

# Procedure file

Basic information	
CNS - Consultation procedure Regulation	1998/0112(CNS) Procedure completed
Agenda 2000: financing of the common agricultural policy Repealed by <a href="#">2004/0164(CNS)</a>	
Subject 3.10 Agricultural policy and economies 8.20.12 Enlargement's agricultural point of view	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>AGRI</b> Agriculture and Rural Development		16/04/1998
		ELDR <a href="#">MULDER Jan</a>	
	Former committee responsible		16/04/1998
	<b>AGRI</b> Agriculture and Rural Development		16/04/1998
		ELDR <a href="#">MULDER Jan</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
<b>JURI</b> Legal Affairs, Citizens' Rights		08/12/1998	
	PSE <a href="#">GEBHARDT Evelyne</a>		
Former committee for opinion		03/06/1998	
<b>BUDG</b> Budgets		03/06/1998	
	GUE/NGL <a href="#">MIRANDA Joaquim</a>		
<b>REGI</b> Regional Policy		25/06/1998	
	PSE <a href="#">GRAMPTON Peter Duncan</a>		
<b>CONT</b> Budgetary Control		The committee decided not to give an opinion.	
Council of the European Union	Council configuration <a href="#">Agriculture and Fisheries</a>	Meeting <a href="#">2178</a>	Date 17/05/1999

Key events			
18/03/1998	Legislative proposal published	COM(1998)0158	Summary
15/06/1998	Committee referral announced in Parliament		
24/11/1998	Vote in committee		Summary
	Committee report tabled for plenary, 1st		

24/11/1998	reading/single reading	<a href="#">A4-0444/1998</a>	
13/01/1999	Debate in Parliament		
28/01/1999	Decision by Parliament	T4-0044/1999	Summary
28/01/1999	Report referred back to committee		
20/04/1999	Vote in committee		Summary
20/04/1999	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0213/1999</a>	
05/05/1999	Debate in Parliament		
06/05/1999	Decision by Parliament	T4-0441/1999	Summary
17/05/1999	Act adopted by Council after consultation of Parliament		
17/05/1999	End of procedure in Parliament		
26/06/1999	Final act published in Official Journal		

### Technical information

Procedure reference	1998/0112(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
	Repealed by <a href="#">2004/0164(CNS)</a>
Legal basis	Rules of Procedure EP 050; EC Treaty (after Amsterdam) EC 036; EC Treaty (after Amsterdam) EC 037
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/4/10135; AGRI/4/10754

### Documentation gateway

Legislative proposal	COM(1998)0158	18/03/1998	EC	Summary
Document attached to the procedure	COM(1998)0182	18/03/1998	EC	
Economic and Social Committee: opinion, report	<a href="#">CES1156/1998</a> <a href="#">OJ C 407 28.12.1998, p. 0222</a>	09/09/1998	ESC	
Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0444/1998</a> <a href="#">OJ C 398 21.12.1998, p. 0004</a>	24/11/1998	EP	
Committee of the Regions: opinion	<a href="#">CDR0273/1998</a> <a href="#">OJ C 093 06.04.1999, p. 0001</a>	14/01/1999	CofR	
Text adopted by Parliament, partial vote at 1st reading/single reading	T4-0044/1999 <a href="#">OJ C 128 07.05.1999, p. 0011-0024</a>	28/01/1999	EP	Summary
Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0213/1999</a> <a href="#">OJ C 279 01.10.1999, p. 0006</a>	20/04/1999	EP	
Text adopted by Parliament, 1st reading/single reading	T4-0441/1999 <a href="#">OJ C 279 01.10.1999, p. 0256-0376</a>	06/05/1999	EP	Summary

## Additional information

European Commission

[EUR-Lex](#)

## Final act

[Regulation 1999/1258](#)

[OJ L 160 26.06.1999, p. 0103](#) Summary

## Agenda 2000: financing of the common agricultural policy

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**OBJECTIVE:** the proposed regulation forms part of the group of proposals on the reform of the common agricultural policy and translates the guidelines of Agenda 2000. It deals with the financing of the common agricultural policy. **SUBSTANCE:** taking into account the reorganization of the rural development policy (CNS98102) the codification procedure will not be pursued and a new financing regulation on the EAGGF will replace Regulation 729/70/EEC on the financing of the CAP with a view to consolidation and simplification of the legislation. In future, rural development measures will be financed by either the Guarantee section or the Guidance section of the EAGGF according to the regional context. Measures covered by Objective 1 programmes and the rural development Community Initiative will be financed by the Guidance Section of the EAGGF. Other rural development measures will be covered by the Guarantee section. These will be the accompanying measures and the LFA scheme in all rural areas as well as measures concerning modernization and diversification covered by Objective 2 programmes and by rural development programmes outside Objective 1 or 2 regions. In this framework specific financial rules will be introduced, in particular the possibility of advanced payment for rural development programmes. Moreover it will be clarified that the EAGGF Guarantee Section will also finance specific veterinary and plant health measures as well as information on the common agricultural policy. ?

## Agenda 2000: financing of the common agricultural policy

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The report by Jan MULDER (ELDR, NL) on the financing of the CAP was adopted by the Committee. In the process, the committee looked at the issue of "co-financing" of EAGGF-Guarantee expenditure. Although it did not agree that the principle of co-financing should be included in the body of the regulation, it clearly envisaged co-financing (subject to certain conditions) in the introductory "recitals" to its resolution. The committee argued that this principle should be part of "a reform of the CAP which makes the latter more equitable and ensures that it contributes to a greater extent to the social and economic cohesion of the rural areas of Europe". Following the vote, the rapporteur spelt out what he believed to be the conditions needed if co-financing were to be introduced: the needs of the regions must be taken into account; co-financing by the Member States must be compulsory (i.e. no "renationalisation" of the CAP); sanctions must be imposed if Member States fail to pay their share.

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Several proposed amendments tabled by the Parliament's Rapporteur, Mr. Jan Mulder (NL, ELDR) were approved and the matter was then referred back to committee pursuant to Rule 60 (2). The main gist of the amendments is as follows : - the European Parliament as discharge authority should be informed immediately of any clearance decision and of any decision to exclude expenditure from Community financing and should be informed on a regular basis of any conformity checks planned, in progress or concluded; - new Article 1 (2)(ba) to be used to finance direct aid which is intended as income support and which is paid in accordance with Community rules in the context of the common organisation of the agricultural markets; - financing by the 'Guarantee' section of the fund should not hamper the management and implementation of measures previously not financed by the 'Guarantee' section; - all rural development measures, as well as all other expenditure financed under the 'Guarantee' section of the Fund which are not connected to the common market organisations, should be non-compulsory; - steps must be taken to ensure that measures connected with environmental programmes are financed compulsorily by the Member States; - the possible incorporation of the co-financing principle into 'Guarantee' section expenditure only makes sense if it is done in the context of a reform of the CAP which makes the latter more equitable and ensures that it contributes to a greater extent to the social and economic cohesion of the rural areas of Europe; - enabling the access of Objective 2 regions as well as Objective 1 regions to measures accompanying the restructuring of the fishing fleets; - in addition to measures intended to provide information on the CAP, that there should be certain assessment and monitoring activities for measures financed under the Guarantee section; - the introduction of measures to improve the quality of agricultural products, to promote the production and marketing of traditional regional products, to promote decentralised regional processing and marketing organisation and to promote the processing of quality products by means of knock-on financing; - introduction of measures to stimulate the production of agricultural products for non-food purposes; - support payments shall be paid out in full to the beneficiaries. The payments shall be made in principle at the time laid down in the relevant regulation. Notwithstanding the deadline set, all payments must have been made to the beneficiaries by 31 October of the year in question; - the Council, acting by qualified majority on a proposal from the Commission, following consultation of the EP, shall adopt the procedure for financing the measures referred to in Article 2 paragraphs 1 and 2, and lay down general rules for the application of Articles 8 and 9; - any monies from the Guarantee Section remaining unspent under this heading at the end of the financial year shall be transferred to a special reserve, with the funds being available in future years; - detailed rules for the application of Article 3 shall be adopted in accordance with Article 43 of the EC Treaty, rather than Article 13 in the Commission's proposal; - powers and responsibilities of regional governments should be taken into account by Member States, where appropriate, with respect to accredited payment agencies; - the Commission should make available to the Member States the financial resources which the designated services and bodies need in order to be able to make the payments referred to in Article 2 in accordance with Community rules and national laws. Member States shall ensure that the financial resources in question are used without delay and exclusively for their intended purpose; - in the case of rural development programmes, resources shall, during the first year of the application of this Regulation, be distributed amongst either the Member States or the European regions at the request of the Member States/European

regions themselves; - in order to ascertain the legality of the payment of expenditure by the payment bodies, the Commission shall also take into account the provisions in force in each Member State concerning state payments.?

## Agenda 2000: financing of the common agricultural policy

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The Committee has adopted a position broadly endorsing the package of Agenda 2000 farm reforms, in the light of the deal struck at the Berlin Summit and with certain reservations. Although the committee, chaired by Juan Luis COLINO SALAMANCA (PES, E), is not entirely happy with the Berlin agreement, it finds it more acceptable than the original, more drastic, Commission proposals and does not want to hold up the CAP reforms. "In many areas my Group is not satisfied ... but we cannot open up Pandora's Box again", said German Socialist Klaus REHDER, echoed by Livio FILIPI (EPP, I) who said: "We must be realistic. We have done what we can. Public opinion thinks the results are the best that can be obtained." The MEPs' main reservations are set out in a dozen compromise amendments adopted at the committee's last meeting before the European elections. These amendments reflect compromises hammered out with the Commission and Council and will be tabled in plenary next month, as the committee's "last word", replacing the amendments on those points adopted in plenary in November and January. The Dutch MEPs, Jan SONNEVELD (EPP) and Jan MULDER (ELDR), reporting on aid for the applicant countries and the financing of the CAP respectively, did not table any compromise amendments with the Commission and Council. This means that the amendments adopted in plenary in November and January will be tabled again in May. Mr Sonneveld calls in particular for a consultative committee to be set up to examine the reforms planned by the CEECs with a view to joining the EU, and for tighter financial controls. Mr Mulder's amendments leave open the suggestion of co-financing, or shifting some CAP funding to the Member States, although this has been ruled out by the Council. He also calls for a reserve to mop up unspent Guarantee funds. MEPs will debate the entire package of Agenda 2000 reforms. The farm legislation will probably be passed by the Agriculture Council. Although, under the consultation procedure, the content of the EP's formal opinions on the CAP reforms is not legally binding, the proposals cannot become law without them. They will also be an important political statement and will provide a basis for the work of the new parliament which will be faced with the next round of discussions on CAP financing. After Parliament postponed delivering its formal opinions on the CAP proposals in November and January because the Commission could not accept its amendments, the EP held a series of informal 'conciliation' talks with the Council, in which it was able to bring some pressure to bear, resulting in the Council accepting many of Parliament's demands.?

## Agenda 2000: financing of the common agricultural policy

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In the light of the agreement reached at the Berlin summit in March and under consultation procedure, the European Parliament adopted the second report by Jan Mulder (ELDR,NL), which approves the Commission proposal for a Council regulation on the financing of the common agricultural policy, subject to the amendments adopted by Parliament on 28/01/99.?

## Agenda 2000: financing of the common agricultural policy

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**PURPOSE** : to adapt and consolidate the specific Regulation 729/70/EEC on the financing of the common agricultural policy (CAP) to take account of the Agenda 2000 guidelines. **COMMUNITY MEASURE** : Council Regulation 1258/1999/EC on the financing of the common agricultural policy. **CONTENT** : the current decentralised financing arrangements whereby the national paying agencies finance the expenditure provided for under Community rules will remain in force. However, the EAGGF Guarantee Section now also finances rural development measures. The measures covered by the programme concerning Objective 1 and the Community initiative in favour of rural development will be financed by the "Guidance" section of the EAGGF. The "Guarantee" section finances other rural development expenditure. This includes accompanying measures and the regime for less-favoured areas in all rural regions, as well as modernisation and diversification measures covered by the programmes relating to Objective 2 and by the rural development programmes outside the Obj. 1 and 2 regions. In this context, specific financial rules have been introduced, and, in particular, the possibility of advance payments for rural development programmes. Lastly, the Fund's Guarantee section also finances certain veterinary and plant health measures, as well as the dissemination of information about the CAP. **ENTRY INTO FORCE** : 03/07/1999. The Regulation will apply to expenditure effected as from 01/01/2000.?