

Common agricultural policy (CAP): financing, management and monitoring 2021–2027

2018/0217(COD) - 23/10/2020 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted by 434 votes to 185, with 69 abstentions, amendments to the proposal for a Regulation of the European Parliament and of the Council on the financing, management and monitoring of the Common Agricultural Policy (CAP) and repealing Regulation (EU) No 1306/2013.

The matter was referred back to the committee responsible for inter-institutional negotiations.

The main amendments adopted in plenary concern the following points:

CAP's fundamental role

Members stressed that the CAP has a fundamental role with direct payments and second-pillar funds to farmers contributing significantly not only to food security, but also to investment and employment in rural areas.

Affirming that the drastic cuts envisaged for the CAP were unacceptable, they suggested refocusing the CAP on its core activities, maintaining the funds allocated to it for the EU-27 over the period 2021-2027 at least at the level of the 2014-2020 budget, and restoring the initial amount of the budget allocated to the agricultural crisis reserve.

Competent authority

Members proposed that Member States should designate an authority at ministerial level responsible for (i) issuing, reviewing and withdrawing the accreditation of paying agencies and the coordinating body; (ii) designating and revoking the certification body.

The competent authority should immediately inform the Commission of the issuing or withdrawal of accreditations and encourage the exchange of best practices for the functioning of governance systems between Member States.

The head of the accredited paying agency should prepare and send a performance report to the Commission by 15 February of the year following the financial year concerned at the latest.

Coordinating bodies

Where more than one paying agency is accredited, Member States should designate a public coordinating body to which they entrust the following tasks:

- collating information to be provided and sending it to the Commission;
- providing the annual accounts, the annual audit and the report on the results bringing together the data submitted by the paying agencies;
- taking or coordinating action to resolving any shortcomings of a common nature and keeping the Commission informed of any follow-up;

- ensure the harmonised application of Union rules.

Individual limits for Member States

The annual ceiling for EAGF expenditure should be constituted by the maximum amounts that set individual limits for the Member States.

Crisis reserve

Members proposed to revise and strengthen the current crisis reserve to support the establishment of an EU agricultural crisis reserve. This reserve should be established in the budget of the CAP to provide additional support for the agricultural sector for the purpose of market management or stabilisation and to respond promptly in the case of crises affecting the agricultural production or distribution. The appropriations for the reserve should be entered directly in the Union's budget and deployed, in the financial year or years for which additional support is required.

An initial amount of EUR 400 million in current prices should be set up in 2021 in addition to the EAGF and EAFRD budgets, while further funds could be added each year together with any unused money from the previous year, until it reaches EUR 1.5 billion. If this is not enough, the so-called financial discipline mechanism, which reduces direct payments for farmers, should be activated, but only as a last resort and excluding the first EUR 2 000 of payments.

Suspension and reductions of payments in relation to the multi-annual performance review

Members endorsed the shift from a system based on checking that beneficiaries comply with detailed rules to a new performance-based one, focused on achieving results as defined in national strategic plans. To avoid overburdening national administrations and farmers, Member States shall report their achievements to the Commission once every two years, not every year as proposed.

Funds resulting from reductions in payments in relation to the multi-annual performance review would be placed in a performance reserve and would be used to reward Member States for satisfactory performance in relation to the specific objectives of the CAP Strategic Plan.

Protection of the financial interests of the Union

Member States should set up efficient management and control systems to ensure compliance with the Union legislation governing Union interventions. The control systems should be described in the national CAP Strategic Plan. Such management and control systems may include early warning mechanisms.

Control and penalties system

Member States should set up a control and penalties system for the aid. Member States, through the paying agencies or the bodies delegated by them, should carry out administrative checks on the aid application to verify the eligibility conditions for the aid. Those checks should be supplemented by on-the-spot checks.

For each of the interventions, Member States should ensure that the control sample for on-the-spot checks carried out each year covers at least 5 % of all beneficiaries. That percentage should be increased appropriately where any significant non-compliance in the context of a given intervention or measure is detected. However, Member States may reduce that percentage where the error rates remain at an acceptable level.

In the case of intentional non-compliance, the percentage reduction should be at least 15 % of the total amount of the payments and may as amount to the total exclusion from payments and may apply for one or more calendar years.