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WORKING PAPER

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From:	General Secretariat of the Council
To:	Special Committee on Agriculture (SCA)
N° Cion doc.:	9645/18 + COR 1 + ADD 1 9556/18 + REV 1 (en, de, fr) + COR 1 9634/18 + COR1 + ADD1
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council Proposal for a 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 Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products, (EU) No 228/2013 laying

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down specific measures for agriculture in the outermost regions of the Union and (EU) No 229/2013 laying down specific measures for agriculture in favour of the smaller Aegean islands

- First assessment of DA and IA to be adopted to implement the reformed CAP

The Annex to this document contains the Commission's initial assessment of the implementing and delegated acts that it will need to adopt to implement the reformed CAP.

First assessment of DA and IA to be adopted to implement the reformed CAP

Preliminary remarks:

-Adoption and any formal procedure (like voting in a committee before adoption) can only take place after the basic acts (the three regulations) are in force, ie. after publication in the OJEU.

-DG AGR services are working to have the **urgent** texts adopted as soon as legally feasible. “Urgent” means those texts the MS will **need** for submitting their CAP strategic plans to the Commission. But, when the non urgent provisions will require less preparatory work and discussion, and to make the legal text more readable (complete, self-contained), non urgent element will be adopted as well in first batch.

-DG AGRI is nevertheless working already on **all** necessary texts, but there is particular urgency for the adoption of **some** of them.

-First discussions within expert groups will start in the second half of September.

CAP Strategic Plan Regulation

Overall structure: 1 IA (content of CAP plan) + 1 DA and 1 IA (for interventions) + separate IA for performance aspects

Urgent: 1 IA (content of CAP plan) and 1 DA + 1 IA (for interventions)

CAP SPR I: Content of CAP Plan and its transmission to the Commission:	
	Implementing Act • Presentation of the elements mentioned in articles 96 to 103, concerning the content of the CAP Strategic Plan (Art. 105) • Rules for the operation of the information system (Art. 136(3))
CAP SPR II: Types of interventions	
Delegated Act	Implementing Act
Common requirements • Conditions relating to good agricultural and environmental condition (GAEC standard 1 – ensuring a level playing field) (Art. 12 (4)) Direct payments • Conditions for support of hemp (Art. 4(2)) (varieties and THC content) • Conditions for calculation of the reduction of payments/ distribution of funds (Art. 15 (4)) • Rules for the crop-specific payment for cotton (Art. 35(4), 36(5) and 37(3)) Sectoral interventions • Additional requirements for sectoral types of interventions (Art. 41) • Additional requirements for apiculture (Art. 50) Rural development interventions • Additional requirements for types of interventions for rural development (management commitments and quality schemes) (Art. 78)	Direct payments • Indicative reference support area for the MoU on oilseeds. (Art. 10a(1)) • Rules on the procedure regarding the authorisation for the crop-specific payment for cotton and for notifications to producers (Art 35(5)). • Rules on the calculation for the reduction of the excess of the base area (Art. 36(6)). Sectoral interventions • Union financial assistance for distillation of wine by-products (Art. 53(7)) Rural development interventions • Non-essential elements of the provisions on visibility and publicity laid down in Article 110(j) and (k) as regards the Managing Authority (Art. 110 (5))

Not urgent:

1 DA supplementing the basic act on: procedures and time limits for submissions (...) to CAP Strategic Plans; and cases excluded from the application of the max number of amendments (Art. 109)

IA: The presentation of the content of the annual performance report (Art. 121(11)); Organisational structure and operation of the European CAP network (Article 113(5))

IA: Separated IA for procedural reasons, for the content of the performance framework and on information and rules on data needs::> The content of the performance framework, including other indicators for monitoring and evaluation and the methods of calculation of indicators (Art 120); Rules on the information to be sent by the Member States and rules on the data needs and synergies between potential data sources. (Art. 129(4))

Horizontal Regulation

Overall structure:

Main elements: 1 DA and 1 IA (Urgent:::> governance bodies, financial management, performance framework and clearance and common provisions) + 1 DA and 1 IA (controls and sanctions and conditionality) +DA for advances

Urgent: DA and IA on governance bodies, financial management and performance and clearance

HZR I: governance bodies, financial management, performance framework and clearance and common provisions	
Delegated Act	Implementing Act
Governance bodies • Minimum conditions for the accreditation of the paying agencies and coordinating bodies (Art 10(1)(a)) • Obligations of paying agencies as regards public intervention, as well as rules on the content of their management and control responsibilities (Art. 10 (1) (b)) Financial management • Rules for calculating the financial discipline to be applied by Member States to farmers (Art. 15(6)) • Rules on the compliance with payment deadlines and rules on the circumstances and conditions for the eligibility of payments (Art. 36(2)) • Specific conditions for the payment of advances by MS (Art. 42(4))	Governance bodies • Rules regarding accreditation, the paying agencies, the coordinating and the certification bodies (governance) (Art. 10(2) and 11(3)) Financial management • Rules for financing of direct expenditure for satellite data acquisition and monitoring of agricultural resources (Art 24(1)) • Periods for accredited paying agencies to establish and forward intermediate declarations of expenditure. (Art. 30(9)) • Procedure and practical arrangements for the reduction of monthly and interim payments (Art. 37(4)) • Obligations of paying agencies to keep separate accounts and the relevant conditions

• Conditions under which certain types of expenditure and revenue under the Funds are to be compensated. (Art 45(1)) Performance framework and clearance • Specific obligations to be complied with by the Member States for clearance of accounts, rules on the criteria for determining the cases of irregularity and other cases of non-compliance (Art. 50(1)) • Rules on the criteria for justifications from the concerned Member State and the methodology and criteria for applying reductions (Art 52 (4)) • Rules on the criteria and methodology for applying financial correction (Art. 53(6)) • List of interventions unsuited for additional ex-post controls by way of scrutiny (Art.74.2) Varia (euro, transparency, securities) • Rules to ensure a non-discriminatory treatment, equity and the respect of proportionality when lodging a security (Art. 62(3)) (similar to current Reg (EU) No 907/2014)	(Art. 45(2). • The terms and conditions governing the implementation of the automatic decommitment procedure (Art. 45(3)(b)) Performance and clearance • Rules on the elements of the action plans and the procedure for setting up the action plans (Art. 40 (1)) • Cooperation procedures and the keeping of supporting documents for clearance of accounts (Art. 50(2)) • Rules on clearance of accounts, including the rules on information exchange and the deadlines to be respected (Art. 51(2). • Rules on the Annual performance clearance (rules on the criteria for justifications from the concerned Member State and the methodology and criteria for applying reductions) (Art. 52(5)) • Rules on the adoption of Conformity procedure acts, including rules of information exchanges, deadlines, conciliation procedure and conciliation body (Art. 53(7)) • Rules for the uniform application of the Article on the protection of the financial interests of the Union/ controls systems and penalties (procedures, deadlines, exchanges of information, notification and communication by MS to COM) (Art. 57 (6)) • Rules on the forms of notification and communication to be made by the Member States to the Commission in relation to irregularities and other cases of non-compliance, and rules on the possible off-setting of the amounts resulting from recovery of undue payments (Art. 56(1)) Varia (euro, transparency, securities) • Rules for securities (Art. 62(4)) • Transmission of information (Art. 90) • Rules for transparency (Art. 98) (similar to current Reg (EU) No 907/2014)
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Not urgent:

- 1 DA allowing MS to pay advances for certain interventions; also measures regulating or supporting agricultural markets in order to ensure a coherent and non-discriminatory payment of advances (Art. 42(4)) (amending DA, needs separate adoption for legal reasons)

- 1 DA and 1 IA on Management and Control Systems and Penalties; to be adopted in early 2022, as follows

HZR II: Management and Control Systems and Penalties;	
Delegated Act	Implementing Act
• Rules regarding checks and additional requirements with respect to customs procedures. (Art. 58(3)) • Rules on IACS application (Art. 72) • Detailed rules on the application and calculation of penalties (conditionality) (Art. 86(4)) • Rules on the application and calculation of penalties (social conditionality) (Art. 87c(2)) (content partly similar to 640/2014)	• Rules for the uniform application of the Article on checks and penalties in relation to the procedures, deadlines for the data mining tool and exchanges of information, notification and communication by MS to COM. (Art. 57(6)) • Rules for controls and checks of hemp, cotton, wine, public intervention and private storage, POSEI and Aegean Islands Art. 58(4) • Rules on the functioning of IACS (Art. 73) • Uniform application of the scrutiny chapter (Art. 83(1).) (content partly similar to 809/2014)

Amending Regulation

Secondary legislation following the changes to CMO and GIs regimes in the reform will only be adopted during 2022. Mainly:

For CMO:

Delegated acts on:

- (Article 90a(5)): checks and penalties related to marketing rules – databanks for fraud, control bodies and mutual assistance, common use of findings.
- (Article 6a(4)) wine labelling Nutrition declaration and ingredients list - further detail the rules for the indication and designation of ingredients

Implementing act: (Article 90a(6)): procedures relating to databanks, procedures relating to cooperation and assistance between control authorities and bodies, rules for performing checks on compliance with marketing standards, rules governing the authorities responsible for performing the checks.

For GIs (quality policy): 2 DA amending the existing DAs respectively for the wine sector and the food sector.