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'I/A' ITEM NOTE

From:	General Secretariat of the Council
To:	Special Committee on Agriculture/Council
Subject:	Draft REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013 **(first reading)** - Adoption of the legislative act = Statements

Statement by the Commission on certification bodies in the framework of the Common Agricultural Policy

The Commission takes note of the insertion of the new recital 13 into Regulation (EU) 2021/... of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy regarding the communication of information on appointed certification bodies. The Commission receives information from the Member States on the appointment of public and private certification bodies and it keeps an up-to-date register of these bodies for monitoring purposes. The Commission recalls its commitment to communicate annually the list of the appointed certification bodies to the Parliament.

Statement by the Commission on the EAFRD de-commitments in the framework of the Common Agricultural Policy

The Commission confirms that, if there is a risk of de-commitment of EAFRD funding, the relevant services of the Commission shall send a letter to the Member States' authorities to alert them of that risk in sufficient time before the applicable deadline of the automatic de-commitment. The purpose of that letter is to encourage an increase in the absorption of EAFRD funding and to explore with Member States what can be done to that effect.

The Commission endeavours to avoid de-commitments also where specific circumstances apply. To that end, the relevant rules laid down in Regulation (EU) 2021/... of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy to interrupt the period for de-commitments in the event of on-going legal proceedings or administrative appeals will be fully applied. Moreover, in particular, the rule not to apply de-commitments in the event that budget commitments were not used for reasons of *force majeure* seriously affecting the implementation of the CAP Strategic Plans will be fully complied with.

Statement by the Commission on bundling of empowerments in the framework of the Common Agricultural Policy

The Commission recalls its commitment to observe the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. Point 31 of that Agreement states that, on condition that the Commission provides objective justifications based on the substantive link between two or more empowerments contained in a single legislative act, empowerments may be bundled. Consultations in the preparation of delegated acts also serve to indicate which empowerments are considered to be substantially linked.

Statement by the Commission on further measures to protect the EU budget against fraud and irregularities by requiring an obligatory use of a single data mining tool provided by the Commission

In the Inter-institutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap for the introduction of new own resources, Points 30 to 33 require the Commission to make available an integrated and interoperable information and monitoring system including a single data-mining and risk-scoring tool to access and analyse the required data with a view to a generalised application by Member States. In addition, the three institutions agreed to sincerely cooperate, in the course of the legislative procedure relating to the relevant basic acts, to ensure the follow up to the European Council conclusions of July 2020 regarding this element.

The Commission welcomes the new provisions introducing the requirement for the Commission to make available a single data-mining tool and on the publication of groups in the articles in the Horizontal Regulation, however, the approach agreed by the co-legislators for the CAP does not appropriately reflect the desired ambition and spirit of the Inter-institutional Agreement. However, the Commission notes that similarly to the agreement for the Common provisions Regulation the use of the tool by the Member States is not obligatory. Therefore in line with the Statement made by the Commission on the agreement reached by the co-legislators in the Common Provisions Regulation, the Commission considers that the agreement reached by the co-legislators for the CAP under Article 59(2) (Protection of the financial interests of the Union) on the use of a single data-mining tool, and the collection and publication of data on groups in Article 98 (Transparency) does not sufficiently enhance the protection of the Union budget against fraud and irregularities and to ensure efficient checks on conflicts of interest, irregularities, issues of double funding, and criminal misuse of the funds. The Commission therefore also welcomes the Joint Statement on the single data mining tool by the three institutions.

Joint statement by the European Parliament and the Commission on annual performance monitoring in the framework of the Common Agricultural Policy

The European Parliament and the Commission recall that, in view of the new delivery model and the performance framework to be established in the Common Agricultural Policy (CAP) for the period 2023-2027, the annual performance reports, annual monitoring and the biennial performance review are of significant importance to uphold the ambitions set out in the CAP Strategic Plans.

In that context, the European Parliament and the Commission agree that it is necessary for the Commission to report annually to the European Parliament, in the Committee on Agriculture and Rural Development, on the progress made in the scope of the annual performance monitoring.