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NOTE

From:	General Secretariat of the Council
To:	Delegations
N° Cion doc.:	9634/18 + COR1 + ADD1
Subject:	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 - State of play of the negotiations

With a view to the meeting of the Special Committee on Agriculture on 12 April 2021, delegations will find in the Annex a background note from the Presidency on the above-mentioned subject .

A. Outcome of the super trilogue

At the super trilogue on 26 March the European Parliament accepted the Presidency's compromise package on the **New Delivery Model**. However, the institutions also agreed on a new recital, which stipulates that Member States are obliged, under Article 9 of the SPR, to implement the CAP Strategic Plans as approved by the Commission. This obligation constitutes a basic Union requirement. Therefore, where the Commission detects a serious deficiency in the implementation by a Member State of its CAP Strategic plan, it may decide to exclude the expenditure at risk, affected by such a deficiency, from EU financing.

The EP also accepted the Council offer on the **conditionality** package.

On the publication of the identity of **beneficiaries**, the Presidency accepted the EP's compromise proposal on the understanding that the administrative burden for administrations would be limited to the mere publication of the information, without having to analyse it.

There was also agreement on the Commission's proposal on a single **data mining tool** in Article 57, on the understanding that the use of the tool will be voluntary.

Finally, the EP accepted the Council's substantial redrafting of the chapter in the Regulation on the **scrutiny of transactions** and it withdrew all its amendments in this chapter.

B. Follow-up to the trilogue on 25/03 - issues on which the Presidency is seeking guidance

Performance reward - redistribution of funds resulting from reductions in payments related to performance review (Article 39a - EP AM 279)

The Commission proposes to use as assigned revenue (Article 43) the amounts definitively reduced as provided for in Article 39a. The EP proposes to use them as assigned revenue but also as a performance reserve to reward Member States with satisfactory performance, to be allocated at the end of the Strategic Plans.

Recoveries for non-compliance - 50/50 rule (Article 53a - EP AM 146)

The EP proposes to reintroduce the 50/50 rule (Article 54 of 1306/2013), which states that the MS bears 50% of the financial consequences in the absence of recovery of undue payments.

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