Basic information

2013/0117(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) Amending Regulation (EC) No 73/2009 2008/0103(CNS) Amending Regulation (EU) No 1307/2013 2011/0280(COD) Amending Regulation (EU) No 1308/2013 2011/0281(COD) Amending Regulation (EU) No 1305/2013 2011/0282(COD) Amending Regulation (EU) No 1306/2013 2011/0288(COD) **Subject** 3.10.01.02 Rural development, European Agricultural Fund for Rural Development (EAFRD) 3.10.14 Support for producers and premiums	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AGRI Agriculture and Rural Development	DESS Albert (PPE)	24/04/2013
	Shadow rapporteur ANDRIEU Eric (S&D) LYON George (ALDE) HÄUSLING Martin (Verts/ALE) NICHOLSON James (ECR) LE HYARIC Patrick (GUE/NGL) AGNEW John Stuart (EFD)	

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	LA VIA Giovanni (PPE)	07/05/2013
CONT Budgetary Control	The committee decided not to give an opinion.	
ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	

	REGI Regional Development	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	3285	2013-12-16
Agriculture and Fisheries	3234	2013-04-22

European Commission

Commission DG	Commissioner
Agriculture and Rural Development	CIOLOŞ Dacian

European Economic and Social Committee

Key events

Date	Event	Reference	Summary
18/04/2013	Legislative proposal published	COM(2013)0226	Summary
22/04/2013	Debate in Council		
21/05/2013	Committee referral announced in Parliament, 1st reading		
30/09/2013	Vote in committee, 1st reading		
09/10/2013	Committee report tabled for plenary, 1st reading	A7-0326/2013	Summary
20/11/2013	Decision by Parliament, 1st reading	T7-0494/2013	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	2013/0117(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation (EC) No 73/2009 2008/0103(CNS) Amending Regulation (EU) No 1307/2013 2011/0280(COD) Amending Regulation (EU) No 1308/2013 2011/0281(COD)

	Amending Regulation (EU) No 1305/2013 2011/0282(COD) Amending Regulation (EU) No 1306/2013 2011/0288(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 043-p2
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/7/12535

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE513.119	24/07/2013	
Amendments tabled in committee		PE513.120	10/09/2013	
Committee opinion	BUDG	PE514.595	27/09/2013	
Committee report tabled for plenary, 1st reading/single reading		A7-0326/2013	09/10/2013	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0494/2013	20/11/2013	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00103/2013/LEX	17/12/2013	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2013)0226	18/04/2013	Summary
Commission response to text adopted in plenary	SP(2014)87	30/01/2014	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	RO_SENATE	COM(2013)0226	12/06/2013	
Contribution	PT_PARLIAMENT	COM(2013)0226	19/06/2013	
Contribution	ES_PARLIAMENT	COM(2013)0226	28/06/2013	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
	Economic and Social Committee:			

EESC	opinion, report	CES4657/2013	19/09/2013	

Additional information		
Source	**Document**	**Date**
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act

Regulation 2013/1310
OJ L 347 20.12.2013, p. 0865 Summary

Corrigendum to final act 32013R1310R(03)
OJ L 130 19.05.2016, p. 0014

Corrigendum to final act 32013R1310R(01)
OJ L 061 01.03.2014, p. 0011

Transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

2013/0117(COD) - 18/04/2013 - Legislative proposal

PURPOSE: to establish transitional provisions for 2014 regarding certain rules relating to the Common Agricultural Policy (CAP), in particular the system of direct payments.

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 : the European Commission is working intensively to reach an agreement between EU institutions on the reform of the CAP which will permit the reformed CAP to enter into force on 1 January 2014.

The objective is to reach agreement between the Institutions on the MFF and a political agreement on the CAP reform before summer 2013. It is proposed that the new regulation on the reformed CAP should enter into force on 1st of January 2014.

However, transitional rules are needed to define technical arrangements which will permit a smooth adaptation to the new conditions, while at the same time ensuring continuity of the different forms of support under the CAP.

- As regards **direct payments**, sufficient time must be allowed to Member States, and especially their paying agencies, to be well prepared and to inform farmers on new rules well in advance. Therefore, the claims for 2014 will be treated under transitional rules.
- As for the **second pillar (rural development),** the definition of transitional rules between two programming periods represents standard practice. However, in this instance, there is also a need for certain specific transitional arrangements, notably regarding the implications the delay in the new direct payment regime has for certain rural development measures especially as regards the baseline for agri-environment and climate measures and the application of the cross compliance rules.
- Transitional arrangements are also needed to ensure that Member States continue to take on new commitments for area and animal-related measures in 2014 even if resources for the current period have been exhausted.

In light of the above, specific transitional rules need to be adopted by the Council and the European Parliament before the end of the year, amending the current CAP basic acts where necessary.

IMPACT ASSESSMENT : there was no need for consultation of interested parties or an impact assessment since these adjustments follow from the state of play of the discussions between the Institutions regarding the MFF and the CAP reform.

LEGAL BASIS : Article 43 (2) of the Treaty on the Functioning of the European Union.

CONTENT : the proposed regulation aims to **establish transitional provisions concerning the application of direct payments for the year 2014 and support for rural development**.

Direct payments: transitional measures:

- provide for the prolongation of the main elements of the existing schemes – SPS, SAPS, coupled regimes, and also those granted as specific support under Article 68 – for claim year 2014 ;
- incorporate, subject to the agreement of the European Parliament, the financial impacts of the European Council conclusions of 8 February, including the start of the external convergence process.

The introduction of transitional measures implies that certain dates included in the Commission proposal for direct support after 2013 will have to be adapted accordingly in order to ensure consistency with this draft Regulation.

Rural development: the proposal establishes transitional provisions to define how the current measures would be carried over to the next programming period, including their financing from the new financial envelope. In addition, these rules define which baseline and cross-compliance rules should apply in 2014. Lastly, the rules establish transitional provisions for Croatia.

Transferring funds between pillars: the transitional measures also include provisions regarding the possibility of Member States transferring funds between pillars. Both the European Parliament on 13 March 2013 and the Agriculture Council on 19 March 2013 took positions on this issue. Whilst the Council took over the European Council conclusions on the MFF, Parliament increased the percentages proposed by the Commission to 15% for transfer to the second pillar and 10% for transfers to the first pillar, the latter being allowed only to those Member States with an average payment below 90% of the EU average. This proposal is without prejudice to the final decision that will be taken by the legislator on this specific issue.

BUDGETARY IMPLICATIONS : the draft Regulation only implements the Commission proposals on the MFF and the CAP reform for financial year 2015 taking into account the European Council conclusions of 8 February 2013. It incorporates the external convergence of the direct payments, the flexibility between the CAP pillars and the co-financing rate for rural development.

- For **direct payments**, the European Council conclusions of 8 February 2013 correspond to a **reduction of EUR 830 million** to the Commission proposal in the financial year 2015 (corresponding to claim year 2014 for direct payments).
- Compared to the Commission proposal, the flexibility between pillars is increased according to the European Council conclusions. It will be **budgetary neutral** as exactly the same amounts reduced from one Fund (EAGF or EAFRD) will be made available to the other Fund (EAGF or EAFRD).
- As regards **rural development**, the draft Regulation has **no financial impact** as the rural development allocation remains unchanged. However, the distribution over time of the payments might be slightly different than otherwise but it cannot be quantified at this stage.

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.

Transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

2013/0117(COD) - 09/10/2013 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Agriculture and Rural Development adopted the report by Albert DESS (EPP, DE) on the proposal for a regulation of the European Parliament and of the Council laying down certain transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and amending Regulation (EU) No [RD] as regards resources and their distribution in respect of the year 2014 and amending Council Regulation (EC) No 73/2009 and Regulations relating to the new Common Agricultural Policy (CAP) as regards their application in the year 2014.

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 aim to:

- call on the Commission to avoid imposing any additional, unnecessary and disproportionate administrative burden when implementing this Regulation and the Regulations relating to the CAP;
- provide continuity of support for broader scope of commitments for 2007-2013 measures than proposed by the Commission;
- give Member States greater flexibility to address the needs of their agricultural sectors or to strengthen their rural development policy in a more flexible way, by giving them the possibility to transfer funds from their direct payments ceilings to their support assigned for rural development and from the support assigned for rural development to their direct payments ceilings;
- allow Member States to continue to transfer unspent resources from the first pillar to the second in 2014;
- avoid penalising small beef cattle breeders who receive less in aid than the EUR 5 000 exemption from the current modulation instrument, which is set to disappear;
- enable the use of higher rates of coupled payments of the new draft Regulation on direct payments;

- allow Member States, that wish to do so, to apply one section of the CAP immediately and give advance assistance to some sectors such as the breeding sector, which are in a difficult situation and suffer from revenue problems;
- include, in this legal framework, the Commission proposal on extending the use of increased co-financing rates by Member States threatened with serious difficulties with respect to their financial stability;
- authorise the new Member States applying the Single Area Payment to grant transitional national aid in 2014;
- provide that the new transparency rules should apply from the financial year 2015;
- provide that the control of legality and regularity laid down in the Horizontal Regulation should apply only as from financial year 2016;
- allow Finland to be authorised by the Commission to make national payments to certain sectors in the south of the country.

Transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

2013/0117(COD) - 20/11/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 592 votes to 81 with 14 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council laying down certain transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and amending Regulation (EU) No [RD] as regards resources and their distribution in respect of the year 2014 and amending Council Regulation (EC) No 73/2009 and Regulations relating to the new Common Agricultural Policy (CAP) as regards their application in the year 2014.

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. The main amendments to the Commission proposal aim, amongst other things, to:

- allow Member States to continue to undertake new legal commitments to beneficiaries in 2014, in relation to certain measures in the framework of current rural development programmes, and the resulting expenditure should be eligible for support in the new programming period;
- limit the negative effects resulting from difficulties that a number of Member States still face with respect to their financial stability, by extending the duration of the derogation increasing the maximum EAFRD contribution rates until the final date of eligibility of expenditure for the 2007-2013 programming period, on 31 December 2015;
- in 2014, authorise Member States not granting a redistributive payment and not opting for transferring funds to the second pillar via the flexibility mechanism not to reduce the value of all payment entitlements ;
- allow Member States to increase in 2014 the level of certain types of specific support to 6.5% in view of the introduction of the voluntary coupled support that will be available as from 1 January 2015 for certain sectors or regions in clearly defined cases;
- allow Member States in 2014 to redistribute direct support between farmers by granting them an extra payment for the first hectares;
- extend the period of application of the single area payment scheme by one year to 2014 and allow Member States applying this scheme to grant transitional national aid to farmers in 2014. Bulgaria and Romania should be able to opt for transitional national aid in 2014 instead of granting complementary national direct payments;
- allow Finland to be authorised by the Commission to grant national aid in southern Finland under certain conditions. Income aid should be gradually reduced over the whole period and, by 2020, not exceed 30 % of the amounts granted in 2013.

Transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

2013/0117(COD) - 17/12/2013 - Final act

PURPOSE: to lay down new rules on the Common Agricultural Policy (CAP) for the period 2014-2020 (transitional provisions for 2014).

LEGISLATIVE ACT: Regulation (EU) No 1310/2013 of the European Parliament and of the Council laying down certain transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), amending Regulation (EU) No 1305/2013 of the European Parliament and of the Council as regards resources and their distribution in respect of the year 2014 and amending Council Regulation (EC) No 73/2009 and Regulations (EU) No 1307/2013, (EU) No 1306/2013 and (EU) No 1308/2013of the European Parliament and of the Council as regards their application in the year 2014.

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;
- the Regulation on support for rural development;

- the Regulation on the financing, management and monitoring of the CAP (horizontal Regulation.)

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 **transitional regulation for the year 2014** seeks to bridge the gap between the existing legal framework and the elements of the reform for which it was decided that they will apply only from 2015 (particularly as regards direct payments and rural development), in order to give Member States sufficient time to roll out the new policy on the ground and to avoid any difficulties or delays in the implementation of rural development support which may be caused as a result of the date of adoption of the new rural development programmes.

Direct payments: transitional measures provide for the prolongation of the main elements of the existing schemes – Single payment Scheme, Single Area Payment Scheme, coupled regimes, and also those granted as specific support under Article 68 – for claim year 2014.

In particular, the Regulation:

- extends the period of application of the single area payment scheme by one year to 2014 and allow Member States applying this scheme to grant transitional national aid to farmers in 2014;
- allows Member States to redistribute direct support between farmers by granting them an extra payment for the first hectares;
- allows Bulgaria and Romania to opt for transitional national aid in 2014 instead of granting complementary national direct payments;
- allows Finland to be authorised by the Commission to grant national aid in southern Finland under certain conditions.

Rural development: in view of the serious difficulties that a number of Member States still face with respect to their financial stability, the Regulation **extends the duration of the derogation which increases the maximum EAFRD contribution rates** to the final date of eligibility of expenditure for the 2007-2013 programming period, namely to 31 December 2015.

Flexibility between pillars: the transitional measures also include provisions regarding the possibility of Member States transferring funds between pillars.

ENTRY INTO FORCE: 20.12.2013. It shall apply from 1 January 2014.