

A **new delimitation** of areas with natural constraints is introduced. Such areas will now be defined on the basis of eight biophysical criteria, ensuring an objective and transparent system across the EU. In order to guarantee a smooth transition and continuity, Member States have **until 2018** to implement the new delimitation.

Risk management: support under this measure will cover

- the **premiums** for crop, animal and plant insurance as well as help with the setting up of mutual funds and the compensation paid by such funds to farmers for losses suffered as a result of adverse climatic events, the outbreak of animal or plant diseases, pest infestation or environmental incidents;
- financial participation in a **mutual fund** to support farmers facing a severe drop in their incomes from adverse climactic conditions.

Support will only be given **if more than 30 %** of the average annual production of the farmer in the preceding three-year period is destroyed.

Financing: the total amount of Union support for rural development under this Regulation for the period from 1 January 2014 to 31 December 2020 shall be **EUR 84 936 million**, in 2011 prices.

The Regulation provides for a higher rate of co-financing (85%) for the less developed regions, in the outermost regions and in the smaller Aegean islands and for all regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25.

At least **30 %** of the total EAFRD contribution shall be reserved for measures under environment and climate related investments, climate change mitigation and adaptation and biodiversity. At least **5 %,** of the total EAFRD contribution shall be reserved for LEADER, which supports the implementation of local strategies.

Innovation : measures for rural development, through the European Innovation Partnership (EIP) for agricultural productivity and sustainability, will promote the resource efficient development of agriculture and forestry. The EIP will facilitate cooperation between agriculture and research in order to accelerate technological transfer to farmers.

ENTRY INTO FORCE : 20.12.2013. The Regulation is applicable from 01.01.2014.

DELEGATED ACTS : the Commission may adopt delegated acts in order to supplement or amend certain non-essential elements of the Regulation. The power to adopt delegated acts is conferred on the Commission for a period of **seven years from 20 December 2013**. The European Parliament or the Council may raise objections with regard to a delegated act within two months of the date of notification (which may be extended by two months). If Parliament or Council raise objections, the delegated act will not enter into force.

European Agricultural Fund for Rural Development (EAFRD): support for rural development 2014-2020

2011/0282(COD) - 20/10/2011

Ministers held an **exchange of views** on the common agricultural policy (CAP) reform package thus launching within the Council the debate on the future of the CAP for the months ahead:

Direct payments: several Member States raised concerns or stated their opposition to the proposed redistribution of payments between Member States.

- On the proposed greening of the first pillar while they generally could agree with the introduction of "greening" measures in the first pillar, several questioned the compulsory character of the proposed measures or challenged the proposed 30% proportion of direct payment envelopes devoted to this "greening".
- In addition some delegations expressed their opposition to progressive reduction and capping of direct payments amounts.
- The proposed definition of "active farmer" also raised many questions.
- Actions proposed in favour of small farms and young farmers were generally well received.

Moreover, a vast majority of delegations raised concerns that the **direct payments and rural development** proposals seemed to run counter to the important objective of simplification of the CAP.

Market management mechanisms: most of the Member States acknowledged the measures proposed by the Commission. They noted in particular the importance of extending the existing possibilities to allow the Commission to take emergency measures.

- Some Member States regretted the Commission's intention to stick to the abolition of the sugar quota system for 2015, while others welcomed the confirmation that the sugar sector would be liberalised after 2015.
- Several delegations welcomed the proposals to strengthen the role of the farmer in the food supply chain with mandatory recognition of producers and interbranch organisations, while others were concerned that this would imply the risk of competition distortion.

The Council will hold **two more policy debates** on the CAP reform proposals before the end of the year: one on **direct payments in November and another on rural development in December 2011**.

It should be noted that the Commission prepared the CAP reform package following the interinstitutional debate initiated by its communication The CAP towards 2020: Meeting the food, natural resources and territorial challenges of the future and on the basis of impact assessments for the various policies. The new rules should enter into force on 1 January 2014.

In March 2011, the Council took note of the Presidency conclusions on the Commission communication supported by a very large number of Member States. These conclusions on the communication followed an initial exchange of views and three policy debates focusing on the three main objectives of the future CAP identified in the Commission communication, namely: (i) **viable food production**; (ii) **sustainable management of natural resources and climate action**, and (iii) **balanced territorial development**.

European Agricultural Fund for Rural Development (EAFRD): support for rural development 2014-2020

2011/0282(COD) - 12/10/2011 - Legislative proposal

PURPOSE: to reform the Common Agricultural Policy (CAP) after 2013 (support for rural development by the European Agricultural Fund for Rural Development (EAFRD).

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

BACKGROUND: the Commission presents a set of regulations laying down the **legislative framework for the CAP in the period 2014-2020**. The current reform proposals are based on the Communication on the CAP towards 2020 that outlined broad policy options in order to respond to the future challenges for agriculture and rural areas and to meet the objectives set for the CAP, namely (1) **viable food production**; (2) **sustainable management** of natural resources and climate action; and (3) **balanced territorial development**.

A common theme that has emerged throughout this process is the need to promote resource efficiency with a view to smart, sustainable and inclusive growth for EU agriculture and rural areas in line with the Europe 2020 strategy, keeping the structure of the CAP **around two pillars** that use complementary instruments in pursuit of the same objectives.

- **Pillar I** covers direct payments and market measures providing a basic annual income support to EU farmers and support in case of specific market disturbances.
- **Pillar II** covers rural development where Member States draw up and co-finance multiannual programmes under a common framework.

The framework set out in the Commission proposal for the multiannual financial framework for the years 2014-2020 (MFF) proposal foresees that the CAP should maintain its two-pillar structure with the budget for each pillar maintained in nominal terms at its 2013 level and with a clear focus on delivering results on the key EU priorities.

- Direct payments should promote sustainable production by assigning 30% of their budgetary envelope to mandatory measures that are beneficial to climate and the environment.
- Payment levels should progressively converge and payments to large beneficiaries be subject to progressive capping.
- Rural development should be included in a Common Strategic Framework with other EU shared management funds with a reinforced outcome-orientated approach and subject to clearer, improved ex-ante conditionalities.
- Finally, on market measures the financing of the CAP should be reinforced with two instruments outside the MFF: (1) an emergency reserve to react to crisis situations; and (2) the extension of the scope of the European Globalization Adjustment Fund.

On this basis, the main elements of the legislative framework for the CAP during the period 2014-2020 are set out in the following regulations:

- Proposal for a Regulation of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy ('the direct payments regulation');

- **Proposal for a Regulation of the European Parliament and of the Council establishing a common organisation of the markets in agricultural products (Single CMO Regulation) ('the Single CMO regulation')**;
- 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) ('the rural development regulation');
- Proposal for a Regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy ('the horizontal regulation');
- Proposal for a Council Regulation determining measures on fixing certain aids and refunds related to the common organisation of the markets in agricultural products;
- 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;
- Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1234/2007 as regards the regime of the single payment scheme and support to vine-growers.

The rural development regulation builds on the proposal presented by the Commission on 6 October 2011 that sets out common rules for all funds operating under a Common Strategic Framework. A regulation will follow on the scheme for most deprived persons, for which funding is now placed under a different heading of the MFF.

In addition, new rules on the publication of information on beneficiaries taking account of the objections expressed by the Court of Justice of the European Union are also under preparation with a view to finding the most appropriate way to reconcile beneficiaries' right to protection of personal data with the principle of transparency.

IMPACT ASSESSMENT: the **three scenarios** elaborated in the impact assessment are:

- **an adjustment scenario** that continues with the current policy framework while addressing its most important shortcomings, such as the distribution of direct payments;
- **an integration scenario** that entails major policy changes in the form of enhanced targeting and greening of direct payments and reinforced strategic targeting for rural development policy in better coordination with other EU policies, as well as extending the legal base for a broader scope of producer cooperation; and
- **a refocus scenario** that reorients the policy exclusively towards the environment with a progressive phasing out of direct payments, assuming that productive capacity can be maintained without support and that the socio-economic needs of rural areas can be served by other policies.

The impact assessment concludes that the **integration scenario** is the most balanced in progressively aligning the CAP with the EU's strategic objectives. It will also be essential to develop an evaluation framework to measure the performance of the CAP with a common set of indicators linked to policy objectives.

LEGAL BASIS: Article 42 and Article 43 of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the proposed **rural development** Regulation builds on the strategic approach introduced in the current period, which has had a positive impact with Member States developing strategies and programmes on the basis of a SWOT (strengths, weaknesses, opportunities and threats) analysis to best tailor intervention to national and regional specificities. The new delivery mechanism aims at reinforcing the strategic approach – among other things by setting clearly defined common priorities for rural development at EU level (with associated common target indicators) as well as by making the necessary adjustments in light of experience gained to date.

The proposed Regulation also includes the **European Innovation Partnership on Agricultural Productivity and Sustainability** which is aimed at promoting resource efficiency, building bridges between research and practice and generally encouraging innovation. The partnership acts through operational groups responsible for innovative projects and is supported by a network.

In this context, rural development policy retains the long-term strategic objectives of contributing to the competitiveness of agriculture, the sustainable management of natural resources and climate action and the balanced territorial development of rural areas. In line with the Europe 2020 strategy, these broad objectives of rural development support for 2014-2020 are given more detailed expression through the following **six EU-wide priorities**:

- fostering knowledge transfer and innovation in agriculture, forestry and rural areas;
- enhancing competitiveness of all types of agriculture and enhancing farm viability;
- promoting food chain organization and risk management in agriculture;
- restoring, preserving and enhancing ecosystems dependent on agriculture and forestry;
- promoting resource efficiency and supporting the shift towards a low-carbon and climate-resilient economy in the agriculture, food and forestry sectors;
- promoting social inclusion, poverty reduction and economic development in rural areas.

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

- the competitiveness of agriculture;
- the sustainable management of natural resources, and climate action;
- a balanced territorial development of rural areas.

One should also note that the current cooperation measure is significantly reinforced and extended to support a wide range of types of cooperation (economic, environmental and social) between a wide range of potential beneficiaries. It now explicitly covers pilot projects as well as cooperation crossing regional and national borders. Leader and networking approaches will continue to play a key role, in particular for the development of rural areas and the spreading of innovation. Support through Leader will be consistent and coordinated with the support for local development from other EU shared management funds. A prize for local innovative co-operation projects will support transnational initiatives in favour of innovation.

Lastly, a risk management toolkit including **support to mutual funds** and a **new income stabilization tool** offers new possibilities to deal with the strong volatility in agricultural markets that is expected to continue in the medium term.

BUDGETARY IMPLICATION: in current prices, it is proposed that the CAP should focus on its core activities with **EUR 317.2 billion allocated to Pillar I and EUR 101.2 billion to Pillar II** over the 2014-2020 period.

The Pillar I and Pillar II funding is complemented by **additional funding of EUR 17.1 billion** consisting of:

- EUR 5.1 billion for research and innovation,
- EUR 2.5 billion for food safety and
- EUR 2.8 billion for food support for the most deprived persons in other headings of the MFF,
- EUR 3.9 billion in a new reserve for crises in the agricultural sector,
- up to EUR 2.8 billion in the European Globalization Adjustment Fund outside the MFF, thus bringing the total budget to EUR 435.6 billion over the 2014-2020 period.

The total budget to **EUR 435.6 billion over the 2014-2020 period**.

Distribution of support among Member States: it is proposed that all Member States with direct payments below 90% of the EU average will see one third of this gap closed. The national ceilings in the direct payments regulation are calculated on this basis.

Rural development aid: this is based on objective criteria linked to the policy objectives taking into account the current distribution. As is the case today, less developed regions should continue to benefit from higher co-financing rates, which will also apply to certain measures such as knowledge transfer, producer groups, cooperation and Leader.

Lastly, some **flexibility** for transfers between pillars is introduced (up to 5% of direct payments): from Pillar I to Pillar II to allow Member States to reinforce their rural development policy, and from Pillar II to Pillar I for those Member States where the level of direct payments remains below 90% of the EU average.

DELEGATED ACTS: the proposal contains provisions empowering the Commission to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union.

European Agricultural Fund for Rural Development (EAFRD): support for rural development 2014-2020

2011/0282(COD) - 15/12/2011

Ministers held an **exchange of views** on the proposal for a regulation on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (the rural development regulation) within the framework of the common agricultural policy (CAP).

The debate concentrated on the **actions envisaged to address new challenges within the second pillar** as well as the **instruments proposed** under rural development and their definition.

- Most delegations noted that the content of the proposal could only be correctly assessed when the breakdown by Member States of the envelope for the second pillar is be known.
- As regards how to address new challenges within the second pillar, a number of Member States considered the proposal went in the right direction. However several Member States wished the proposal focused more on innovation and competitiveness. A number of delegations also stressed the need for adequate support the modernisation and restructuring of the sector in order to improve the competitiveness.
- In addition, a vast majority of delegations stressed the need to ensure that the common strategic framework bringing the EAFRD into line with the structural funds would be consistent with the objective of the simplification of the CAP.

The instruments proposed were **generally welcomed**, although some Member States considered that a better clarification of some aspects would be useful. These instruments should support the construction of efficient, modern and competitive agricultural sector and rural economy. **Flexibility** to take into account the specificity of each country at national or regional level and simplification of the procedures would be essential.

Most delegations considered that the risk management toolkit could be a useful instrument. Some countries felt that the **definition of less favoured areas** was not precise enough which meant that some areas normally covered could be excluded from this scheme.

Together with the proposals on direct payments, on the single common market organisation (CMO) and on the financing of the CAP, the proposal for a regulation on rural development is one of the four main proposals to be adopted by the Council and the European Parliament (ordinary legislative procedure).

Concerning the CAP reform, the Council had already held a policy debate on direct payments at the last Agriculture Council meeting in November and will hold one more policy debate on the Single CMO proposal in January 2012.

European Agricultural Fund for Rural Development (EAFRD): support for rural development 2014-2020

2011/0282(COD) - 14/12/2011

Opinion of the European Data Protection Supervisor on the legal proposals for the common agricultural policy after 2013.

On 12 October 2011, the Commission adopted a package of seven proposals on the common agricultural policy (CAP) after 2013 that were sent to the EDPS for consultation on the same day.

The Proposals aim at providing a framework for (1) viable food production, (2) sustainable management of natural resources and climate action, and (3) balanced territorial development. To this end, they establish several support schemes for farmers as well as other measures to stimulate agricultural and rural development.

In the course of these programmes, personal data — mainly relating to aid beneficiaries but also to third parties — are processed at various stages (processing of aid applications, ensuring the transparency of payments, control and fight against fraud, etc.) While the bulk of the processing is carried out by and under the responsibility of the Member States, the Commission is able to access most of these data. Beneficiaries and in some instances third parties (-e.g. for the purpose of fraud checks — have to provide information to the designated competent authorities.)

The EDPS welcomes that references to the applicability of Directive 95/46/EC and Regulation (EC) No 45/2001 are included in the preambles of the proposed Regulation on direct payments, the proposed Regulation establishing a common organisation of the markets in agricultural products, **the proposed Regulation on rural development** and the proposed “horizontal” Regulation.

The goal of this Opinion is not to analyse the whole set of proposals, but to offer input and guidance for designing the processing of personal data necessary for the administration of the CAP in a way that respects the fundamental rights to privacy and data protection.

To this end, the present Opinion is structured in two parts: a first, more general part includes analysis and recommendations relevant for most of the proposals. This mostly refers to comments on delegated and implementing powers for the Commission. A second part then discusses specific provisions contained in several of the proposals and gives recommendations to address the issues identified therein.

Delegated and implementing acts: in general, it is observed that many questions central to data protection are not included in the present proposals, but will be regulated by implementing or delegated acts. This applies, for example, to measures to be adopted regarding the monitoring of aid, the establishment of IT systems, transfers of information to third countries and on-the-spot checks.

However, The EDPS considers that the central aspects of the processing envisaged in the proposals and the necessary data protection safeguards cannot be regarded as 'non-essential elements', as required by Article 290 of the Treaty on the Functioning of the EU. Therefore, **at least the following elements should be regulated in the main legislative texts** in order to increase legal certainty:

- the specific purpose of every processing operation should be explicitly stated. This is especially relevant as regards publication of personal data and transfers to third countries;
- the categories of data to be processed should be specified;
- access rights should be clarified, in particular as regards access to data by the Commission. In this regard, it should be specified that the Commission may only process personal data where necessary, e.g. for control purposes;
- maximum retention periods should be laid down, as in some cases only minimum retention periods are mentioned in the proposals;
- the rights of data subjects should be specified, especially as regards the right of information; while beneficiaries might be aware of their data being processed, third parties should also be adequately informed that their data could be used for control purposes;
- the scope and the purpose of transfers to third countries should also be limited to what is necessary end should be fixed in an appropriate manner in the proposals.

Once these elements are specified in the main legislative proposals, delegated or implementing acts might be used to implement in more detail these specific safeguards. The EDPS expects to be consulted in this regard.

Rights of data subjects: the rights of data subjects should be specified, especially as regards the right of information and the right of access. This is especially relevant as regards the horizontal regulation, according to which commercial documents of beneficiaries, but also of suppliers, customers, carriers and other third parties can be checked. While beneficiaries might be aware of their data being processed, third parties should also be adequately informed that their data could be used for control purposes (e.g. by a privacy notice to be given at the moment of collection and information provided on all relevant websites and documents). The obligation to inform data subjects, including third parties, should be included in the proposals.

Security measures: in addition, security measures should be provided at least by implementing or delegated acts, especially as regards computerised databases and systems. The principles of accountability and Privacy by Design should also be taken into account.

Prior check: lastly, taking into account that in some cases data relating to (suspected) offences may be processed (e.g. related to fraud), a prior check by the competent national DPAs or the EDPS may be needed.

European Agricultural Fund for Rural Development (EAFRD): support for rural development 2014-2020

2011/0282(COD) - 14/05/2012

Ministers held an **orientation debate on the greening of the common agricultural policy** (CAP) within the framework of the CAP reform. The debate covered provisions contained in three of the main proposals of the CAP reform package:

- Regulation for direct payments to farmers;
- Regulation on the financing, management and monitoring of the CAP (the "horizontal" regulation);
- **Regulation for rural development**.

While **broadly supporting the principle** of greening the CAP for the period 2014-2020 under the pillar I, delegations nonetheless made clear that, in order to achieve this ambition, an **adjustment of the modalities** proposed by the Commission was required.

Most delegations stressed that any additional greening measures had to be consistent with their specific objective circumstances be easy to apply and monitor, with the implementation costs remaining proportional and avoiding unnecessary red tape. A **more flexible approach** would help to take into account the diversity of agricultures in the EU and would avoid a "one size fits all" approach.

Many Member States considered that the scope of farming practices that are "**green by definition**" had to be widened to include pillar II agri-environment practices, as well as practices under national or regional environmental certification schemes. The Commission expressed openness to consider an adjustment of its proposal to take this into account.

On the **three mandatory greening measures**, a number of adjustments were suggested by delegations:

- ***on crop diversification :*** most delegations considered that there was a **need to increase the minimum threshold**, the minimal number of crops requested and to adjust the definition of crop. Moreover land predominantly covered by permanent grassland needed to be taken into account.
- ***on the retention of permanent grassland***, and to maintain the management of these areas at regional or national level instead of farm level as proposed by the Commission,
- ***on the Ecological focus area (EFA) and the 7% requirement :*** most delegations wanted more flexibility and suggested a minimum farm area threshold; , areas under pillar II agrienvironment schemes with high benefits for the environment and climate needed to be taken into account.

Instead of the three mandatory greening measures as proposed by the Commission (crop diversification, permanent grassland and EFAs), some delegations would prefer a "menu" approach where member states could choose from a list of measures.

Other Member States would prefer to build greening upon existing instruments, especially cross compliance in pillar I and agrienvironment schemes in pillar II.

Lastly, a large majority of delegations estimated that the **level of sanctions** applicable when the greening objectives are not met should not go beyond the level of the greening payment and therefore should not affect the basic payment itself.

Timetable:

- The Council already held policy debates on the proposals for regulation on direct payments, rural development and on the single common market organisation during the three last Agriculture Council meetings in November and December last year and in January this year.
- In March 2012, Ministers held a debate on the simplification of the CAP.
- During its last meeting in April 2012, the Council held an orientation debate on young farmers, small farmers, voluntary coupled support and top ups for farmers in areas with natural constraints, as well as on internal distribution, active farmer and capping of support to large farms.

In June, the Danish Presidency intends to organise an orientation debate on the proposal on rural development and to present a progress report on the CAP reform.

European Agricultural Fund for Rural Development (EAFRD): support for rural development 2014-2020

2011/0282(COD) - 18/06/2012

Ministers held an orientation debate on the proposal for a regulation on support for rural development within the framework of the CAP reform.

Member states broadly support the principle that the CAP should significantly contribute to addressing the challenges concerning environment**, biodiversity and climate change mitigation and adaptation**. However, member states opinions were divided over setting a threshold in recital 28 of the rural development proposal, where the Commission suggests, as a guideline that member states spend a minimum of 25% of the total contribution from the EAFRD to each rural development programme on climate change mitigation and adaptation and land management. The Commission made it clear that this was not an obligation but an indication since there could be member states who would spend more and others who could spend less but still achieve the environmental objectives.

Some delegations opposed a minimum requirement while others welcomed the proposal and suggested that a binding obligation be set for all Member States. Some delegations requested even the percentage to be increased to 50%. A number of member states thought its scope should be extended to include, among other things, payments to Natura 2000, the water framework directive and forestry actions.

Co-financing rates for rural development support are part of the negotiating box for the MFF (2014-2020). Member states spoke in general terms of the need for a simple and targeted system for financing activities to meet the EU objectives for rural development.

In its proposal, the Commission envisages a **single maximum co-financing rate for most of the measures supported by the European agricultural fund for rural development (EAFRD)** with only a few exceptions which could benefit from higher co-financing rates. Some delegations expressed support for this proposal as it stands while others made a number of suggestions for a higher standard rate and higher rates for operations contributing to the objectives of environment and climate change mitigation and adaptation, as well as risk management and innovation.

Many member states requested that there should be no national co-financing for all transfers from pillar I to pillar II.

Many member states also pointed out that irrigation measures were an outstanding issue that the Council should still look at.

Main issues raised as regards rural development: in the Presidency text the **mission, the objectives and the priorities have been further defined and clarified**. The aim for a competitive Union agricultural sector is added to the mission, while food production and forestry is mentioned in relation to the objectives. In the priorities **animal welfare is added** and farms not facing major structural problems are included as eligible for support aimed at enhancing competitiveness.

As regards programming, a considerable number of aspects have been simplified, including a simpler programme amendment procedure. The Member States are on the basis of a SWOT analysis given the discretion to address only the most appropriate priorities under their national programmes, and to include additional EU focus areas. The application of ex-ante conditionalities are limited only to be applied when they are directly linked to the specific interventions of the programme.

Concerning monitoring and evaluation, the rules have been considerably simplified, reducing reporting requirements and data collection.

The scope of the provisions on **knowledge exchange, advisory services and quality schemes has been enlarged**. The scope of eligible beneficiaries has been widened, and support for **information and promotion activities for quality products has been reintroduced**.

With regard to investments, the provisions have been amended to allow greater flexibility for both Member States and beneficiaries and the obligation to limit the size of agricultural holdings eligible for investments for restructuring which has been deleted. Furthermore the requirements for reduction of water use in relation to investments in irrigation have been modified.

On environment related actions, support for permanent conversion of agricultural or forest area for environmental reasons has been introduced as a one-off payment (flat-rate). Many delegations support introducing the option of shorter agri-environment-climate commitments. Concerning the interplay between the "greening requirements" for Pillar I and the baseline of Pillar II measures, most delegations have taken the view that the greening requirements in pillar I should not affect the baseline of agri-environment-climate measures in Pillar II. A few delegations have expressed support for a raised baseline, referring to the need of avoiding double payments.

On forestry, many delegations supported the widening of the scope of eligible beneficiaries, to include public entities and tenants, while others were against.

With regard to risk management, many delegations supported the extension to cover adverse climatic events and pest infestations while others expressed reservations on whether it is opportune to **move risk management measures into Pillar II**.

With regard to areas with natural constraints, a broad majority of delegations recognise the need for a new common framework for their delimitation and to move away from the status quo, although many have requested more flexibility than envisaged in the proposal. In this respect, delegations generally welcomed the flexibility introduced by the Presidency to use an alternative local administrative unit for the designation of the areas with natural constraints to reduce of the threshold for area coverage per administrative unit (60%). However some delegations requested a further reduction (50%) while several delegations objected to the

reduction as it will enlarge the scope of eligible areas. Also more national flexibility was introduced when performing the fine tuning. A number of delegations requested greater flexibility in this area. Lastly prolongation of the transition and phasing-out periods was proposed. Some delegations wish to take this proposal further, while others are concerned by the extension of the transition and phasing out periods.

As regards **financial provisions**, many delegations support that total eligible expenditure has been provided for as the basis for the calculation of EU contribution at the request of delegations. Furthermore, the revised text allows for full flexibility for Member States on the use of the funds generated by capping.

The principles for distribution of rural development support and co-financing rates for rural development support are included in the Negotiating Box for Heading 2 of the Multiannual Financial Framework (MFF). On the allocation of rural development support many delegations have requested more information about the criteria of past performance and objective criteria linked to the objectives of rural development as proposed by the Commission.

In general, delegations request more information on the respective allocation key and the precise objective criteria to be applied. Concerning co-financing rates, some delegations question the complexity of the proposal and ask for simplification. Higher co-financing rates are requested, especially concerning environment and climate, transition regions, risk management and innovation. Concerning funds transferred from Pillar 1 to Pillar 2 some delegations ask for these funds to have a co-financing rate at 100 %.

All delegations have, with the aim of simplification, requested the Commission to apply a single coordinated administrative procedure ("**one window approach**") for the approval of the Rural Development Programmes including the approval of state aid within the programme.

European Agricultural Fund for Rural Development (EAFRD): support for rural development 2014-2020

2011/0282(COD) - 16/07/2012

Ministers held **two orientation debates** in the framework of the common agricultural policy (CAP) reform. The discussions focussed on specific issues in:

- the proposal for a regulation on support for rural development (rural development regulation);
- the proposal for a regulation establishing a common organisation of the markets in agricultural products (Single CMO regulation).

As regards **rural development**, the debate centred on the follwing issues:

Risk management: most of the delegations agreed that in light of the challenges modern agriculture faces due to climate change and price volatility, risk management has become **essential** for farmers.

- Many Member States also supported the Commission proposal on risk management through the second pillar, allowing flexibility to member states in its implementation, as well as the possibility of combining the measures with other actions under pillar II.
- However, some delegations were not convinced about support for risk management under the second pillar and oppose, in particular, the income stabilisation tool, as they were concerned that the measure would require a high level of funding, and therefore absorb a large portion of their national envelope at the expense of other measures, such as climate and environment actions. In their view, the provisions of Pillar I provide sufficient safety-nets for the farmer's income.

Level of support:

- the majority of delegations found the rates proposed by the Commission appropriate. Some of the delegations nevertheless expressed the wish to see the level of aid intensity increased, in order to match current levels of support.
- Several delegations also requested the reduction of the 30% threshold at which farmers qualify for support. This threshold is based on WTO rules.

- Some delegations requested flexibility to continue existing systems and tools such as indexing which was mentioned as valuable solution to simplify the loss of income calculations.