

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

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PURPOSE: to amend the Commission proposal for a regulation on the financing, management and monitoring of the common agricultural policy.

BACKGROUND : 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](#). A similar adjustment exercise is prepared for the CAP reform proposals to ensure that once they are adopted, Croatia will be fully covered as a new Member State.

On 19 October 2011, the Commission adopted its proposal for a regulation on the financing, management and monitoring of the common agricultural policy.

In its judgment of 9 November 2010 in *Joined Cases C-92/09 and 93/09 (Volker und Markus Schecke GbR and Hartmut Eifert/Land Hessen)*, the Court of Justice declared invalid point (8b) of Article 42 and Article 44a of Regulation (EC) No 1290/2005 and Commission Regulation (EC) No 259/2008 of 18 March 2008 laying down detailed rules for the application of Council Regulation (EC) No 1290/2005 as regards the publication of information on the beneficiaries of funds deriving from the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) in so far as, with regard to natural persons benefiting from the European agricultural funds, those provisions impose an obligation to publish personal data relating to each beneficiary without drawing a distinction based on relevant criteria such as the periods during which those persons have received such aid, the frequency of such aid or the nature and amount thereof.

According to recital (70) of that proposal, the adoption of new rules on the publication of information on beneficiaries of the European agricultural funds which take account of the judgment of the Court of Justice should be preceded by an in depth analysis and assessment by the Commission in order to find the most appropriate way to reconcile the right to protection of personal data of the beneficiaries with the need for transparency. Having carried out the analysis and assessment, the Commission is now ready to propose new provisions on the matter.

IMPACT ASSESSMENT: the Commission organized, in September 2011, a consultation of stakeholders gathering representatives of professional agricultural or trade organisations, representatives of the food industry and workers, as well as of the civil society and EU institutions. In that framework different options were put forward in relation to the publication of data of natural persons benefiting from EU agricultural funds and respect for the principle of proportionality while making public the relevant information. The stakeholders' conference showed that publication of the name of the natural persons is required in order to respond to the objective of better protection of the Union's financial interests, to enhance transparency and to highlight the achievements of beneficiaries in providing public goods while ensuring that it does not go beyond what is necessary for achieving these legitimate aims.

CONTENT: the adjustment will take the form of an amendment to the Commission proposal for a regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy, in order to include in the proposal:

1) **The provisions related to cross-compliance** which are already in the Accession Treaty for Croatia. The main changes relate to the inclusion of provisions on:

- the date of application of the penalties in Croatia;
- maintenance of permanent grassland.

2) **New rules on the publication of information on all beneficiaries of the European agricultural funds** which take account of the objections formulated by the Court of Justice in Joined Cases C-92/09 and C-93/09 against the former rules to the extent that they were applicable to natural persons. The new rules will differ from the ones declared invalid by the Court in the Joined Cases in so far as they:

- are based on a revised detailed justification, centred around the need for public control of the use of European agricultural funds in order to protect the Union's financial interests;
- require more detailed information to be given on the nature and description of the measures for which the funds are disbursed;
- include a *de minimis* threshold below which the name of the beneficiary will not be published.

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