

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

2011/0288(COD) - 17/12/2013 - Final act

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

LEGISLATIVE ACT: Regulation (EU) No 1306/2013 of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008.

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;
- this 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 Regulation is called "horizontal" since it **brings together the rules relevant for all CAP instruments, previously scattered in various pieces of CAP legislation**. It deals in particular with:

Financing, management and control systems, which includes the paying agencies and the Integrated Administration and Control System (IACS). In order to be accredited, paying agencies departments or bodies should have an administrative organisation and a system of internal control providing **sufficient guarantees** that payments are legal and regular, and properly accounted for. Member States should be allowed to maintain the number of paying agencies which have been accredited before the entry into force of this Regulation. **Before the end of 2016**, the Commission shall present a report to the European Parliament and to the Council on the operation of the system of paying agencies in the Union accompanied, where appropriate, by legislative proposals.

The rules applying to direct payments, market measures and rural development have been harmonised in order to create synergies.

Farm advisory system, which is a set of advice services which Member States must set up so as to **help farmers understand, in particular, their cross-compliance and greening obligations**. That farm advisory system shall be operated by designated public bodies and/or selected private bodies.

Identification system for agricultural parcels: the Regulation stipulates that the identification system for agricultural parcels shall be established on the basis of maps, land registry documents or other cartographic references. Use shall be made of computerised geographical information system techniques, including aerial or spatial orthoimagery, with a homogenous standard that **guarantees a level of accuracy that is at least equivalent to that of cartography at a scale of 1:10 000 and, as from 2016, at a scale of 1:5 000**, while taking into account the outline and condition of the parcel. This shall be fixed in accordance with existing Union standards.

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

Cross-compliance: a system created by the 2003 CAP reform which makes aid and support to farmers subject to compliance with requirements of public interest, notably standards related to environment, animal welfare and the use of plant protection products.

The current rules were reviewed with a view to simplification, strengthening the climate change dimension within GAEC and ensuring consistency with the provisions of greening and of relevant environmental measures offered under rural development.

Suspension of payments and penalties: the Regulation provides the possibility of reducing or suspending payments where there are significant and persistent deficiencies in national control systems should be reinforced in order to provide the Commission with the possibility of suspending payments rapidly when serious deficiencies are detected. That possibility should also be extended to include negligence in the system for recovery of irregular payments.

The Regulation also clarifies the measures concerning the application of the administrative penalties in cases of non-compliance in relation to eligibility criteria, commitments or other obligations resulting from the application of sectoral agricultural legislation. The administrative penalties shall be proportionate and graduated according to the severity, extent, duration and reoccurrence of the non-compliance found.

For "greening", the penalties will be phased in gradually, with no penalties imposed for the first two years of application of greening (claim years 2015 and 2016), and a cap at 20% of the greening payment for claim year 2017 and at 25% as from claim year 2018.

Transparency: the Regulation stipulates that Member States shall ensure annual **ex-post publication of the beneficiaries of the Funds** in order to reinforce the personal accountability of the farmers for use of public funds received.

In order to strike a balance between the objective of the public control of the use of the CAP funds and the beneficiaries' right to **respect for their private life**, the names of those beneficiaries receiving an amount lower than the maximum amount of aid possible under the Small Farmers Scheme will not be published. Member States shall **inform the beneficiaries** that their data will be made public.

Reserve for crises in the agricultural sector: in the context of respecting budget discipline, the Regulation lays down the annual ceiling for the expenditure financed by the EAGF by taking into account the maximum amounts laid down for that Fund under the multiannual financial framework provided for in Council Regulation (EU, Euratom) No 1311/2013.

In order to **support the agricultural sector in case of major crises** affecting the agricultural production or distribution, a reserve for crises should be established by applying, at the beginning of each year, a reduction to direct payments through the financial discipline mechanism.

The total amount of the reserve shall be **EUR 2 800 million** with equal annual instalments of EUR 400 million (2001 prices) for the period 2014-2020.

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.