

# Financial discipline as from financial year 2021 and flexibility between pillars in respect of calendar year 2020

2019/0253(COD) - 18/12/2019 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 637 votes to 27, with 20 abstentions, a resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1306/2013 as regards financial discipline as from financial year 2021 and Regulation (EU) No 1307/2013 as regards flexibility between pillars in respect of calendar year 2020.

The proposal aims at ensuring the continuity of certain elements of the Common Agricultural Policy (CAP) for a transitional period of one year starting from the period 2014-2020 until the rules on CAP strategic plans are applied, in line with the Commission's [proposal](#) on support for CAP strategic plans.

The European Parliament adopted its position at first reading under the ordinary legislative procedure. Its main elements are as follows:

## *Financial discipline*

Amendments have been made to Regulation (EU) No 1306/2013 on the financing, administration and monitoring of the common agricultural policy (horizontal regulation) to ensure that the financial discipline mechanism for respecting the maximum ceiling set by the regulation on the multiannual financial framework remains operational in the years after 2020.

## *Flexibility between pillars*

Flexibility between pillars is an optional transfer of funds between direct payments and rural development. [Regulation \(EU\) 2019/288](#) amended Regulation (EU) No 1307/2013 establishing rules for direct payments to farmers under support schemes of the CAP to extend the flexibility between pillars for the calendar years 2015 to 2019 to the calendar year 2020/2021. This Regulation sets up the amounts to transfer from the rural development to direct payments envelope as a percentage of the amount allocated to support financed under the EAFRD in financial year 2021 by Union legislation adopted after the adoption by the Council of the relevant Regulation pursuant to Article 312(2) TFEU.

As the relevant Union legislation will not be adopted at the time when Member States have to notify their transfer decision, the amending Regulation would allow for the continued use of this flexibility and would set the maximum amount that can be transferred on the basis of a fixed amount and not a percentage. Thus, Member States may decide to make available for calendar year 2020 as direct payments an amount not higher than the amount set out in Annex VIa. As a result, the corresponding amount shall no longer be available for support financed under the EAFRD for financial year 2021.

Member States had the option to review, by 1 August 2019, the percentage of their national ceiling for direct payments that they allocate to voluntary coupled support (VCS), as well as their detailed support decisions from calendar year 2020 (list of support measures and corresponding envelopes, targeting, etc.).

In addition, Member States should notify by 31 December 2019 or shortly thereafter only those transfers between pillars which have an impact on their national ceiling for direct payments for the calendar year 2020.

