



**European Committee
of the Regions**

NAT-VI/034

132nd plenary session, 5 and 6 December 2018

OPINION

CAP reform

THE EUROPEAN COMMITTEE OF THE REGIONS

- rejects the proposed 28% cut in the rural development budget;
- is against the possibility of transfer from the second to the first pillar;
- calls for the regions to play a prominent role in the governance of Strategic Plans, including for the second pillar;
- points out that market regulation is more effective and less costly than taking retroactive measures;
- calls for the introduction of voluntary crisis management tools based on the management of production volumes;
- takes the view that income insurance is an expensive instrument that is ill-suited to small and medium-sized farms and cannot be a substitute for market regulation;
- proposes full convergence of direct payments between Member States and not later than in 2027;
- proposes that, in those countries and regions where it has not yet been achieved, internal convergence should be gradually increased, supporting disadvantaged regions, to be complete in 2026;
- supports the proposed cap on direct payments and suggests taking into account a maximum of 50% of costs for employees alone;
- supports the establishment of a mandatory redistributive payment and proposes increasing its scale, with a minimum of 30% of first pillar funds;
- proposes that the specific support for small farmers should be mandatory for the Member States;
- calls for quantified, measurable common European objectives for the national Strategic Plans to be included in the Regulation;
- supports the principle of eco-schemes, and proposes that a minimum of 30% of the national payments envelope should be devoted to them;
- proposes that each national Strategic Plan should meet the minimum threshold of 40% of the CAP's overall financial envelope contributing to environmental climate objectives.

Rapporteur-general: Guillaume Cros (FR/PES), Vice-President of the Regional Council of Occitanie

Reference documents

- 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 – COM(2018) 392 final
- 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 – COM(2018) 393 final
- 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 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 – COM(2018) 394 final

Opinion of the European Committee of the Regions – CAP reform

I. RECOMMENDATIONS FOR AMENDMENTS

COM(2018) 392 final

Amendment 1

Recital 5

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>In order to retain the essential Union-wide elements to ensure comparability between Member State decisions, without however limiting Member States in reaching Union objectives, a framework definition for 'agricultural area' should be set out. The related framework definitions for 'arable land', 'permanent crops' and 'permanent grassland' should be set out in a broad way to allow Member States to further specify definitions according to their local conditions. The framework definition for 'arable land' should be laid down in a way that allows Member States to cover different production forms, including system such as agroforestry and arable areas with shrubs and trees and that requires the inclusion of fallow land areas in order to ensure the decoupled nature of the interventions. The framework definition of 'permanent crops' should include both areas actually used for production and not, as well as nurseries and short rotation coppice to be defined by Member States. The framework definition of 'permanent grassland' should be set in a way that allows Member States to specify further criteria and allows them to include species other than grasses or other herbaceous forage that can be grazed or that may produce animal feed, whether used for actual production or not.</p>	<p>In order to retain the essential Union-wide elements to ensure comparability between Member State decisions, without however limiting Member States in reaching Union objectives, a framework definition for 'agricultural area' should be set out. The related framework definitions for 'arable land', 'permanent crops' and 'permanent grassland' should be set out in a broad way to allow Member States to further specify definitions according to their local conditions. The framework definition for 'arable land' should be laid down in a way that allows Member States to cover different production forms including system such as agroforestry and arable areas with shrubs and trees and that requires the inclusion of fallow land areas in order to ensure the decoupled nature of the interventions. The framework definition of 'permanent crops' should include both areas actually used for production and not, as well as nurseries and short rotation coppice <i>as long as they are incorporated in plots of arable crops</i>, to be defined by Member States. The framework definition of 'permanent grassland' should be set in a way that allows Member States to specify further criteria and allows them to include species other than grasses or other herbaceous forage that can be grazed or that may produce animal feed, whether used for actual production or not.</p>

<i>Reason</i>
<p>The idea is to encourage agroforestry practices, which are beneficial to the climate and the environment, rather than whole plots of coppices which are, in fact, non-agricultural forest areas.</p>

Amendment 2

Recital 9

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>In view of further improving the performance of the CAP, income support should be targeted to genuine farmers. In order to ensure a common approach at Union level for such a targeting of support, a framework definition for 'genuine farmer' displaying the essential elements should be set out. On the basis of this framework, Member States should define in their CAP Strategic Plans which farmers are not considered genuine farmers based on conditions such as income <i>tests</i>, labour inputs on the farm, company object and inclusion in registers. It should also not result in precluding support to pluri-active farmers, who are actively farming but who are also engaged in non-agricultural activities outside their farm, as their multiple activities often strengthen the socio-economic fabric of rural areas.</p>	<p>In view of further improving the performance of the CAP, income support should be targeted to genuine farmers. In order to ensure a common approach at Union level for such a targeting of support, a framework definition for 'genuine farmer' displaying the essential elements should be set out. On the basis of this framework, Member States should define in their CAP Strategic Plans which farmers are not considered genuine farmers based on conditions such as <i>the share of agricultural</i> income, labour inputs on the farm, company object and inclusion in registers. It should also not result in precluding support to pluri-active farmers, who are actively farming but who are also engaged in non-agricultural activities outside their farm, as their multiple activities often strengthen the socio-economic fabric of rural areas.</p>

Reason

It is preferable to take account of the share of agricultural income rather than the criterion of income, which might exclude small farms.

Amendment 3

Recital 11

<i>Text proposed by the Commission</i>	<i>Amendment</i>
<p>In order to give substance to the objectives of the CAP as established by Article 39 of the Treaty on the Functioning of the European Union (TFEU), as well as to ensure that the Union adequately addresses its most recent challenges, it is appropriate to provide for a set of general objectives reflecting the orientations given in the Communication on 'The Future of Food and Farming'. A set of specific objectives should be further defined at Union level and applied by the Member States in their CAP Strategic Plans. While striking a balance across the dimensions of sustainable development, in line with the impact assessment, these specific objectives should</p>	<p>In order to give substance to the objectives of the CAP as established by Article 39 of the Treaty on the Functioning of the European Union (TFEU), as well as to ensure that the Union adequately addresses its most recent challenges, it is appropriate to provide for a set of general objectives reflecting the orientations given in the Communication on 'The Future of Food and Farming'. A set of specific objectives should be further defined at Union level and applied by the Member States in their CAP Strategic Plans. While striking a balance across the dimensions of sustainable development, in line with the impact assessment, these specific objectives should</p>

translate the general objectives of the CAP into more concrete priorities and take into account relevant Union legislation, particularly with regard to climate, energy and environment.	translate the general objectives of the CAP into more concrete priorities and take into account relevant Union legislation, particularly with regard to climate, energy and environment. <i>The CAP must explicitly take into consideration the European Union's equality policy, paying particular attention to the need to promote women's participation in the development of the socio-economic fabric of rural areas. This Regulation should help make the work of women more visible, meaning that this work should be taken into account in the specific objectives to be addressed by the Member States in their strategic plans.</i>
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Reason
It is crucial to empower women in rural areas.

Amendment 4

Recital 12

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
A smarter, modernised and more sustainable CAP needs to embrace research and innovation, in order to serve the multi-functionality of Union agriculture, forestry and food systems, investing in technological development and digitalisation , as well as improving the access to impartial, sound, relevant and new knowledge.	A smarter, modernised and more sustainable CAP needs to embrace research and innovation, in order to serve the multi-functionality of Union agriculture, forestry and food systems, investing in technological development, digitalisation and agro-ecological practices , as well as improving the access to impartial, sound, relevant and new knowledge, by taking account of farmers' knowledge and exchanges between farmers.

Reason
Technological development, digitalisation, agro-ecological practices and knowledge-sharing among farmers will contribute to a smarter, modernised and more sustainable CAP.

Amendment 5

New recital after recital 12

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<i>Narrowing the digital divide in rural areas is essential for maintaining population numbers and economic development, especially for the provision of services. Agricultural digitalisation offers significant</i>

	<p><i>potential in the areas of production, marketing and consumer protection, as well as in the protection of natural and cultural heritage in rural areas. However, steps should be taken to ensure that small farms, whose access to new technologies may be limited, can benefit from this, and that technological development does not diminish farmers' autonomy; they must retain control over the data collected on their farms.</i></p>
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Reason
All farms must be able to benefit from the advantages of digitisation.

Amendment 6

Recital 14

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>In order to foster a smart and resilient agricultural sector, direct payments keep on constituting an essential part to guarantee a fair income support to farmers. Likewise, investments into <i>farm restructuring</i>, modernisation, innovation, diversification and uptake of new technologies are necessary to improve <i>farmers' market reward</i>.</p>	<p>In order to foster a smart, <i>sustainable</i> and resilient agricultural sector <i>in all regions</i>, direct payments keep on constituting an essential part to guarantee a fair income support to farmers. Likewise, investments into modernisation, innovation, diversification and uptake of new technologies are necessary to improve <i>the resilience of farms and remuneration through the market</i>.</p>

Reason
Direct payments should help farms become more resilient and promote better revenue through the market in all regions.

Amendment 7

Recital 15

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>In the context of greater market-orientation of the CAP, as outlined by the Communication on "The Future of Food and Farming", market exposure, climate change and associated frequency and severity of extreme weather events, as well as sanitary and phytosanitary crises, may lead to risks of price volatility and increasing pressures on incomes. Thus, although farmers are ultimately responsible for designing their on-farm</p>	<p>In the context of greater market-orientation of the CAP, as outlined by the Communication on "The Future of Food and Farming", market exposure, climate change and associated frequency and severity of extreme weather events, as well as sanitary and phytosanitary crises, may lead to risks of price volatility and increasing pressures on incomes. Thus, although farmers are ultimately responsible for designing their on-farm strategies,</p>

strategies, a robust framework should be set up to ensure <i>appropriate risk management</i> . To this aim, Member States and farmers may be able to draw on a Union-level platform on risk management for capacity-building in order to provide farmers with adequate financial instruments for investments and access to working capital, training, knowledge transfer and advice.	a robust framework should be set up to ensure <i>that markets are regulated and risks are prevented as appropriate</i> . To this aim, Member States and farmers may be able to draw on a Union-level platform on risk management for capacity-building in order to provide farmers with adequate financial instruments for investments and access to working capital, training, knowledge transfer and advice.
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<i>Reason</i>
Given the increasing number of risks faced by farms, a robust prevention framework is needed.

Amendment 8

Recital 17

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
The CAP should keep ensuring food security, which should be understood as meaning access to sufficient, safe and nutritious food at all times. Moreover, it should help improving the response of Union agriculture to new societal demands on food and health, including sustainable agricultural production, healthier nutrition, food waste and animal welfare. The CAP should continue to promote production with specific and valuable characteristics, while at the same time helping farmers to proactively adjust their production according to market signals and consumers' demands.	The CAP should keep ensuring food security, which should be understood as meaning access to sufficient, safe and nutritious food at all times. Moreover, it should help improving the response of Union agriculture to new societal demands on food and health, including sustainable agricultural production, healthier nutrition, food waste and animal welfare, <i>and conservation of agricultural genetic resources</i> . The CAP should continue to promote production with specific and valuable characteristics, <i>such as traditional local products</i> , while at the same time helping farmers to proactively adjust their production according to market signals and consumers' demands. <i>The CAP should also contribute to meeting the Millennium Development Goals (MDGs) as regards access to food.</i>

<i>Reason</i>
The European Union is still able to preserve many typical traditional products and agricultural genetic resources, which must be promoted.

Amendment 9

Recital 20

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<i>In order to ensure that the Union can respect its international obligations on domestic support as</i>	

<p><i>set out in the WTO Agreement on Agriculture, certain types of interventions provided for in this Regulation should continue to be notified as 'Green Box' support which has no, or at most minimal, trade-distorting effects or effects on production, or to be notified as 'Blue Box' support under production-limiting programs and is so exempted from reduction commitments. While the provisions set out in this Regulation for such types of interventions are already in compliance with the 'Green Box' requirements as set out in Annex 2 to the WTO Agreement on Agriculture or the 'Blue Box' requirements set out in its Article 6.5, it should be ensured that the interventions planned by Member States in their CAP Strategic Plans for these types of interventions continue to respect those requirements.</i></p>	
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Amendment 10

New recital after recital 20

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<p><i>In order to meet the Sustainable Development Goals (SDGs) adopted by the UN, in particular goals 1 and 2, and in keeping with the Union's policy coherence for development (PCD), the CAP should promote the development of sustainable and prosperous family farming in developing countries, which helps maintain rural populations and ensures the security of their food supplies. To this end, EU agricultural and food products should not be exported at a price lower than European production costs.</i></p>

Reason

In keeping with Article 54 of the CoR's CAP outlook opinion, the CAP needs to be amended to meet this goal, which should be enshrined as a tenth objective of the CAP.

Amendment 11

Recital 22

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>The framework of standards of GAECs aims to contribute to the mitigation and adaptation to</p>	<p>The framework of standards of GAECs aims to contribute to the mitigation and adaptation to</p>

<p>climate change, the tackling of water challenges, the protection and quality of soil and the protection and quality of biodiversity. The framework needs to be enhanced to take into account in particular the practices set until 2020 under the greening of direct payments, the mitigation of climate change and the need to improve farms sustainability, and in particular the nutrients management. It is acknowledged that each GAEC contributes to multiple objectives. In order to implement the framework, Member States should define a national standard for each of the standards set at Union level taking into account the specific characteristics of the area concerned, including soil and climatic conditions, existing farming conditions, land use, crop rotation, farming practices and farm structures. Member States may also define in addition other national standards related to the main objectives laid down in Annex III in order to improve the environmental and climate delivery of the GAEC framework. As part of GAEC framework, in order to support both the agronomic and the environmental performance of farms, nutrient management plans will be established with the help of a dedicated electronic Farm Sustainability Tool made available by the Member States to individual farmers. The tool should provide on-farm decision support starting from minimum nutrient management functionalities. A wide interoperability and modularity should also ensure the possibility to add other electronic on-farm and e-governance applications. In order to ensure a level playing field between farmers and across the Union, the Commission may provide support to the Member States in the design of the Tool as well as with the data storage and processing services required.</p>	<p>climate change, the tackling of water challenges, the protection and quality of soil and the protection and quality of biodiversity <i>including agricultural genetic resources</i>. The framework needs to be enhanced to take into account in particular the practices set until 2020 under the greening of direct payments, the mitigation of climate change and the need to improve farms sustainability, and in particular the nutrients management. It is acknowledged that each GAEC contributes to multiple objectives. In order to implement the framework, Member States should define a national standard for each of the standards set at Union level taking into account the specific characteristics of the area concerned, including soil and climatic conditions, existing farming conditions, land use, <i>annual</i> crop rotation, farming practices and farm structures. Member States may also define in addition other national standards related to the main objectives laid down in Annex III in order to improve the environmental and climate delivery of the GAEC framework. As part of GAEC framework, in order to support both the agronomic and the environmental performance of farms, nutrient management plans will be established with the help of a dedicated electronic Farm Sustainability Tool made available by the Member States to individual farmers. The tool should provide on-farm decision support starting from minimum nutrient management functionalities. A wide interoperability and modularity should also ensure the possibility to add other electronic on-farm and e-governance applications. In order to ensure a level playing field between farmers and across the Union, the Commission may provide support to the Member States in the design of the Tool as well as with the data storage and processing services required.</p>
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<p><i>Reason</i></p>
<p>In order to be effective, crop rotation has to be annual, with flexibility (see Good Agricultural and Environmental Condition 8, Annex III). Action must be taken against the depletion of agricultural genetic resources.</p>

Amendment 12

Recital 24

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Member States should set farm advisory services for the purpose of improving the sustainable management and overall performance of agricultural holdings and rural businesses, covering economic, environmental and social dimensions, and to identify the necessary improvements as regards all measures at farm level provided for in the CAP Strategic Plans. These farm advisory services should help farmers and other beneficiaries of CAP support to become more aware of the relationship between farm management and land management on the one hand, and certain standards, requirements and information, including environmental and climate ones, on the other hand. The list of the latter includes standards applying to or necessary for farmers and other CAP beneficiaries and set in the CAP Strategic Plan, as well as those stemming from the legislation on water, on the sustainable use of <i>pesticides</i>, as well as the initiatives to combat antimicrobial resistance and the management of risks. In order to enhance the quality and effectiveness of the advice, Member States should integrate advisors within the Agricultural Knowledge and Innovation Systems (AKIS), in order to be able to deliver up-to-date technological and scientific information developed by research and innovation.</p>	<p>Member States should set farm advisory services for the purpose of improving <i>factor productivity</i>, the sustainable management and overall performance of agricultural holdings and rural businesses, covering economic, environmental and social dimensions, and to identify the necessary improvements as regards all measures at farm level provided for in the CAP Strategic Plans. These farm advisory services should help farmers and other beneficiaries of CAP support to become more aware of the relationship between farm management and land management on the one hand, and certain standards, requirements and information, including environmental and climate ones, on the other hand. The list of the latter includes standards applying to or necessary for farmers and other CAP beneficiaries and set in the CAP Strategic Plan, as well as those stemming from the legislation on water, on the sustainable use of <i>plant protection products</i>, as well as the initiatives to combat antimicrobial resistance and the management of risks. In order to enhance the quality and effectiveness of the advice, Member States should integrate advisors within the Agricultural Knowledge and Innovation Systems (AKIS), in order to be able to deliver up-to-date technological and scientific information developed by research and innovation.</p>

Amendment 13

Recital 27

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>When providing decoupled direct support based on the system of payment entitlements, Member States should continue to manage a national reserve or reserves per group of territories. Such reserves should be used, as a matter of priority, for young farmers and farmers commencing their agricultural activity. Rules on the use and</p>	<p>When providing decoupled direct support based on the system of payment entitlements, Member States should continue to manage a national reserve or reserves per group of territories. Such reserves should be used, as a matter of priority, for young farmers and farmers commencing their agricultural activity. Rules on the use and</p>

transfers of payment entitlements are also necessary in order to guarantee a smooth functioning of the system.	transfers of payment entitlements are also necessary in order to guarantee a smooth functioning of the system, <i>excluding a market for payment entitlements</i> .
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<i>Reason</i>
It is not acceptable for there to be a trade in public subsidies.

Amendment 14

Recital 28

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Small farms remain a cornerstone of Union agriculture as they play a vital role in supporting rural employment and contribute to territorial development. In order to promote a more balanced distribution of support and to reduce administrative burden for beneficiaries of small amounts, Member States should have the option of offering to small farmers the possibility of replacing the other direct payments by providing a round some payment for small farmers.	Small farms remain a cornerstone of Union agriculture as they play a vital role in supporting rural employment and contribute to territorial development. In order to promote a more balanced distribution of support and to reduce administrative burden for beneficiaries of small amounts <i>which support jobs</i> , Member States should have the option of offering to small farmers the possibility of replacing the other direct payments by providing a round some payment for small farmers.

<i>Reason</i>
Small farms play a crucial role in keeping up the dynamics of a region and maintaining the land.

Amendment 15

Recital 38

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Support for management commitments may include organic farming premia for the maintenance of and the conversion to organic land; payments for other types of interventions supporting environmentally friendly production systems such as agro-ecology, conservation agriculture and integrated production; forest environmental and climate services and forest conservation; premia for forests and establishment of agroforestry systems; animal welfare; conservation, sustainable use and development of genetic resources. Member States may develop other schemes under this type of	Support for management commitments may include organic farming premia for the maintenance of and the conversion to organic land; payments for other types of interventions supporting environmentally friendly production systems such as agro-ecology, conservation agriculture and integrated production; forest environmental and climate services and forest conservation; premia for forests and establishment of agroforestry systems; animal welfare; conservation, sustainable use and development of genetic resources. Member States may develop other schemes under this type of interventions on

interventions on the basis of their needs. This type of payments should cover additional costs and income foregone only resulting from commitments going beyond the baseline of mandatory standards and requirements established in Union and national law, as well as conditionality, as laid down in the CAP Strategic Plan. Commitments related to this type of interventions may be undertaken for a pre-established annual or pluri-annual period and might go beyond seven years where duly justified.	the basis of their needs. In order to act as an incentive , this type of payments should cover more than the additional costs and income foregone resulting from commitments going beyond the baseline of mandatory standards and requirements established in Union and national law, as well as conditionality, as laid down in the CAP Strategic Plan. Commitments related to this type of interventions may be undertaken for a pre-established pluri-annual period and might go beyond seven years where duly justified.
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Reason
To encourage environmentally-friendly practices, we are proposing that payment not be limited to covering forgone revenue. Multi-annual periods are more suited to having an environmental impact.

Amendment 16

Recital 40

Text proposed by the Commission	CoR amendment
In order to ensure a fair income and a resilient agricultural sector across the Union territory, Member States may grant support to farmers in areas facing natural and other area-specific constraints. As regards payments for ANC, the designation of the 2014-2020 Rural Development policy should continue to apply. For the CAP to deliver enhanced Union added on the environment and reinforce its synergies with the financing of investments in nature and biodiversity, it is necessary to keep a separate measure aiming at compensating beneficiaries for disadvantages related to the implementation of Natura 2000 and Water Framework Directives. Support should therefore continue to be granted to farmers and forest holders to help address specific disadvantages resulting from the implementation of Directive 2009/147/EC and Directive 92/43/EEC and in order to contribute to the effective management of Natura 2000 sites. Support should also be made available to farmers to help address disadvantages in river basin areas resulting from the implementation of the Water Framework Directive. Support should be linked	In order to ensure a fair income and a resilient agricultural sector across the Union territory, Member States shall grant support to farmers in areas facing natural and other area-specific constraints. As regards payments for ANC, the designation of the 2014-2020 Rural Development policy should continue to apply. For the CAP to deliver enhanced Union added on the environment and reinforce its synergies with the financing of investments in nature and biodiversity, it is necessary to keep a separate measure aiming at remunerating beneficiaries for the implementation of Natura 2000 and Water Framework Directives. Support should therefore continue to be granted to farmers and forest holders to help address specific disadvantages resulting from the implementation of Directive 2009/147/EC and Directive 92/43/EEC and in order to contribute to the effective management of Natura 2000 sites. Support should also be made available to farmers to help address disadvantages in river basin areas resulting from the implementation of the Water Framework Directive. Support should be linked to specific

to specific requirements described in the CAP Strategic Plans that go beyond relevant mandatory standards and requirements. Member States should also ensure that payments to farmers do not lead to double funding with eco schemes. Furthermore, the specific needs of Natura 2000 areas should be taken into account by Member States in the overall design of their CAP Strategic Plans.	requirements described in the CAP Strategic Plans that go beyond relevant mandatory standards and requirements. Member States should also ensure that payments to farmers do not lead to double funding with eco schemes. Furthermore, the specific needs of Natura 2000 areas should be taken into account by Member States in the overall design of their CAP Strategic Plans.
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<i>Reason</i>
Maintaining farming in all areas, including difficult ones, across Europe is necessary. To encourage environmentally-friendly practices, we are proposing that payment not be limited to covering forgone revenue.

Amendment 17

Recital 41

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
The objectives of the CAP should also be pursued through support for investments, productive as well as non-productive, on farm as well as off-farm. Such investments may concern, inter alia, infrastructures related to the development, modernisation or adaptation to climate change of agriculture and forestry, including access to farm and forest land, land <i>consolidation and</i> improvement, agro-forestry practices and the supply and saving of energy and water. In order to better ensure the consistency of the CAP Strategic Plans with Union objectives, as well as a level playing field between Member States, a negative list of investment topics is included in this Regulation.	The objectives of the CAP should also be pursued through support for investments, productive as well as non-productive, on farm as well as off-farm. Such investments may concern, inter alia, infrastructures related to the development, modernisation or adaptation to climate change of agriculture and forestry, including access to farm and forest land, land improvement, agro-forestry practices, the supply and saving of energy and water <i>and conservation of agricultural genetic resources</i> . In order to better ensure the consistency of the CAP Strategic Plans with Union objectives, as well as a level playing field between Member States, a negative list of investment topics is included in this Regulation. <i>Such investment shall be capped per farm. The envelope earmarked for this mechanism shall be limited to 10% of the EAFRD funds allocated to the Member State concerned.</i>

<i>Reason</i>
Capping investment aid allows more projects to be supported. Limiting the envelope enables more funds to be earmarked for other EAFRD priorities.

Amendment 18

Recital 44

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
In the light of the need to ensure appropriate risk management tools, insurance premia and mutual funds should be maintained, <i>financed by the EAFRD</i> . The category of mutual funds encompasses both those linked to production losses, and the general and sector-specific income stabilisation tools, linked to income losses.	In the light of the need to ensure appropriate risk management tools, insurance premia and mutual funds should be maintained. The category of mutual funds encompasses both those linked to production losses, and the general and sector-specific income stabilisation tools, linked to income losses.

<i>Reason</i>
Financing through the EAFRD would require a corresponding increase in EAFRD resources.

Amendment 19

Recital 56

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
In the process of development of their CAP Strategic Plans, Member States should analyse their specific situation and needs, set targets linked to the achievement of the objectives of the CAP and design the interventions which will allow reaching these targets, while being adapted to the national and specific regional contexts, including the outermost regions pursuant to Article 349 TFEU. Such process should promote more subsidiarity within a common Union framework, while compliance with the general principles of Union law and the objectives of the CAP should be ensured. It is therefore appropriate to set rules on the structure and content of the CAP Strategic Plans.	In the process of development of their CAP Strategic Plans, Member States, <i>providing for their rural development plans to be drawn up at the most appropriate geographical level</i> , should analyse their specific situation and needs, set targets linked to the achievement of the objectives of the CAP and design the interventions which will allow reaching these targets, while being adapted to the national and specific regional contexts, including the outermost regions pursuant to Article 349 TFEU <i>and the most disadvantaged regions referred to in the third subparagraph of Article 174 TFEU</i> . Such process should promote more subsidiarity within a common Union framework, while compliance with the general principles of Union law and the objectives of the CAP should be ensured. It is therefore appropriate to set rules on the structure and content of the CAP Strategic Plans.

<i>Reason</i>
Although it may be that some aspects of strategic plans are established at regional level, we do not know the extent of this potential regionalisation. The Regulation should provide for rural development programmes to be drawn up at the appropriate level, at least in the outermost regions. When developing CAP Strategic Plans and designing interventions adapted to specific national and regional contexts, the Member States must consider in particular the most disadvantaged regions

referred to in Article 174 TFEU, such as island, cross-border and mountain regions.

Amendment 20

Article 4(1)(a) and (b)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p><i>Definitions to be formulated in the CAP Strategic Plans</i></p> <p>1. Member States shall provide in their CAP Strategic Plan the definitions of agricultural activity, agricultural area, eligible hectare, genuine farmer and young farmer:</p> <p>(a) 'agricultural activity' shall be defined in a way that it includes both the production of agricultural products listed in Annex I to the TFEU, including cotton and <i>short rotation coppice</i>, and maintenance of the agricultural area in a state which makes it suitable for grazing or cultivation, without preparatory action going beyond usual agricultural methods and machineries;</p> <p>(b) 'agricultural area' shall be defined in a way that it is composed of arable land, permanent crops and permanent grassland. The terms 'arable land', 'permanent crops' and 'permanent grassland' shall be further specified by Member States within the following framework:</p> <p>(i) 'arable land' shall be land cultivated for crop production or areas available for crop production but lying fallow, and include areas set aside in accordance with Articles 22, 23 and 24 of Council Regulation (EC) No 1257/1999[1], with Article 39 of Council Regulation (EC) No 1698/2005[2], with Article 28 of Regulation (EU) No 1305/2013 or with Article 65 of this Regulation;</p> <p>(ii) 'permanent crops' shall be non-rotational crops other than permanent grassland and permanent pasture that occupy the land for five years or more, which yield repeated harvests, including nurseries and short rotation coppice;</p>	<p><i>Definitions to be formulated in the CAP Strategic Plans</i></p> <p>1. Member States shall provide in their CAP Strategic Plan the definitions of agricultural activity, agricultural area, eligible hectare, genuine farmer and young farmer:</p> <p>(a) 'agricultural activity' shall be defined in a way that it includes both the production of agricultural products listed in Annex I to the TFEU, including cotton and <i>agroforestry</i>, and maintenance of the agricultural area in a state which makes it suitable for grazing or cultivation, without preparatory action going beyond usual agricultural methods and machineries;</p> <p>(b) 'agricultural area' shall be defined in a way that it is composed of arable land, permanent crops and permanent grassland. The terms 'arable land', 'permanent crops' and 'permanent grassland' shall be further specified by Member States within the following framework:</p> <p>(i) 'arable land' shall be land cultivated for crop production or areas available for crop production but lying fallow, and include areas set aside in accordance with Articles 22, 23 and 24 of Council Regulation (EC) No 1257/1999[1], with Article 39 of Council Regulation (EC) No 1698/2005[2], with Article 28 of Regulation (EU) No 1305/2013 or with Article 65 of this Regulation;</p> <p>(ii) 'permanent crops' shall be non-rotational crops other than permanent grassland and permanent pasture that occupy the land for five years or more, which yield repeated harvests, including nurseries and short rotation coppice <i>incorporated into the crops</i></p>

<p>(iii) 'permanent grassland and permanent pasture' (together referred to as 'permanent grassland') shall be land not included in the crop rotation of the holding for five years or more, used to grow grasses or other herbaceous forage naturally (self-seeded) or through cultivation (sown). It may include other species such as shrubs and/or trees which can be grazed or produce animal feed;</p> <hr/> <p>[1] Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations (OJ L 160, 26.6.1999, p. 80).</p> <p>[2] Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (OJ L 277, 21.10.2005, p. 1).</p>	<p>grown;</p> <p>(iii) 'permanent grassland and permanent pasture' (together referred to as 'permanent grassland') shall be land not included in the crop rotation of the holding for five years or more, used to grow grasses or other herbaceous forage naturally (self-seeded) or through cultivation (sown). It may include other species such as shrubs and/or trees which can be grazed or produce animal feed <i>provided that the grasses and other herbaceous forage are predominant; it may also be land which can be grazed and which forms part of established local practices where grasses and other herbaceous forage are traditionally not predominant in grazing areas or land which can be grazed where grasses and other herbaceous forage are not predominant or are absent in grazing areas.</i></p> <p><i>This status shall also apply to silvopastoral systems where herbaceous forage is not predominant but exploited by livestock, as is the case with dehesa systems and/or shrub and wooded pastures in mountain areas;</i></p> <hr/> <p>[1] Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations (OJ L 160, 26.6.1999, p. 80).</p> <p>[2] Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (OJ L 277, 21.10.2005, p. 1).</p>
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Reason
<p>It is proposed that the current wording of the 'Omnibus' regulation be retained, which took account of the particular characteristics of Mediterranean pastures, such as dehesa pastures and wooded pastures in mountain areas.</p>

Amendment 21

Article 4(1)(d)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>'genuine farmers' shall be defined in a way to ensure that no support is granted to those whose agricultural activity forms only an insignificant part of their overall economic activities or whose principal business activity is not agricultural, while not precluding from support pluri-active farmers. The definition shall allow to determine which farmers are not considered genuine farmers, based on conditions such as <i>income tests, labour inputs on the farm</i>, company object and/or inclusion in registers.</p>	<p>'genuine farmers' shall be defined in a way to ensure that no support is granted to those whose agricultural activity forms only an insignificant part of their overall economic activities or whose principal business activity is not agricultural, while not precluding from support pluri-active farmers. The definition shall allow to determine which farmers are not considered genuine farmers, based on conditions such as <i>share of income from agricultural production</i>, company object and/or inclusion in registers. <i>The definition must, in any event, preserve the family farming model of the European Union of an individual or group nature, in which the farmer works in agriculture and lives off it directly, and may take into account, if necessary, the special features of the regions defined in Article 349 TFEU.</i></p>

<i>Reason</i>
<p>Taking income into account could have the effect of excluding small farmers. Taking account of the share of agricultural income makes it easier to determine who are the genuine farmers. There is a need to reaffirm the European model of family farming.</p>

Amendment 22

Article 5

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Support from the EAGF and EAFRD shall aim to further improve the sustainable development of farming, food and rural areas and shall contribute to achieving the following general objectives:</p> <p>(a) to foster a smart, resilient and diversified agricultural sector ensuring food security;</p> <p>(b) to bolster environmental care and climate action and to contribute to the environmental- and climate-related objectives of the Union;</p> <p>(c) to strengthen the socio-economic fabric of rural areas.</p> <p>Those objectives shall be complemented by the cross-cutting objective of modernising the sector</p>	<p>Support from the EAGF and EAFRD shall aim to further improve the sustainable development of farming, food and rural areas and shall contribute to achieving the following general objectives:</p> <p>(a) to foster a smart, resilient and diversified agricultural sector ensuring food security;</p> <p>(b) to bolster environmental care and climate action and to contribute to the environmental- and climate-related objectives of the Union;</p> <p>(c) to strengthen the socio-economic fabric of rural areas <i>with particular emphasis on pursuing a fair standard of living for agricultural communities, in</i></p>

<p>by fostering and sharing of knowledge, innovation and digitalisation in agriculture and rural areas, and encouraging their uptake.</p>	<p><i>accordance with Article 39(b) TFEU, paying particular consideration to rural areas affected by serious depopulation problems.</i></p> <p>Those objectives shall be complemented by the cross-cutting objective of modernising the sector by fostering and sharing of knowledge, innovation and digitalisation in agriculture and rural areas, and encouraging their uptake. <i>It is also a question of fostering relations between the various actors in the food value chain, while at the same time strengthening contractual relations and transparency in contractual relations, incorporating tools such as standardised observatories of prices and production costs.</i></p>
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<p><i>Reason</i></p> <p>The CAP must comply with Article 39 TFEU, pay particular attention to rural areas affected by depopulation and improve the way in which food chains operate.</p>

Amendment 23

Article 6(1)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Specific objectives</p> <p>The achievement of the general objectives shall be pursued through the following specific objectives:</p> <ul style="list-style-type: none"> (a) support viable farm income and resilience across the Union to enhance food security; (b) enhance market orientation and increase competitiveness, including greater focus on research, technology and digitalisation; (c) improve farmers' position in the value chain; (d) contribute to climate change mitigation and adaptation, as well as sustainable energy; (e) foster sustainable <i>development</i> and efficient management of natural resources such as water, soil and air; (f) contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes; (g) attract young farmers and facilitate business development in rural areas; 	<p>Specific objectives</p> <p>1. The achievement of the general objectives shall be pursued through the following specific objectives:</p> <ul style="list-style-type: none"> (a) support viable farm income, <i>comparable with those obtained across the whole of the economy</i>, and resilience across the Union to enhance food security; (b) enhance market orientation and increase <i>economic, social, environmental and territorial</i> competitiveness, including greater focus on research, technology and digitalisation <i>as well as agro-ecology and disseminating sustainable forms of production</i>; (c) <i>improve the productivity of production factors, including with a view to reducing the costs of the goods and services produced by the agricultural sector</i>; (d) improve farmers' position in the value chain; (e) contribute to climate change mitigation and

<p>(h) promote employment, growth, social inclusion and local development in rural areas, including bio-economy and sustainable forestry;</p> <p>(i) improve the response of EU agriculture to societal demands on food and health, including safe, nutritious and sustainable food, food waste, as well as animal welfare.</p>	<p>adaptation, as well as sustainable energy;</p> <p>(f) foster sustainable and efficient management of natural resources, <i>including agricultural genetic resources</i>, such as water, soil and air;</p> <p>(g) contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes;</p> <p>(h) attract young <i>and new</i> farmers, <i>especially in the most depopulated regions</i>, and facilitate business development in rural areas;</p> <p>(i) promote employment, growth, social inclusion, <i>the participation of women in the rural economy</i> and local development in rural areas, including bio-economy and sustainable forestry;</p> <p>(j) improve the response of EU agriculture to societal demands on food and health, including safe, nutritious and sustainable food, food waste, as well as animal welfare;</p> <p>(k) <i>encourage the development of sustainable family farming in developing countries in line with Goals 1 and 2 of the United Nations' Sustainable Development Goals (SDGs) and the EU's Policy Coherence for Development (PCD).</i></p>
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Amendment 24

Article 8

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Member States shall pursue the objectives set out in Title II by specifying interventions based on the types of interventions set out in Chapters II, III and IV of this Title in accordance with the common requirements set out in this Chapter.</p>	<p>Member States, <i>and the regions when they are Managing Authorities</i>, shall pursue the objectives set out in Title II by specifying interventions based on the types of interventions set out in Chapters II, III and IV of this Title in accordance with the common requirements set out in this Chapter.</p>

<i>Reason</i>
<p>It is necessary to maintain and strengthen the role played by Europe's regions in the management and implementation of the CAP so that policy choices can be adapted to specific territorial and sectoral characteristics.</p>

Amendment 25

Article 9

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Member States shall design the interventions of their CAP Strategic Plans in accordance with the Charter of Fundamental Rights of the European Union and the general principles of Union law.</p> <p>Member States shall ensure that interventions are set out on the basis of objective and non-discriminatory criteria, are compatible with the internal market and do not distort competition.</p> <p>Member States shall establish the legal framework governing the granting of Union support to beneficiaries on the basis of the CAP Strategic Plan and in accordance with the principles and requirements set out in this Regulation and Regulation (EU) [HzR].</p>	<p><i>Taking into account that the common agricultural policy is the basis for the agri-food sector economy and the economic and social fabric of the rural environment of the EU, Member States, and the regions when they are Managing Authorities,</i> shall design the interventions of their CAP Strategic Plans in accordance with the Charter of Fundamental Rights of the European Union and the general principles of Union law, <i>including the subsidiarity principle.</i></p> <p>Member States shall ensure that interventions are set out on the basis of objective and non-discriminatory criteria, are compatible with the internal market and do not distort competition.</p> <p>Member States shall establish the legal framework governing the granting of Union support to beneficiaries on the basis of the CAP Strategic Plan and in accordance with the principles and requirements set out in this Regulation and Regulation (EU) [HzR].</p>

<i>Reason</i>
Reference should be made to the basis for the common agricultural policy and the need for Member States to implement it while respecting compatibility with the internal market and without distorting competition.

Amendment 26

Article 11

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Member States shall include in their CAP Strategic Plans a system of conditionality, under which an administrative penalty shall be imposed on beneficiaries receiving direct payments under Chapter II of this Title or the annual premia under Articles 65, 66 and 67 who do not comply with the statutory management requirements under Union law and the standards for good agricultural and environmental condition of land established in the CAP Strategic Plan, as listed in Annex III,</p>	<p>Member States shall include in their CAP Strategic Plans a system of conditionality, under which an administrative penalty shall be imposed on beneficiaries receiving direct payments under Chapter II of this Title or the annual premia under Articles 65, 66 and 67 who do not comply with the statutory management requirements under Union law and the standards for good agricultural and environmental condition of land established in the CAP Strategic Plan, as listed in Annex III,</p>

relating to the following specific areas: 1. the climate and the environment; 2. public health, animal health and plant health; 3. animal welfare.	relating to the following specific areas: 1. the climate and the environment; 2. public health, animal health and plant health; 3. animal welfare; 4. <i>social: respect for the rights of agricultural employees.</i>
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<i>Reason</i>
It is important that farms receiving public funding from the CAP respect the social rights of their employees.

Amendment 27

Article 12(3)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Member States shall establish a system for providing the Farm Sustainability Tool for Nutrients referred to in Annex III, with the minimum content and functionalities defined therein, to beneficiaries, who shall use the Tool. The Commission may support the Member States with the design of that Tool <i>and with data storage and processing</i> services requirements.	Member States shall establish a system for providing the Farm Sustainability Tool for Nutrients referred to in Annex III, with the minimum content and functionalities defined therein, to beneficiaries, who shall use the Tool. The Commission may support the Member States with the design of that Tool. <i>Data storage, processing and protection</i> services requirements <i>must ensure that farmers have control over nutrients.</i>

<i>Reason</i>
Soil fertility depends less on the digitalised recording of nutrients than on compliance with good agronomic practices that ensure the good biological condition of the soil. Farmers must remain in control of nutrients on their farms, while complying with legislation.

Amendment 28

Article 12(4)

<i>Text proposed by the Commission</i>	
<i>The Commission is empowered to adopt delegated acts in accordance with Article 138 supplementing this Regulation with rules for good agricultural and environmental condition, including establishing the elements of the system of the ratio of permanent grassland, the year of reference and the rate of conversion under GAEC 1 as referred to in Annex III, the format and additional minimum elements and functionalities of the Farm Sustainability Tool</i>	

<i>for Nutrients.</i>	
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<i>Reason</i>
Good agricultural and environmental conditions must be covered by the regulations and not delegated acts.

Amendment 29

Article 13(4)(d)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
risk management as referred to in Article 70;	risk <i>prevention and</i> management as referred to in Article 70;

<i>Reason</i>
Risk prevention through agro-ecological practices and the de-specialisation of farms and areas will make farms more resilient to climate and health contingencies. Costly risk management will not be enough to make farms safe.

Amendment 30

Article 15(4)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<i>The Commission is empowered to adopt delegated acts in accordance with Article 138 supplementing this Regulation with rules establishing a harmonised basis for calculation for the reduction of payments laid down in paragraph 1 to ensure a correct distribution of the funds to the entitled beneficiaries.</i>	

<i>Reason</i>
Distribution of direct payments must be covered by the regulations and not delegated acts.

Amendment 31

Article 24(1)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Except in the case of transfer by actual or anticipated inheritance, payment entitlements shall be transferred only to a genuine farmer.	Except in the case of transfer by actual or anticipated inheritance, payment entitlements shall be transferred only to a genuine farmer <i>and shall remain tied to the land.</i>

<i>Reason</i>
There is no justification for enabling entitlements to public support to be traded independently of the

purchase or rental of farming land.

Amendment 32

Article 25

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Member States <i>may</i> grant payments to small farmers as defined by Member States by way of a round sum, replacing direct payments under this Section and Section 3 of this Chapter. Member States shall design the corresponding intervention in the CAP Strategic Plan as optional for the farmers.	Member States <i>shall</i> grant payments to small farmers as defined by Member States by way of a round sum, replacing direct payments under this Section and Section 3 of this Chapter. <i>The amount of this round sum payment shall be set at a level sufficient to ensure the long-term viability of these farms.</i> Member States shall <i>establish criteria for identifying small farmers and</i> design the corresponding intervention in the CAP Strategic Plan as optional for the farmers.

Reason

'Small farms' play a real role in keeping up employment and the dynamics of a region and maintaining the land. This provision must be obligatory for the Member States.

Amendment 33

Article 28(6)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Support for eco-schemes shall take the form of an annual payment per eligible hectare and it shall be granted as either: payments additional to the basic income support as set out in Subsection 2 of this Section; or a) payments <i>compensating</i> beneficiaries <i>for all or part of</i> the additional costs incurred and income foregone as a result of the commitments as set pursuant to Article 65.	Support for eco-schemes shall take the form of an annual payment per eligible hectare and it shall be granted as either: a) payments additional to the basic income support as set out in Subsection 2 of this Section; or b) payments <i>remunerating</i> beneficiaries <i>beyond</i> the additional costs incurred and income foregone as a result of the commitments as set pursuant to Article 65.

Reason

To encourage farmers to continue or further develop environmentally-friendly practices, support must go beyond the cost of additional production linked to good practices.

Amendment 34

Article 29

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>1. Member States may grant coupled income support to genuine farmers under the conditions set out in this Subsection and as further specified in their CAP Strategic Plans.</p> <p>2. The Member States' interventions shall help the supported sectors and productions or specific types of farming therein listed in Article 30 addressing the difficulty or difficulties they undergo by improving their competitiveness, their sustainability or their quality.</p> <p>3. Coupled income support shall take the form of an annual payment per hectare or animal.</p>	<p>1. Member States may grant coupled income support to genuine farmers under the conditions set out in this Subsection and as further specified in their CAP Strategic Plans.</p> <p>2. The Member States' interventions shall help the supported sectors and productions or specific types of farming therein listed in Article 30, with the following aims:</p> <ul style="list-style-type: none"> - preventing the cessation of farming in rural areas and boosting the EU's self-sufficiency in food, or - addressing the difficulty or difficulties they undergo by improving their competitiveness, their sustainability or their quality. <p>3. Coupled income support shall take the form of an annual capped payment per hectare or animal.</p>

<i>Reason</i>
Coupled support should cover areas in difficulty as well as producers in difficulty, and aim to maintain production rather than develop it, which justifies the cap per farm.

Amendment 35

Article 30

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Coupled income support may only be granted to the following sectors and productions or specific types of farming therein where these are important for economic, social or environmental reasons: cereals, oilseeds, protein crops, grain legumes, flax, hemp, rice, nuts, starch potato , milk and milk products, seeds, sheepmeat and goatmeat, beef and veal, olive oil, silkworms, dried fodder, hops, sugar beet, cane and chicory, fruit and vegetables, short rotation coppice and other non-food crops, excluding trees, used for the production of products that have the potential to substitute fossil materials.	Coupled income support may only be granted to the following sectors and productions or specific types of farming therein where these are important for economic, social or environmental reasons: cereals, oilseeds with the exception of agricultural biofuel crops , protein crops, grain legumes, forage legumes either alone or as a grass-legume mixture, grasslands , flax, hemp, rice, nuts, milk and milk products, seeds, sheepmeat and goatmeat, beef and veal, pork, poultry , olive oil, silkworms, dried fodder, hops, sugar beet, cane and chicory, fruit and vegetables, and short rotation coppice that is part of crop plots.

<i>Reason</i>
Coupled income must promote all legumes. It should not exclude pork and poultry, unlike agricultural biofuel crops.

Amendment 36

Article 40

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Mandatory and optional sectoral types of interventions</p> <p>1. The sectoral type of interventions in the fruit and vegetables sector referred to in point (a) of Article 39 and in the apiculture sector referred to in point (b) of Article 39 shall be mandatory for every Member State.</p> <p>2. The sectoral type of intervention in the wine sector referred to in point (c) of Article 39 shall be mandatory for the Member States listed in Annex V.</p> <p>3. Member States may choose in their CAP Strategic Plan to implement the sectoral types of interventions referred to in points (d), (e) and (f) of Article 39.</p> <p>4. The Member State referred to in Article 82(3) may implement in the hops sector the sectoral type of intervention referred to in point (f) of Article 39 only if that Member State decides in its CAP Strategic Plan not to implement the sectoral type of intervention referred to in point (d) of Article 39.</p> <p>5. The Member States referred to in Article 82(4) may implement in the olive oil and table olives sector the sectoral type of intervention referred to in point (f) of Article 39 only if those Member States decide in their CAP Strategic Plans not to implement the sectoral type of intervention referred to in point (e) of Article 39.</p>	<p>Mandatory and optional sectoral types of interventions</p> <p>1. The sectoral type of interventions in the fruit and vegetables sector referred to in point (a) of Article 39 and in the apiculture sector referred to in point (b) of Article 39 shall be mandatory for every Member State.</p> <p>2. The sectoral type of intervention in the wine sector referred to in point (c) of Article 39 shall be mandatory for the Member States listed in Annex V.</p> <p>3. Member States may choose in their CAP Strategic Plan to implement the sectoral types of interventions referred to in points (d), (e) and (f) of Article 39.</p> <p>4. The Member State referred to in Article 82(3) may implement in the hops sector the sectoral type of intervention referred to in point (f) of Article 39 only if that Member State decides in its CAP Strategic Plan not to implement the sectoral type of intervention referred to in point (d) of Article 39.</p> <p>5. The Member States referred to in Article 82(4) may implement in the olive oil and table olives sector the sectoral type of intervention referred to in point (f) of Article 39 only if those Member States decide in their CAP Strategic Plans not to implement the sectoral type of intervention referred to in point (e) of Article 39.</p> <p>6. <i>Member States may include interventions on crisis prevention and risk management in any sector in their strategic plans, for the purposes of preventing and dealing with crises in the sector. These objectives are linked to the specific objectives set out in Article 6(1)(a)(b) and (c). These measures shall facilitate the participation of producer, interbranch and cooperative</i></p>

	<p><i>organisations in the system.</i></p> <p>7. On the basis of a common guideline applicable to the whole of the European Union, Member States shall include in their strategic plans tools, such as standardised observatories of prices and production costs, which allow information on the development of the markets to be obtained.</p>
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Reason
<p>The possibility of interventions to prevent and manage risk needs to be extended to all sectors. Introducing instruments such as standardised observatories of prices and production costs will make it possible to obtain warning signals about developments in agricultural markets, should the need arise.</p>

Amendment 37

Article 43(1)

Text proposed by the Commission	CoR amendment
<p>As regards the objectives referred to in points (a) to (h) of Article 42, Member States shall choose in their CAP Strategic Plans one or more of the following types of intervention:</p> <p>(a) investments in tangible and non-tangible assets, in particular focused on water saving, energy saving, ecological packaging and waste reduction;</p> <p>(b) research and experimental production, in particular focused on water saving, energy saving, ecological packaging, waste reduction, pest resilience, reduction of risks and impacts of pesticides use, preventing damage caused by adverse climatic events and boosting the use of fruit and vegetable varieties adapted to changing climate conditions;</p> <p>(c) organic production;</p> <p>(d) integrated production;</p> <p>(e) actions to conserve soil and enhance soil carbon;</p> <p>(f) actions to create and maintain habitats favourable for biodiversity or to maintain the landscape, including the conservation of its historical features;</p> <p>(g) actions to save energy, increase energy</p>	<p>As regards the objectives referred to in points (a) to (h) of Article 42, Member States shall choose in their CAP Strategic Plans one or more of the following types of intervention:</p> <p>(a) investments in tangible and non-tangible assets, in particular focused on water saving, energy saving, ecological packaging and waste reduction;</p> <p>(b) research and experimental production, in particular focused on water saving, energy saving, ecological packaging, waste reduction, pest resilience, reduction of risks and impacts of pesticides use, preventing damage caused by adverse climatic events and boosting the use of fruit and vegetable varieties adapted to changing climate conditions;</p> <p>(c) organic production;</p> <p>(d) integrated production;</p> <p>(e) actions to conserve soil and enhance soil carbon;</p> <p>(f) actions to create and maintain habitats favourable for biodiversity or to maintain the landscape, including the conservation of its historical features;</p> <p>(g) actions to save energy, increase energy</p>

<p>efficiency and to increase renewable energy use;</p> <p>(h) actions to improve pest resilience;</p> <p>(i) actions to improve use and management of water, including water saving and drainage;</p> <p>(j) actions and measures to reduce waste production and to improve waste management;</p> <p>(k) actions to increase sustainability and efficiency of transport and of storage of products of the fruit and vegetables sector;</p> <p>(l) actions to mitigate climate change, to adapt to climate change and to increase renewable energy use;</p> <p>(m) implementation of Union and national quality schemes;</p> <p>(n) promotion and communication, including actions and activities aimed at diversification and consolidation of the fruit and vegetables markets and at informing about the health advantages of consumption of fruit and vegetables;</p> <p>(o) advisory services and technical assistance, in particular concerning sustainable pest control techniques, <i>sustainable</i> use of pesticides and climate change adaptation and mitigation;</p> <p>(p) training and exchange of best practices in particular concerning sustainable pest control techniques, <i>sustainable</i> use of pesticides and contributing to climate change adaptation and mitigation</p>	<p>efficiency and to increase renewable energy use;</p> <p>(h) actions to improve pest resilience;</p> <p>(i) actions to improve use and management of water, including water saving and drainage;</p> <p>(j) actions and measures to reduce waste production and to improve waste management;</p> <p>(k) actions to increase sustainability and efficiency of transport and of storage of products of the fruit and vegetables sector;</p> <p>(l) actions to mitigate climate change, to adapt to climate change and to increase renewable energy use;</p> <p>(m) implementation of Union and national quality schemes;</p> <p>(n) promotion and communication, including actions and activities aimed at diversification and consolidation of the fruit and vegetables markets and at informing about the health advantages of consumption of fruit and vegetables;</p> <p>(o) advisory services and technical assistance, in particular concerning sustainable pest control techniques, <i>reduction in the</i> use of pesticides and climate change adaptation and mitigation;</p> <p>(p) training and exchange of best practices in particular concerning sustainable pest control techniques, <i>reduction in the</i> use of pesticides and contributing to climate change adaptation and mitigation;</p> <p>(q) <i>measures to preserve the diversity of genetic resources of fruit and vegetables.</i></p>
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<i>Reason</i>
For the safety of farmers and of the public, it is time to significantly reduce the use of pesticides. The diversity of genetic resources is a sign of resilience.

Amendment 38

Article 49

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Types of intervention in the apiculture sector and the Union financial assistance	Types of intervention in the apiculture sector and the Union financial assistance

<p>(...)</p> <p>2. Member States shall substantiate in their CAP Strategic Plans their choice of specific objectives and types of intervention. Within the chosen types of intervention they shall define interventions.</p> <p>(...)</p> <p>4. The Union financial assistance to the interventions referred to in paragraph 2 shall be maximum 50% of the expenditure. The remaining part of the expenditure shall be borne by the Member States.</p> <p>(...)</p>	<p>(...)</p> <p>2. Member States shall substantiate in their CAP Strategic Plans their choice of specific objectives and types of intervention. Within the chosen types of intervention they shall define interventions.</p> <p>(...)</p> <p>4. The Union financial assistance to the interventions referred to in paragraph 2 shall be maximum 50% of the expenditure, with the exception of the outermost regions, where this maximum shall be 85%. The remaining part of the expenditure shall be borne by the Member States.</p> <p>(...)</p>
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Reason
Reducing the rates of EU co-financing compared with previous programming periods would jeopardise the implementation of rural development programmes in the outermost regions and would double their own financing efforts for EU projects.

Amendment 39
Article 52(1)

Text proposed by the Commission	CoR amendment
<p><i>Types of intervention in the wine sector</i></p> <p>For each objective chosen from among those laid down in Article 51 the Member States shall choose in their CAP Strategic Plans one or more of the following types of intervention:</p> <p>restructuring and conversion of vineyards, including replanting of vineyards where that is necessary following mandatory grubbing up for health or phytosanitary reasons on the instruction of the Member State competent authority, but excluding the normal renewal of vineyards consisting of replanting of the same parcel of land with the same grape variety according to the same system of vine cultivation, when vines have to come to the end of their natural life;</p>	<p><i>Types of intervention in the wine sector</i></p> <p>For each objective chosen from among those laid down in Article 51 the Member States shall choose in their CAP Strategic Plans one or more of the following types of intervention:</p> <p>a. restructuring and conversion of vineyards, including replanting of vineyards where that is necessary following mandatory grubbing up for health or phytosanitary reasons on the instruction of the Member State competent authority, but excluding the normal renewal of vineyards consisting of replanting of the same parcel of land with the same grape variety according to the same system of vine cultivation, when vines have to come to the end of their natural life;</p> <p>b. reducing the use of pesticides.</p>

Reason
Wine-growing is one of the sectors using the most pesticides and this must be urgently reduced.

Amendment 40

Article 64

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p><i>Types of interventions for rural development</i></p> <p>The types of interventions under this Chapter shall be the following:</p> <p>(a) environmental, climate and other management commitments;</p> <p>(b) natural or other area-specific constraints;</p> <p>(c) area-specific disadvantages resulting from certain mandatory requirements;</p> <p>(d) investments;</p> <p>(e) installation of young farmers and rural business start-up;</p> <p>(f) risk management tools;</p> <p>(g) cooperation;</p> <p>(h) knowledge exchange and information.</p>	<p><i>Types of interventions for rural development</i></p> <p>The types of interventions under this Chapter shall be the following:</p> <p>(a) environmental, climate and other management commitments;</p> <p>(b) natural or other area-specific constraints;</p> <p>(c) area-specific disadvantages resulting from certain mandatory requirements;</p> <p>(d) investments <i>to improve quality of life and public services in rural areas</i>;</p> <p>(e) installation of young farmers and rural business start-up;</p> <p>(f) risk management tools;</p> <p>(g) cooperation;</p> <p>(h) knowledge exchange and information.</p>

Amendment 41

Article 65(6)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Member States shall compensate beneficiaries <i>for</i> costs incurred and income foregone resulting from the commitments made. Where necessary, they may also cover transaction costs. In duly justified cases, Member States may grant support as a flat-rate or as a one-off payment per unit. Payments shall be granted annually.</p>	<p>Member States shall compensate beneficiaries <i>beyond</i> costs incurred and income foregone resulting from the commitments made. Where necessary, they may also cover transaction costs. In duly justified cases, Member States may grant support as a flat-rate or as a one-off payment per unit. Payments shall be granted annually.</p>

<i>Reason</i>
<p>To encourage a mass transition of production systems towards more resilient production methods, a payment is needed that acts as an incentive and the payment for good practices should not be limited to the covering of forgone revenue.</p>

Amendment 42

Article 68(2)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Member States may only grant support under this type of interventions for tangible and/or intangible investments, which contribute to</p>	<p>Member States may only grant support under this type of interventions for tangible and/or intangible investments, which contribute to</p>

achieving the specific objectives set out in Article 6. Support to the forestry sector shall be based on a forest management plan or equivalent instrument.	achieving the specific objectives set out in Article 6. Support to the forestry sector shall be based on a forest management plan or equivalent instrument. <i>The grant of support shall be conditional on the predicted (ex-ante) environmental effects derived from an environmental impact assessment.</i>
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<i>Reason</i>
Public funds cannot be used for investments that would have a negative environmental impact. To prevent beneficiaries having to pay funds back because the environmental impact turns out to be worse than initially calculated (ex-post), the conditionality should be ex-ante.

Amendment 43

Article 68(3)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Member States shall establish a list of ineligible investments and categories of expenditure, including at least the following:</p> <p>(a) purchase of agricultural production rights;</p> <p>(b) purchase of payment entitlements;</p> <p>(c) purchase of land with the exception of land purchase for environmental conservation or land purchased by young farmers through the use of financial instruments;</p> <p>(d) purchase of animals, annual plants and their planting other than for the purpose of restoring agricultural or forestry potential following natural disaster and catastrophic events;</p> <p>(e) interest rate on debt, except in relation to grants given in the form of an interest rate subsidy or guarantee fee subsidy;</p> <p>(f) investments in irrigation which are not consistent with the achievement of good status of water bodies, as laid down in Article 4(1) of Directive 2000/60/EC, including expansion of irrigation affecting water bodies whose status has been defined as less than good in the relevant river basin management plan;</p> <p>(g) investments in large infrastructures not being part of local development strategies;</p>	<p>Member States shall establish a list of ineligible investments and categories of expenditure, including at least the following:</p> <p>(a) purchase of agricultural production rights;</p> <p>(b) purchase of payment entitlements;</p> <p>(c) purchase of land with the exception of land purchase for environmental conservation or land purchased by young farmers through the use of financial instruments;</p> <p>(d) purchase of animals, annual plants and their planting other than for the purpose of restoring agricultural or forestry potential following natural disaster and catastrophic events;</p> <p>(e) interest rate on debt, except in relation to grants given in the form of an interest rate subsidy or guarantee fee subsidy;</p> <p>(f) investments in irrigation which are not consistent with the achievement of good status of water bodies, as laid down in Article 4(1) of Directive 2000/60/EC, including expansion of irrigation affecting water bodies whose status has been defined as less than good in the relevant river basin management plan;</p> <p>(g) investments in large infrastructures not being part of <i>regional and</i> local development strategies;</p>

(h) investments in afforestation which are not consistent with climate and environmental objectives in line with sustainable forest management principles, as developed in the Pan-European Guidelines for Afforestation and Reforestation.	(h) investments in afforestation which are not consistent with climate and environmental objectives in line with sustainable forest management principles, as developed in the Pan-European Guidelines for Afforestation and Reforestation.
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<i>Reason</i>
It is important that large infrastructure investments which are part of regional development strategies should also be eligible.

Amendment 44

Article 71

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<p><i>LEADER</i></p> <p><i>1. Member States shall grant support for the LEADER initiative, referred to as community-led local development in Article 25 of Regulation (EU) [CPR]. Member States, through the EAFRD, may grant support for measures contributing to one or more of the objectives laid down in Article 6, including outside the scope of the options set down in Chapter IV, Section 1. The decision to approve a local development strategy also implies approval of the measures comprising that strategy.</i></p>

<i>Reason</i>
LEADER, with its budget which is 5% of the EAFRD budget, could be implemented more efficiently with more flexible and autonomous rules which are not laid down by the national strategic plan (regional operational plans).

Amendment 45

Article 71(1) and (5)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
1. Member States may grant support for cooperation under the conditions set out in this Article and as further specified in their CAP Strategic Plans to prepare and to implement Operational Group projects of the European Innovation Partnership for agricultural productivity and sustainability as referred to in Article 114 and <i>LEADER, referred to as</i>	1. Member States may grant support for cooperation under the conditions set out in this Article and as further specified in their CAP Strategic Plans to prepare and to implement Operational Group projects of the European Innovation Partnership for agricultural productivity and sustainability as referred to in Article 114 and local development <i>in the</i>

<p><i>community-led</i> local development <i>in Article 25 of Regulation (EU) [CPR]</i>, and to promote quality schemes, producer organisations or producer groups or other forms of cooperation. [...]</p> <p>5. Where support is paid as an overall amount, Member States shall ensure that Union rules and requirements pertaining to similar actions covered under other types of interventions are respected. <i>This paragraph does not apply to LEADER, referred to as community-led local development in Article 25 of Regulation (EU) [CPR].</i></p>	<p><i>framework of LEADER</i>, and to promote quality schemes, producer organisations or producer groups or other forms of cooperation. [...]</p> <p>5. Where support is paid as an overall amount, Member States shall ensure that Union rules and requirements pertaining to similar actions covered under other types of interventions are respected.</p>
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<i>Reason</i>
<p>LEADER, with its budget which is 5% of the EAFRD budget, could be implemented more efficiently with more flexible and autonomous rules which are not laid down by the national strategic plan (regional operational plans).</p>

Amendment 46

Article 74(5)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Eligible expenditure of a financial instrument shall be the total amount of CAP Strategic Plan contributions paid, or, in the case of guarantees, set aside as agreed in guarantee contracts, by the financial instrument within the eligibility period, where that amount corresponds to:</p> <p>(a) payments to, or for the benefit of, final recipients, in the case of loans, equity and quasi-equity investments;</p> <p>(b) resources set aside as agreed in guarantee contracts, whether outstanding or already come to maturity, in order to honour possible guarantee calls for losses, calculated based on a multiplier ratio covering a multiple amount of underlying disbursed new loans or equity investments in final recipients;</p> <p>(c) payments to, or for the benefit of, final recipients where financial instruments are combined with any other Union contribution in a single financial instrument operation in accordance with Article 52(5) of Regulation (EU) [CPR];</p>	<p>Eligible expenditure of a financial instrument shall be the total amount of CAP Strategic Plan contributions paid, or, in the case of guarantees, set aside as agreed in guarantee contracts, by the financial instrument within the eligibility period, where that amount corresponds to:</p> <p>(a) payments to, or for the benefit of, final recipients, in the case of loans, equity and quasi-equity investments. <i>Moreover, payments to final recipients may only be taken into account as working capital in the case of farmers who are affected by extreme adverse weather and/or market price crises;</i></p> <p>(b) resources set aside as agreed in guarantee contracts, whether outstanding or already come to maturity, in order to honour possible guarantee calls for losses, calculated based on a multiplier ratio covering a multiple amount of underlying disbursed new loans or equity investments in final recipients;</p> <p>(c) payments to, or for the benefit of, final recipients where financial instruments are</p>

<p>(d) payments of management fees and reimbursements of management costs incurred by the bodies implementing the financial instrument.</p> <p>For the purposes of point (b) of this paragraph, the multiplier ratio shall be established in a prudent ex-ante risk assessment and agreed in the relevant funding agreement. The multiplier ratio may be reviewed, if justified by subsequent changes in market conditions. Such a review shall not have retroactive effect.</p> <p>For the purposes of point (d) of this paragraph, management fees shall be performance based. Where bodies implementing a holding fund and/or specific funds, in accordance with Article 53(3) of Regulation (EU) [CPR], are selected through a direct award of contract, the amount of management cost and fees paid to these bodies that can be declared as eligible expenditure shall be subject to a threshold of [up to 5%] of the total amount of CAP Strategic Plan contributions disbursed to final recipients in loans, equity or quasi-equity investments or set aside as agreed in guarantee contracts.</p> <p>This threshold shall not apply where the selection of bodies implementing financial instruments is made through a competitive tender in accordance with the applicable law and the competitive tender establishes the need for higher level of management costs and fees.</p> <p>Where arrangement fees, or any part thereof, are charged to final recipients, they shall not be declared as eligible expenditure.</p>	<p>combined with any other Union contribution in a single financial instrument operation in accordance with Article 52(5) of Regulation (EU) [CPR];</p> <p>(d) payments of management fees and reimbursements of management costs incurred by the bodies implementing the financial instrument.</p> <p>For the purposes of point (b) of this paragraph, the multiplier ratio shall be established in a prudent ex-ante risk assessment and agreed in the relevant funding agreement. The multiplier ratio may be reviewed, if justified by subsequent changes in market conditions. Such a review shall not have retroactive effect.</p> <p>For the purposes of point (d) of this paragraph, management fees shall be performance based. Where bodies implementing a holding fund and/or specific funds, in accordance with Article 53(3) of Regulation (EU) [CPR], are selected through a direct award of contract, the amount of management cost and fees paid to these bodies that can be declared as eligible expenditure shall be subject to a threshold of [up to 5%] of the total amount of CAP Strategic Plan contributions disbursed to final recipients in loans, equity or quasi-equity investments or set aside as agreed in guarantee contracts.</p> <p>This threshold shall not apply where the selection of bodies implementing financial instruments is made through a competitive tender in accordance with the applicable law and the competitive tender establishes the need for higher level of management costs and fees.</p> <p>Where arrangement fees, or any part thereof, are charged to final recipients, they shall not be declared as eligible expenditure.</p>
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<i>Reason</i>	
The possibility of using financial instruments to obtain working capital in the event of extreme weather events or market crises should be taken into account.	

Amendment 47

Article 85(2)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>The maximum EAFRD contribution rate shall be:</p> <p>(a) 70% of the eligible public expenditure in the outermost regions and in the smaller Aegean islands within the meaning of Regulation (EU) No 229/2013;</p> <p>(b) 70% of the eligible public expenditure in the less developed regions;</p> <p>(c) 65% of the eligible expenditure for payments under Article 66;</p> <p>(d) 43% of the eligible public expenditure in the other regions.</p> <p><i>The minimum EAFRD contribution rate shall be 20%.</i></p>	<p>The maximum EAFRD contribution rate shall be:</p> <p>(a) 85% of the eligible public expenditure in the outermost regions and in the smaller Aegean islands within the meaning of Regulation (EU) No 229/2013;</p> <p>(b) 75% of the eligible public expenditure in the less developed regions;</p> <p>(c) 75% of the eligible expenditure for payments under Article 66;</p> <p>(d) 53% of the eligible public expenditure in the other regions;</p> <p>(e) <i>the above rates shall be increased by at least ten percentage points in regions with serious depopulation problems.</i></p>

Reason

The current EAFRD co-financing rates should be maintained. A larger EAFRD contribution should also be considered in areas with higher depopulation rates than the European average.

Amendment 48

Article 86(2)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>At least 30% of the total EAFRD contribution to the CAP Strategic Plan as set out in Annex IX shall be reserved for interventions addressing the specific environmental- and climate-related objectives set out in points (d), (e) and (f) of Article 6(1) of this Regulation, excluding interventions based on Article 66.</p>	<p>At least 30% of the total EAFRD contribution to the CAP Strategic Plan as set out in Annex IX shall be reserved for interventions addressing the specific environmental- and climate-related objectives set out in points (d), (e) and (f) of Article 6(1) of this Regulation, excluding interventions based on Article 66, <i>and risk management tools (Article 70) and support for investments (Article 68).</i></p>

Reason

Environmental and climate objectives must be respected.

Amendment 49

Article 86(5)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>The indicative financial allocations for the</p>	<p>The indicative financial allocations for the</p>

<p>coupled income support interventions referred to in Subsection 1 of Section 2 of Chapter II of Title III, shall be limited to a maximum of 10% of the amounts set out in Annex VII.</p> <p>By way of derogation from the first subparagraph, Member States that in accordance with Article 53(4) of Regulation (EU) No 1307/2013 used for the purpose of voluntary coupled support more than 13% of their annual national ceiling set out in Annex II to that Regulation, may decide to use for the purpose of coupled income support more than 10% of the amount set out in Annex VII. The resulting percentage shall not exceed the percentage approved by the Commission for voluntary coupled support in respect of claim year 2018.</p> <p>The percentage referred to in the first subparagraph, may be increased by a maximum of 2%, provided that the amount corresponding to the percentage exceeding the 10% is allocated to the support for protein crops under Subsection 1 of Section 2 of Chapter II of Title III.</p> <p>The amount included in the approved CAP Strategic Plan resulting from the application of the first and second subparagraphs shall be binding.</p>	<p>coupled income support interventions referred to in Subsection 1 of Section 2 of Chapter II of Title III, shall be limited to a maximum of 13% of the amounts set out in Annex VII.</p> <p>By way of derogation from the first subparagraph, Member States that in accordance with Article 53(4) of Regulation (EU) No 1307/2013 used for the purpose of voluntary coupled support more than 13% of their annual national ceiling set out in Annex II to that Regulation, may decide to use for the purpose of coupled support more than 13% of the amount set out in Annex VII. The resulting percentage shall not exceed the percentage approved by the Commission for voluntary coupled support in respect of claim year 2018.</p> <p>The percentage referred to in the first subparagraph, may be increased by a maximum of 2%, provided that the amount corresponding to the percentage exceeding the 13% is allocated to the support for protein crops, including legumes, under Subsection 1 of Section 2 of Chapter II of Title III.</p> <p>The amount included in the approved CAP Strategic Plan resulting from the application of the first and second subparagraphs shall be binding.</p>
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Amendment 50

Article 86

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<p>[...]</p> <p>8. <i>The indicative financial allocations for redistributive employment support interventions referred to in Subsection 26 of Section 3 of Chapter II of Title III shall be set at a minimum of 30% of the amounts set out in Annex VII.</i></p> <p>9. <i>The indicative financial allocations for climate and environment programme interventions referred to in Subsection 28 of Section 3 of Chapter II of Title III shall be set at a minimum of 30% of the amounts</i></p>

	<p><i>set out in Annex VII.</i></p> <p>10. A maximum of 10% of the total EAFRD contribution to the CAP Strategic Plan as set out in Annex IX shall be reserved for the risk management tools defined in Article 70 of the Regulation.</p> <p>11. A maximum of 10 % of EAFRD Strategic Plan funds shall be reserved for investments (Article 68).</p> <p>12. The EAFRD financial allocation shall cover a specific supplement in rural areas with low populations.</p>
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Reason
Being one of the main handicaps faced by rural areas, depopulation should also be taken into account, alongside issues linked to climate change.

Amendment 51

Article 90(1)

Text proposed by the Commission	CoR amendment
<p>1. As part of their CAP Strategic Plan proposal referred to in Article 106(1), Member States may decide to transfer:</p> <p>(a) up to 15% of the Member State's allocation for direct payments set out in Annex IV after deduction of the allocations for cotton set in Annex VI for calendar years 2021 to 2026 to the Member State's allocation for EAFRD in financial years 2022–2027; <i>or</i></p> <p>(b) up to 15% of the Member State's allocation for EAFRD in financial years 2022 – 2027 to the Member State's allocation for direct payments set out in Annex IV for calendar years 2021 to 2026.</p>	<p>1. As part of their CAP Strategic Plan proposal referred to in Article 106(1), Member States may decide to transfer:</p> <p>(a) up to 15% of the Member State's allocation for direct payments set out in Annex IV after deduction of the allocations for cotton set in Annex VI for calendar years 2021 to 2026 to the Member State's allocation for EAFRD in financial years 2022–2027;</p>

Reason
As stated in its previous opinions, the Committee is opposed to this possibility of transfer from the second to the first pillar, which goes against the interests of rural areas.

Amendment 52

Article 91

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>CAP Strategic Plans</p> <p>Member States shall establish CAP Strategic Plans in accordance with this Regulation to implement the Union support financed by the EAGF and the EAFRD for the achievement of the specific objectives set out to in Article 6.</p> <p>Based on the SWOT analysis referred to in Article 103(2) and an assessment of needs referred to in Article 96, Member State shall establish in the CAP Strategic Plans an intervention strategy as referred to in Article 97 in which quantitative targets and milestones shall be set to achieve the specific objectives set out to in Article 6. The targets shall be defined using a common set of result indicators set out in Annex I.</p> <p>To reach these targets Member States shall <i>set out interventions</i> based on the types of interventions laid down in Title III.</p> <p>Each CAP Strategic Plan shall cover the period from 1 January 2021 to 31 December 2027.</p>	<p>CAP Strategic Plans</p> <p>Member States shall establish CAP Strategic Plans in accordance with this Regulation to implement the Union support financed by the EAGF and the EAFRD for the achievement of the specific objectives set out to in Article 6.</p> <p>Based on the SWOT analysis referred to in Article 103(2) and an assessment of needs referred to in Article 96, Member State shall establish in the CAP Strategic Plans an intervention strategy as referred to in Article 97 in which quantitative targets and milestones shall be set to achieve the specific objectives set out to in Article 6. The targets shall be defined using a common set of result indicators set out in Annex I.</p> <p>To reach these targets Member States shall <i>draw up rural development programmes established at the most appropriate geographical level, at least in the outermost regions</i>, based on the types of interventions laid down in Title III.</p> <p>Each CAP Strategic Plan shall cover the period from 1 January 2021 to 31 December 2027.</p>

<i>Reason</i>
<p>A reinforced regional approach is needed for the definition and management of rural development programmes, in line with the subsidiarity principle. Strategic Plans should be implemented through rural development plans at the most appropriate geographical level.</p>

Amendment 53

Article 102

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Modernisation</p> <p>The description of the elements that ensure modernisation of the CAP referred to in point (g) of Article 95(1) shall highlight the elements of the CAP Strategic Plan that support the modernisation of the agricultural sector and the</p>	<p>Modernisation</p> <p>The description of the elements that ensure modernisation of the CAP referred to in point (g) of Article 95(1), <i>as well as the agro-ecological transition</i>, shall highlight the elements of the CAP Strategic Plan that support the</p>

<p>CAP and shall contain in particular:</p> <p>(a) an overview of how the CAP Strategic Plan will contribute to the cross-cutting general objective related to fostering and sharing of knowledge, innovation and digitalisation and encouraging their uptake set out in the second subparagraph of Article 5, notably through:</p> <p>(i) a description of the organisational set-up of the AKIS designed as the combined organisation and knowledge flows between persons, organisations and institutions who use and produce knowledge for agriculture and interrelated fields;</p> <p>(ii) a description of how advisory services as referred to in Article 13, research and CAP networks will work together within the framework of the AKIS, and how advice and innovation support services are provided;</p> <p>(b) a description of the strategy for the development of digital technologies in agriculture and rural areas and for the use of these technologies to improve the effectiveness and efficiency of the CAP Strategic Plan interventions.</p>	<p>modernisation of the agricultural sector and the CAP and shall contain in particular:</p> <p>(a) an overview of how the CAP Strategic Plan will contribute to the cross-cutting general objective related to fostering and sharing of knowledge, <i>agricultural knowhow, technical and social</i> innovation and digitalisation, and encouraging their uptake set out in the second subparagraph of Article 5, notably through:</p> <p>(i) a description of the organisational set-up of the AKIS designed as the combined organisation and knowledge flows between persons, organisations and institutions who use and produce knowledge for agriculture and interrelated fields;</p> <p>(ii) a description of how advisory services as referred to in Article 13, research and CAP networks will work together within the framework of the AKIS, and how advice and innovation support services are provided;</p> <p>(b) a description of the strategy for the development of digital technologies in agriculture and rural areas and for the use of these technologies to improve the effectiveness and efficiency of the CAP Strategic Plan interventions.</p>
<i>Reason</i>	
Farm modernisation must be carried out as part of the agro-ecological transition, by means of technical and social innovation.	

Amendment 54

Article 93

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Each Member State shall establish a single CAP Strategic Plan for its entire territory.</p> <p>Where elements of the CAP Strategic Plan are established at regional level, the Member State shall ensure the coherence and the consistency with the elements of the CAP Strategic Plan established at national level.</p>	<p>Each Member State shall establish a single CAP Strategic Plan for its entire territory.</p> <p>Where elements of the CAP Strategic Plan are established at regional level <i>or implemented through regional rural development programmes</i>, the Member State shall ensure the coherence and the consistency with the elements of the CAP Strategic Plan established at national</p>

	level.
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Reason	
See amendment 24.	

Amendment 55

Article 95(1)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Each CAP Strategic Plan shall contain the following sections:</p> <p>(a) an assessment of needs;</p> <p>(b) an intervention strategy;</p> <p>(c) a description of elements common to several interventions;</p> <p>(d) a description of the direct payments, sectoral and rural development interventions specified in the strategy;</p> <p>(e) target and financial plans;</p> <p>(f) a description of the governance and coordination system;</p> <p>(g) a description of the elements that ensure modernisation of the CAP;</p> <p>(h) a description of the elements related to simplification and reduced administrative burden for final beneficiaries.</p>	<p>Each CAP Strategic Plan shall contain the following sections:</p> <p>(a) an assessment of needs;</p> <p>(b) an intervention strategy;</p> <p>(c) a description of elements common to several interventions;</p> <p>(d) a description of the direct payments, sectoral and rural development interventions specified in the strategy;</p> <p>(e) target and financial plans;</p> <p>(f) a description of the governance and coordination system;</p> <p>(g) a description of the elements that ensure modernisation of the CAP;</p> <p>(h) a description of the elements related to simplification and reduced administrative burden for final beneficiaries;</p> <p>(i) <i>where appropriate, the list of regional rural development programmes.</i></p>

Reason	
See amendment 24.	

Amendment 56

Article 106

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Approval of the CAP Strategic Plan</p> <p>1. Each Member State shall submit to the Commission a proposal for a CAP Strategic Plan, containing the information referred to in Article 95 no later than 1 January 2020.</p> <p>2. The Commission shall assess the proposed CAP Strategic Plans on the basis of the completeness of the plans, the consistency and coherence with the general principles of Union</p>	<p>Approval of the CAP Strategic Plan, <i>including, where appropriate, the regional rural development programmes</i></p> <p>1. Each Member State shall submit to the Commission a proposal for a CAP Strategic Plan, containing the information referred to in Article 95 no later than 1 January 2020.</p> <p>2. The Commission shall assess the proposed</p>

law, with this Regulation and the provisions adopted pursuant to it and with the Horizontal Regulation, their effective contribution to the specific objectives set out in Article 6(1), the impact on the proper functioning of the internal market and distortion of competition, the level of administrative burden on beneficiaries and administration. The assessment shall address, in particular, the adequacy of the strategy of the CAP Strategic Plan, the corresponding specific objectives, targets, interventions and the allocation of budgetary resources to meet the specific CAP Strategic Plan objectives through the proposed set of interventions on the basis of the SWOT analysis and the ex-ante evaluation.

3. Depending on the results of the assessment referred to in paragraph 2, the Commission may address observations to the Member States within three months of the date of submission of the CAP Strategic Plan.

The Member State shall provide to the Commission all necessary additional information and, where appropriate, revise the proposed plan.

4. The Commission shall approve the proposed CAP Strategic Plan provided that the necessary information has been submitted and the Commission is satisfied that the Plan is compatible with the general principles of Union law, the requirements set out in this Regulation, the provisions adopted pursuant to it and in Regulation (EU) [HzR].

5. The approval of each CAP Strategic Plan shall take place no later than eight months following its submission by the Member State concerned.

The approval shall not cover the information referred to in point (c) of Article 101 and in Annexes I to IV to the CAP Strategic Plan referred to in points (a) to (d) of Article 95(2).

In duly justified cases, the Member State may ask the Commission to approve a CAP Strategic Plan which does not contain all elements. In that case the Member State concerned shall indicate the parts of the CAP Strategic Plan that are missing and provide indicative targets and financial plans as referred to in Article 100 for the whole CAP

CAP Strategic Plans – *including, where appropriate, the regional rural development programmes* – on the basis of the completeness of the plans, the consistency and coherence with the general principles of Union law, with this Regulation and the provisions adopted pursuant to it and with the Horizontal Regulation, their effective contribution to the specific objectives set out in Article 6(1), the impact on the proper functioning of the internal market and distortion of competition, the level of administrative burden on beneficiaries and administration. The assessment shall address, in particular, the adequacy of the strategy of the CAP Strategic Plan, the corresponding specific objectives, targets, interventions and the allocation of budgetary resources to meet the specific CAP Strategic Plan objectives through the proposed set of interventions on the basis of the SWOT analysis and the ex-ante evaluation.

3. Depending on the results of the assessment referred to in paragraph 2, the Commission may address observations to the Member States within three months of the date of submission of the CAP Strategic Plan – *including, where appropriate, the regional rural development programmes*.

The Member State *and the regions* shall provide to the Commission all necessary additional information and, where appropriate, revise the proposed plan.

4. The Commission shall approve the proposed CAP Strategic Plan – *including, where appropriate, the regional rural development programmes* – provided that the necessary information has been submitted and the Commission is satisfied that the Plan is compatible with the general principles of Union law, the requirements set out in this Regulation, the provisions adopted pursuant to it and in Regulation (EU) [HzR].

5. The approval of each CAP Strategic Plan – *including, where appropriate, the regional rural development programmes* – shall take place no later than eight months following its submission by the Member State concerned.

<p>Strategic Plan in order to show the overall consistency and coherence of the plan. The missing elements of the CAP Strategic Plan shall be submitted to the Commission as an amendment of the plan in accordance with Article 107.</p> <p>6. Each CAP Strategic Plan shall be approved by the Commission by means of an implementing decision without applying the Committee procedure referred to in Article 139.</p> <p>7. The CAP Strategic Plans shall only have legal effects after their approval by the Commission.</p>	<p>The approval shall not cover the information referred to in point (c) of Article 101 and in Annexes I to IV to the CAP Strategic Plan referred to in points (a) to (d) of Article 95(2). In duly justified cases, the Member State may ask the Commission to approve a CAP Strategic Plan which does not contain all elements. In that case the Member State concerned shall indicate the parts of the CAP Strategic Plan that are missing and provide indicative targets and financial plans as referred to in Article 100 for the whole CAP Strategic Plan in order to show the overall consistency and coherence of the plan. The missing elements of the CAP Strategic Plan shall be submitted to the Commission as an amendment of the plan in accordance with Article 107.</p> <p>6. Each CAP Strategic Plan – <i>including, where appropriate, the regional rural development programmes</i> – shall be approved by the Commission by means of an implementing decision without applying the Committee procedure referred to in Article 139.</p> <p>7. The CAP Strategic Plans – <i>including, where appropriate, the regional rural development programmes</i> – shall only have legal effects after their approval by the Commission.</p>
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Reason
See amendment 24.

Amendment 57

Article 107

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p><i>Amendment of the CAP Strategic Plan</i></p> <p>1. Member States may submit to the Commission requests to amend their CAP Strategic Plans.</p> <p>2. Requests for amendment of CAP Strategic Plans shall be duly justified and shall in particular set out the expected impact of the changes to the plan on achieving the specific objectives referred to in Article 6(1). They shall be accompanied by the amended plan including the updated annexes as</p>	<p><i>Approval of the CAP Strategic Plan – <i>including, where appropriate, the regional rural development programmes</i></i></p> <p>1. Member States <i>and regions</i> may submit to the Commission requests to amend their CAP Strategic Plans – <i>including, where appropriate, the regional rural development programmes</i>.</p> <p>2. Requests for amendment of CAP Strategic Plans – <i>including, where appropriate, the regional rural development programmes</i> –</p>

<p>appropriate.</p> <ol style="list-style-type: none"> 3. The Commission shall assess the consistency of the amendment with this Regulation and the provisions adopted pursuant to it as well as with the Regulation (EU) [HzR] and its effective contribution to the specific objectives. 4. The Commission shall approve the requested amendment to a CAP Strategic Plan provided that the necessary information has been submitted and the Commission is satisfied that the amended plan is compatible with the general principles of Union law, the requirements set out in this Regulation, the provisions adopted pursuant to it and in Regulation (EU) [HzR]. 5. The Commission may make observations within 30 working days from the submission of the request for amendment of the CAP Strategic Plan. The Member State shall provide to the Commission all necessary additional information. 6. The approval of a request for amendment of a CAP Strategic Plan shall take place no later than three months after its submission by the Member State provided that any observations made by the Commission have been adequately taken into account. 7. A request for amendment of the CAP Strategic Plan may be submitted no more than once per calendar year subject to possible exceptions to be determined by the Commission in accordance with Article 109. 8. Each amendment of the CAP Strategic Plan shall be approved by the Commission by means of an implementing decision without applying the Committee procedure referred to in Article 139. 9. Without prejudice to Article 80, amendments to CAP Strategic Plans shall only have legal effects after their approval by the Commission 10. Corrections of a purely clerical or editorial nature or of obvious errors that do not affect the implementation of the policy and the intervention shall not be considered as a 	<p>shall be duly justified and shall in particular set out the expected impact of the changes to the plan on achieving the specific objectives referred to in Article 6(1). They shall be accompanied by the amended plan including the updated annexes as appropriate.</p> <ol style="list-style-type: none"> 3. The Commission shall assess the consistency of the amendment with this Regulation and the provisions adopted pursuant to it as well as with the Regulation (EU) [HzR] and its effective contribution to the specific objectives. 4. The Commission shall approve the requested amendment to a CAP Strategic Plan – <i>including, where appropriate, the regional rural development programmes</i> – provided that the necessary information has been submitted and the Commission is satisfied that the amended plan is compatible with the general principles of Union law, the requirements set out in this Regulation, the provisions adopted pursuant to it and in Regulation (EU) [HzR]. 5. The Commission may make observations within 30 working days from the submission of the request for amendment of the CAP Strategic Plan – <i>including, where appropriate, the regional rural development programmes</i>. The Member State shall provide to the Commission all necessary additional information. 6. The approval of a request for amendment of a CAP Strategic Plan – <i>including, where appropriate, the regional rural development programmes</i> – shall take place no later than three months after its submission by the Member State provided that any observations made by the Commission have been adequately taken into account. 7. A request for amendment of the CAP Strategic Plan – <i>including, where appropriate, the regional rural development programmes</i> – may be
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<p>request for amendment. Member States shall inform the Commission of such corrections.</p>	<p>submitted no more than once per calendar year subject to possible exceptions to be determined by the Commission in accordance with Article 109.</p> <p>8. Each CAP Strategic Plan – <i>including, where appropriate, the regional rural development programmes</i> – shall be approved by the Commission by means of an implementing decision without applying the Committee procedure referred to in Article 139.</p> <p>9. Without prejudice to Article 80, amendments to CAP Strategic Plans shall only have legal effects after their approval by the Commission</p> <p>10. Corrections of a purely clerical or editorial nature or of obvious errors that do not affect the implementation of the policy and the intervention shall not be considered as a request for amendment. Member States <i>and regions</i> shall inform the Commission of such corrections.</p>
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Reason
See amendment 24.

Amendment 58

Article 110

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>1. Member States shall designate <i>a</i> Managing Authority for <i>their</i> CAP Strategic Plans. Member States shall ensure that the relevant management and control system has been set up in such a way that it ensures a clear allocation and separation of functions between the Managing Authority and other bodies. Member States shall be responsible for ensuring that the system functions effectively throughout the CAP Strategic Plan period.</p> <p>2. The Managing Authority shall be responsible for managing and implementing the CAP Strategic Plan in an efficient,</p>	<p>1. Member States shall designate <i>one or more</i> Managing Authorities for <i>the implementation of the</i> CAP Strategic Plans – <i>including, where appropriate, the regional rural development programmes</i>. Member States shall ensure that the relevant management and control system has been set up in such a way that it ensures a clear allocation and separation of functions between the Managing Authority and other bodies. Member States shall be responsible for ensuring that the system functions effectively throughout the CAP Strategic Plan period.</p>

<p>effective and correct way. In particular, <i>it</i> shall ensure that:</p> <ul style="list-style-type: none"> (a) there is an appropriate secure electronic system to record, maintain, manage and report statistical information on the plan and its implementation required for the purposes of monitoring and evaluation and, in particular, information required to monitor progress towards the defined objectives and targets; (b) beneficiaries and other bodies involved in the implementation of interventions: <ul style="list-style-type: none"> i) are informed of their obligations resulting from the aid granted, and maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation; (ii) are aware of the requirements concerning the provision of data to the Managing Authority and the recording of outputs and results; (c) the beneficiaries concerned are provided, where appropriate by the use of electronic means, with the list of the statutory management requirements and the minimum standards of good agricultural and environmental condition established pursuant to Section 2 of Chapter I of Title III to be applied at farm level, as well as clear and precise information thereon; (d) the ex-ante evaluation referred to in Article 125 conforms to the evaluation and monitoring system and that it is accepted and submitted to the Commission; (e) the evaluation plan referred to in Article 126 is in place, that the ex post evaluation referred to in that Article is conducted within the time limits laid down in this Regulation, ensuring that such evaluations conform to the monitoring and evaluation system and that they are submitted to the Monitoring Committee referred to in 	<p>2. The Managing <i>Authorities</i> shall be responsible for managing and implementing the CAP Strategic Plan in an efficient, effective and correct way. In particular, <i>they</i> shall ensure that:</p> <ul style="list-style-type: none"> (a) there is an appropriate secure electronic system to record, maintain, manage and report statistical information on the plan and its implementation required for the purposes of monitoring and evaluation and, in particular, information required to monitor progress towards the defined objectives and targets; (b) beneficiaries and other bodies involved in the implementation of interventions: <ul style="list-style-type: none"> i) are informed of their obligations resulting from the aid granted, and maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation; (ii) are aware of the requirements concerning the provision of data to the Managing Authority and the recording of outputs and results; (c) the beneficiaries concerned are provided, where appropriate by the use of electronic means, with the list of the statutory management requirements and the minimum standards of good agricultural and environmental condition established pursuant to Section 2 of Chapter I of Title III to be applied at farm level, as well as clear and precise information thereon; (d) the ex-ante evaluation referred to in Article 125 conforms to the evaluation and monitoring system and that it is accepted and submitted to the Commission; (e) the evaluation plan referred to in Article 126 is in place, that the ex post evaluation referred to in that Article is conducted within the time limits laid down in this Regulation, ensuring that such evaluations conform to the monitoring
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<p>Article 111 and the Commission;</p> <p>(f) the Monitoring Committee is provided with the information and documents needed to monitor the implementation of the CAP Strategic Plan in the light of its specific objectives and priorities;</p> <p>(g) the annual performance report is drawn up, including aggregate monitoring tables, and, after consultation of the Monitoring Committee, is submitted to the Commission;</p> <p>(h) relevant follow-up actions on Commission's observations on the annual performance reports are taken;</p> <p>(i) the paying agency receives all necessary information, in particular on the procedures operated and any controls carried out in relation to interventions selected for funding, before payments are authorised;</p> <p>(j) beneficiaries under interventions financed by the EAFRD, other than area- and animal-related interventions, acknowledge the financial support received, including the appropriate use of the Union emblem in accordance with the rules laid down by the Commission in accordance with paragraph 5;</p> <p>(k) publicity is made for the CAP Strategic Plan, including through the national CAP network, by informing potential beneficiaries, professional organisations, the economic and social partners, bodies involved in promoting equality between men and women, and the non-governmental organisations concerned, including environmental organisations, of the possibilities offered by the CAP Strategic Plan and the rules for gaining access to the CAP Strategic Plan funding as well as by informing beneficiaries and the general public of the Union support for agriculture and rural development through the CAP Strategic Plan.</p>	<p>and evaluation system and that they are submitted to the Monitoring Committee referred to in Article 111 and the Commission;</p> <p>(f) the Monitoring Committee is provided with the information and documents needed to monitor the implementation of the CAP Strategic Plan in the light of its specific objectives and priorities;</p> <p>(g) the annual performance report is drawn up, including aggregate monitoring tables, and, after consultation of the Monitoring Committee, is submitted to the Commission;</p> <p>(h) relevant follow-up actions on Commission's observations on the annual performance reports are taken;</p> <p>(i) the paying agency receives all necessary information, in particular on the procedures operated and any controls carried out in relation to interventions selected for funding, before payments are authorised;</p> <p>(j) beneficiaries under interventions financed by the EAFRD, other than area- and animal-related interventions, acknowledge the financial support received, including the appropriate use of the Union emblem in accordance with the rules laid down by the Commission in accordance with paragraph 5;</p> <p>(k) publicity is made for the CAP Strategic Plan, including through the national CAP network, by informing potential beneficiaries, professional organisations, the economic and social partners, bodies involved in promoting equality between men and women, and the non-governmental organisations concerned, including environmental organisations, of the possibilities offered by the CAP Strategic Plan and the rules for gaining access to the CAP Strategic Plan funding as well as by informing beneficiaries and the general public of the Union support for agriculture and rural development</p>
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<p>3. The Member State or the Managing Authority may designate one or more intermediate bodies including local authorities, regional development bodies or non-governmental organisations, to carry out the management and implementation of CAP Strategic Plan interventions.</p> <p>4. When a part of its tasks is delegated to another body, the Managing Authority shall retain full responsibility for the efficiency and correctness of the management and implementation of those tasks. The Managing Authority shall ensure that appropriate provisions are in place to allow the other body to obtain all necessary data and information for the execution of those tasks.</p> <p>5. The Commission shall be empowered to adopt delegated acts in accordance with Article 138, supplementing this Regulation with detailed rules on the application of the information, publicity and visibility requirements referred to in points (j) and (k) of paragraph 2. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 139(2).</p>	<p>through the CAP Strategic Plan.</p> <p>3. The Member State or the Managing Authorities may designate one or more intermediate bodies including local authorities, regional development bodies or non-governmental organisations, to carry out the management and implementation of CAP Strategic Plan interventions.</p> <p>4. When a part of its tasks is delegated to another body, the Managing Authority shall retain full responsibility for the efficiency and correctness of the management and implementation of those tasks. The Managing Authority shall ensure that appropriate provisions are in place to allow the other body to obtain all necessary data and information for the execution of those tasks.</p> <p>5. The Commission shall be empowered to adopt delegated acts in accordance with Article 138, supplementing this Regulation with detailed rules on the application of the information, publicity and visibility requirements referred to in points (j) and (k) of paragraph 2. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 139(2).</p>
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Reason	
See amendment 24.	

Amendment 59

Article 111

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
The Member State shall set up a committee to monitor implementation of the CAP Strategic Plan ('Monitoring Committee') before the submission of the CAP Strategic Plan.	The Member State and the regional Managing Authorities shall set up a committee to monitor implementation of the CAP Strategic Plan ('Monitoring Committee') before the submission of the CAP Strategic Plan.

Reason	
See amendment 24.	

Amendment 60

Article 114

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<p><i>Monitoring performance</i></p> <p><i>1. Member States may establish intermediary two-yearly performance targets under the CAP Strategic Plan by way of derogation from Article 115(1)(b) of this Regulation and monitor them with the same frequency in the performance reports for the years in which the targets must be met.</i></p>

<i>Reason</i>
Intermediary targets for performance indicators must be at least two-yearly.

Amendment 61

New Annex 0: Performance objectives common to the national Strategic Plans

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<p><i>1.1.1 Climate change: 30% reduction in greenhouse gas emissions from agriculture in the Member State</i></p>

<i>Reason</i>
The climate challenges require crops and livestock farming to significantly reduce their emissions by 2027. A quantified indicator is provided in the Annex.

Amendment 62

New Annex 0: Performance objectives common to the national Strategic Plans

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<p><i>Environment, food: Doubling compared with 2017 of the land area used for organic farming in the Member State, or at least 30% of the utilised agricultural area of the Member State.</i></p>

<i>Reason</i>
In order to address environmental and public health challenges, meet consumer demand and reduce the share of imports, the amount of land farmed organically should be significantly increased.

Amendment 63

New Annex 0: Performance objectives common to the national Strategic Plans

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<i>Biodiversity, health: minimum 30% reduction compared with 2017 in the use of chemical pesticides in the Member State</i>

Reason

In order to address environmental and public health challenges, farms should by 2027 be required to use significantly fewer chemical pesticides.

Amendment 64

New Annex 0: Performance objectives common to the national Strategic Plans

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<i>Water: 100% of surface water and groundwater to respect the Nitrates Directive, without exemptions, in the Member State</i>

Reason

This is a public health issue and a cost of access to drinking water for consumers. The Nitrates Directive dates from 1991 and is still not respected everywhere. This must be achieved by 2027.

Amendment 65

New Annex 0: Performance objectives common to the national Strategic Plans

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<i>Animal welfare, health: gradual and planned end to cage rearing throughout the European Union</i>

Reason

In order to respond to animal welfare but also public health (antibiotics) concerns, we must by 2027 move to more extensive modes of production which avoid the use of cages; these already exist.

Amendment 66

Annex I – Result indicators R.1

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Enhancing performance through knowledge and innovation: share of farmers receiving support for advice, training, knowledge exchange, or participation in operational groups to enhance economic,	Enhancing performance through knowledge and innovation: share of farmers receiving support for advice, training, knowledge exchange, or participation in operational groups to enhance economic,

environmental, climate and resource efficiency performance.	environmental, climate, and resource efficiency <i>and sustainability</i> performance.
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Reason
Sustainable use of resources is important for improving economic and environmental productivity in the medium and long term.

Amendment 67
Annex I – Result indicators R.3

Text proposed by the Commission	CoR amendment
Digitising agriculture: share of farmers benefiting from support to precision farming technology through the CAP	Modernising and digitising agriculture: share of farmers benefiting from support to precision farming technology <i>and ecological and climatic transition</i> through the CAP

Reason
The digitisation and modernisation of farms must be carried out under the ecological and climate framework.

Amendment 68
Annex I - EU Specific objectives

Text proposed by the Commission	CoR amendment
Enhance market orientation and increase competitiveness, including greater focus on research, technology and digitalisation;	Enhance market orientation and increase <i>economic, social, environmental and territorial</i> competitiveness, including greater focus on research, technology and digitalisation, <i>as well as disseminating sustainable forms of production</i> ;

Reason
The competitiveness sought is not just economic.

Amendment 69
Annex I – Impact indicators I.6

Text proposed by the Commission	CoR amendment
Increasing farm productivity: Total factor productivity	Increasing farm productivity, <i>European food security, food safety, the resilience of farms and territorial cohesion</i> : Total factor productivity

	<i>including externalities</i>
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Amendment 70

Annex I – Impact indicators R.9

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Farm modernisation: Share of farmers receiving investment support to restructure and modernise, including to improve resource efficiency	Farm modernisation: Share of farmers receiving investment support to restructure and modernise, including to improve resource efficiency <i>and sustainability</i>

<i>Reason</i>
Farms must be modernised in a way that improves the sustainability of production systems.

Amendment 71

Annex I – Impact indicators R.13a

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<i>R.13a: reducing the greenhouse gas emissions of crops: share of farms having reduced their synthetic nitrogenous fertiliser use by at least 50%.</i>

<i>Reason</i>
N ₂ O emissions from nitrogenous fertilisers are a major source of emissions, nearly 50% of agricultural greenhouse gases. Moreover, the manufacture of synthetic nitrogenous fertilisers consumes large quantities of energy.

Amendment 72

Annex I – Impact indicators R.14

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Carbon storage in soils and biomass: Share of agricultural land under commitments to reducing emissions, maintaining and/or enhancing carbon storage (permanent grassland, agricultural land in peatland, forest, etc.)	Carbon storage in soils and biomass: Share of agricultural land under commitments to reducing emissions, maintaining and/or enhancing carbon storage (permanent grassland, agricultural land in peatland, forest, etc.), <i>rate of increase in land area used for cultivation of (pure or mixed) leguminous crops</i>

<i>Reason</i>
Leguminous crops make for efficient carbon fixation in soils, also when used in grass-legume mixtures in pastures.

Amendment 73

Annex I - EU Specific objectives

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Foster sustainable <i>development and efficient</i> management of natural resources such as water, soil and air;	Foster sustainable management of natural resources such as water, soil and air;

<i>Reason</i>
Self-explanatory.

Amendment 74

Annex I – Impact indicators I.16

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Reducing nutrient leakage: Nitrate in ground water – Percentage of ground water stations with N concentration over 50 mg/l as per the Nitrate directive	Reducing nutrient leakage: Nitrate in <i>surface and</i> ground water – Percentage of <i>surface and</i> ground water stations with N concentration over 50 mg/l as per the Nitrate directive – <i>Percentage of surface and ground water respecting the Nitrates Directive</i>

<i>Reason</i>
Surface water should also be included in the indicators in order to fully reflect the current situation and trend. The Nitrates Directive needs to be respected everywhere as a matter of urgency.

Amendment 75

Annex I – Impact indicators I.16a

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	Reducing the use of mineral and synthetic fertilisers: sale of mineral and synthetic fertilisers

<i>Reason</i>
In order to revitalise soils by increasing their organic matter content – which also stores carbon – priority should be given to agricultural practices that reduce inputs of mineral and synthetic fertilisers, which are highly energy intensive and produce high greenhouse gas emissions.

Amendment 76

Annex I – Result indicators R.18

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Improving soils: Share of agricultural land under management commitments beneficial for soil <i>management</i>	Improving soils: Share of agricultural land under management commitments beneficial for soil <i>improvement</i>

Reason

Clear from the text and the objective.

Amendment 77

Annex I – Result indicators R.21

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Sustainable nutrient management: Share of agricultural land under commitments related to <i>improved</i> nutrient management	Share of agricultural land under commitments related to <i>sustainable</i> nutrient management

Reason

Self-explanatory.

Amendment 78

Annex I – Result indicators R.21a

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<i>R.21a Reducing the use of organic, mineral and synthetic fertilisers: Share of agricultural land covered by specific measures resulting in reduced use of fertilisers</i>

Reason

Sustainable nutrient management must include reduced use of mineral and synthetic fertilisers.

Amendment 79

Annex I – Result indicators R.25

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
R.25 Supporting sustainable forest management: Share of forest land under management commitments to support forest protection and management.	R.25 Supporting sustainable forest management: Share of forest land under management commitments to support <i>sustainable</i> forest protection and management.

<i>Reason</i>
Too many forests are being managed increasingly intensively, with negative effects on the environment and biodiversity.

Amendment 80

Annex I – Result indicators R.37

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Sustainable pesticide use: Share of agricultural land concerned by <i>supported</i> specific actions which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides	Sustainable pesticide use: Share of agricultural land concerned by specific actions which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides

Amendment 81

Annex I – Result indicators R.37a

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<i>R.37a Increasing the number of organic farms: number of farms that have benefited from support for conversion to organic farming</i>

<i>Reason</i>
In order to address environmental and public health challenges, meet consumer demand and reduce the share of imports, the amount of land farmed organically should be significantly increased.

Amendment 82

Annex III – Requirements and standards – GAEC 1

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Maintenance of permanent grassland <i>based on a ratio of permanent grassland in relation to agricultural area</i>	Maintenance of permanent grassland <i>by each farm, with a maximum conversion rate of 5 to 10% per farm, with the exception of "sensitive" grassland with high biodiversity</i>

<i>Reason</i>
In order for the target to be reached, the rule must apply at farm level, with the suggested degree of flexibility, and not at regional level, thus avoiding excessive grassland conversion at sub-regional level.

Amendment 83

Annex III – Main objective of the standard – GAEC 5

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<i>Sustainable management of nutrients</i>	

Amendment 84

Annex III – Requirements and standards – GAEC 7

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
No bare soil in <i>most</i> sensitive period(s)	No bare soil in sensitive period(s)

<i>Reason</i>
Soil should be covered with plants for as much of the year as possible in order to protect it.

Amendment 85

Annex III – Requirements and standards – GAEC (new)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<i>Compliance by the farmer with national social legislation relating to the rights of agricultural employees</i>

<i>Reason</i>
Self-explanatory.

Amendment 86

Annex XII – Objectives O.13 and R.4

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Foster sustainable <i>development and efficient</i> management of natural resources such as water, soil and air;	Foster sustainable management of natural resources such as water, soil and air;

<i>Reason</i>
For consistency with amendment 73.

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Amendment 87

Recital 3

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
The CAP's compliance-driven delivery model should be adjusted to ensure a greater focus on results and performance. Accordingly the Union should set the basic policy objectives, types of intervention and basic Union requirements while	The CAP's compliance-driven delivery model should be adjusted to ensure a greater focus on results and performance. Accordingly the Union should set the basic policy objectives, types of intervention and basic Union requirements while

greater responsibility and accountability for meeting those objectives should be borne by the Member States. As a consequence, there is a need to ensure greater subsidiarity in order to take better account of the local conditions and needs. Accordingly, under the new delivery model, Member States should be responsible for tailoring their CAP interventions in line with basic Union requirements in order to maximize their contribution to Union CAP objectives and to establish and design the compliance and control framework for beneficiaries.	greater responsibility and accountability for meeting those objectives should be borne by the Member States. As a consequence, there is a need to ensure greater subsidiarity in order to take better account of the local conditions and needs. Accordingly, under the new delivery model, Member States and regions should be responsible for tailoring their CAP interventions in line with basic Union requirements in order to maximize their contribution to Union CAP objectives and to establish and design the compliance and control framework for beneficiaries.
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<i>Reason</i>
It is necessary to maintain and strengthen the role played by Europe's regions in the management and implementation of the CAP so that policy choices can be adapted to specific territorial and sectoral characteristics.

Amendment 88

Recital 30

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
As regards the multi-annual performance monitoring the Commission should also have the power to suspend payments. Accordingly in cases of delayed or insufficient progress towards targets, set out in the national CAP Strategic Plan, the Commission should be empowered to request the Member State concerned to take the necessary remedial actions in accordance with an action plan to be established in consultation with the Commission and containing clear progress indicators, by means of an implementing act. Where the Member State fails to submit or to implement the action plan or where the action plan is manifestly insufficient to remedy the situation, the Commission should have the power to suspend the monthly or interim payments, by means of an implementing act.	As regards the multi-annual performance monitoring the Commission should also have the power to suspend payments. Accordingly in cases of delayed or insufficient progress towards common European objectives and targets, set out in the national CAP Strategic Plan, the Commission should be empowered to request the Member State concerned to take the necessary remedial actions in accordance with an action plan to be established in consultation with the Commission and containing clear progress indicators, by means of an implementing act. Where the Member State fails to submit or to implement the action plan or where the action plan is manifestly insufficient to remedy the situation, the Commission should have the power to suspend the monthly or interim payments, by means of an implementing act.

<i>Reason</i>
To reduce the risk of a race to the bottom in the ecological transition, as well as distortions of competition, quantified objectives common to the Strategic Plans must be annexed to the Regulation.

Amendment 89

Recital 55

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Conditionality is an important element of the CAP, in particular with regard to its environmental and climate elements but also concerning public health <i>and</i> animal related issues. This implies that controls should be carried out and, where necessary, penalties should be applied to ensure the effectiveness of the conditionality system. To have a level playing field between beneficiaries in different Member States, certain general rules on conditionality controls and penalties should be introduced at Union level.	Conditionality is an important element of the CAP, in particular with regard to its environmental and climate elements but also concerning public health, animal related issues <i>and social rights for agricultural employees</i> . This implies that controls should be carried out and, where necessary, penalties should be applied to ensure the effectiveness of the conditionality system. To have a level playing field between beneficiaries in different Member States, certain general rules on conditionality controls and penalties should be introduced at Union level.

Reason

It is important that farms receiving public funding from the CAP should respect the social rights of their employees.

Amendment 90

Article 15(1)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Financial discipline</p> <p>1. An adjustment rate for direct payments interventions referred to in point (c) of Article 5(2) of this Regulation and Union financial contribution to the specific measures referred to in point (f) of Article 5(2) of this Regulation <i>and granted under Chapter IV of Regulation (EU) No 228/2013 and Chapter IV of Regulation (EU) No 229/2013</i>, ("the adjustment rate") shall be determined by the Commission when the forecasts for the financing of the interventions and measures financed under that sub-ceiling for a given financial year indicate that the applicable annual ceilings will be exceeded.</p> <p>The Commission shall, by 30 June of the calendar year in respect of which the adjustment rate applies, adopt implementing acts fixing the adjustment rate. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 101(2).</p>	<p>Financial discipline</p> <p>1. An adjustment rate for direct payments interventions referred to in point (c) of Article 5(2) of this Regulation and Union financial contribution to the specific measures referred to in point (f) of Article 5(2) of this Regulation ("the adjustment rate") shall be determined by the Commission when the forecasts for the financing of the interventions and measures financed under that sub-ceiling for a given financial year indicate that the applicable annual ceilings will be exceeded.</p> <p>The Commission shall, by 30 June of the calendar year in respect of which the adjustment rate applies, adopt implementing acts fixing the adjustment rate. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 101(2).</p>

Reason

Direct payments under Programmes of Options Specifically Relating to Remoteness and Insularity (POSEI) should be excluded since they already have a ceiling set in Regulation 228/2013, which prevents them contributing to any excess in expenditure when it comes to programming and implementation.

Amendment 91

Article 32

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Automatic decommitment for CAP Strategic Plans</p> <p>1. The Commission shall automatically decommit any portion of a budget commitment for rural development interventions in a CAP Strategic Plan that has not been used for the purposes of prefinancing or for making interim payments or for which no declaration of expenditure fulfilling the requirements laid down in Article 30(3) has been presented to it in relation to expenditure effected by 31 December of the <i>second</i> year following that of the budget commitment.</p> <p>2. The part of budget commitments that is still open on the last eligibility date for expenditure as referred to in Article 80(3) of Regulation (EU) .../... [CAP Strategic Plan Regulation] or which no declaration of expenditure has been made within six months of that date shall be automatically decommitted.</p> <p>3. In the event of legal proceedings or of an administrative appeal having suspensory effect, the period for automatic decommitment referred to in paragraph 1 or 2 shall, in respect of the amount relating to the operations concerned, be interrupted for the duration of those proceedings or that administrative appeal, provided that the Commission receives a substantiated notification from the Member State by 31 January of year N + 3.</p> <p>4. The following shall be disregarded in calculating the automatic decommitment:</p> <p>(a) that part of the budget commitments for which a declaration of expenditure has been made</p>	<p>Automatic decommitment for CAP Strategic Plans</p> <p>1. The Commission shall automatically decommit any portion of a budget commitment for rural development interventions in a CAP Strategic Plan that has not been used for the purposes of prefinancing or for making interim payments or for which no declaration of expenditure fulfilling the requirements laid down in Article 30(3) has been presented to it in relation to expenditure effected by 31 December of the <i>third</i> year following that of the budget commitment.</p> <p>2. The part of budget commitments that is still open on the last eligibility date for expenditure as referred to in Article 80(3) of Regulation (EU) .../... [CAP Strategic Plan Regulation] or which no declaration of expenditure has been made within six months of that date shall be automatically decommitted.</p> <p>3. In the event of legal proceedings or of an administrative appeal having suspensory effect, the period for automatic decommitment referred to in paragraph 1 or 2 shall, in respect of the amount relating to the operations concerned, be interrupted for the duration of those proceedings or that administrative appeal, provided that the Commission receives a substantiated notification from the Member State by 31 January of year N + 4.</p> <p>4. The following shall be disregarded in calculating the automatic decommitment:</p> <p>(a) that part of the budget commitments for which a declaration of expenditure has been</p>

but for which reimbursement has been reduced or suspended by the Commission at 31 December of year N + 2;	made but for which reimbursement has been reduced or suspended by the Commission at 31 December of year N + 3;
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<i>Reason</i>
Such is the complexity of the programme and the institutional levels involved, the proposal should revert to N+3.

COM(2018) 394 final

Amendment 92

New recital after recital 38

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<i>In view of the increasingly weak position of producers in the food supply chain, there is a need for a framework that reconciles the CAP and competition policy, in accordance with Article 42 of the Treaty concerning the primacy of CAP objectives.</i>

<i>Reason</i>
Article 42 of the Treaty must be complied with.

Amendment 93

New recital after recital 38

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<i>Given the increased volatility of agricultural prices, and taking account of the assessment of instruments implemented in the previous CAP reforms, the measures to prevent market disturbance need to be revised.</i>

<i>Reason</i>
Sectoral crises do too much damage to farms and production regions. They contribute to the reduction in the number of farms and in young people's motivation to go into farming, and they need to be addressed.

Amendment 94

New recital after recital 38

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<i>Given the increasing fluctuations in agricultural markets and the imbalances between producers,</i>

	<p><i>processors and distributors in the division of added value, it is necessary to better understand and anticipate the evolution of markets. As an extension of the mechanisms set up for a number of sectors, European observatories shall be established for each sector, to analyse production, import and export volumes, prices, margins and production costs. In the event of a market disturbance, these observatories shall alert the European Commission, which will implement production regulation measures in order to rebalance the market, while respecting the obligations arising from international agreements concluded in accordance with the Treaty on the Functioning of the European Union.</i></p>
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Reason
<p>It is important to have the necessary information to be able to respond quickly and effectively to market disturbances, and to reduce budgetary expenditure, which can be very high when the EU takes action after the fact, as has been shown in the dairy sector since 2008.</p>

Amendment 95
Article 1(4)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Regulation (EU) No 1308/2013 is amended as follows: (...) (4) Chapter II of Title I of Part II is amended as follows: (a) the title is replaced by: 'CHAPTER II Aid for the supply of fruit and vegetables and of milk and milk products in educational establishments'; (b) the heading 'Section 1' and its title are deleted; (c) Article 23a is amended as follows: (i) '1. Without prejudice to paragraph 4, the aid under the school scheme allocated for the distribution of products, the accompanying educational measures and the related costs referred to in Article 23(1) shall not exceed EUR 220 804 135 per school year.</p>	<p>Regulation (EU) No 1308/2013 is amended as follows: (...) (4) Chapter II of Title I of Part II is amended as follows: (a) the title is replaced by: 'CHAPTER II Aid for the supply of fruit and vegetables and of milk and milk products in educational establishments'; (b) the heading 'Section 1' and its title are deleted; (c) Article 23a is amended as follows: (i) '1. Without prejudice to paragraph 4, the aid under the school scheme allocated for the distribution of products, the accompanying educational measures and the related costs referred to in Article 23(1) shall not exceed EUR 220 804 135 per school year.</p>

<p>Within that overall limit, the aid shall not exceed:</p> <p>(a) for school fruit and vegetables: EUR 130 608 466 per school year;</p> <p>(b) for school milk: EUR 90 195 669 per school year.';</p> <p>(ii) in the third subparagraph of paragraph 2, the last sentence is deleted;</p> <p>(iii) paragraph 4 is replaced by the following: '4. Without exceeding the overall limit of EUR 220 804 135 laid down in paragraph 1, any Member State may transfer once per school year up to 20% of either one or the other of its indicative allocations.';</p> <p>(...)</p>	<p>Within that overall limit, the aid shall not exceed:</p> <p>(a) for school fruit and vegetables: EUR 130 608 466 per school year;</p> <p>(b) for school milk: EUR 90 195 669 per school year.';</p> <p>(ii) in the third subparagraph of paragraph 2, the last sentence is deleted;</p> <p>(iii) paragraph 4 is replaced by the following: '4. Without exceeding the overall limit of EUR 220 804 135 laid down in paragraph 1, any Member State may transfer once per school year up to 20% of either one or the other of its indicative allocations. <i>This percentage may be as high as 25% in Member States with outermost regions, in line with Article 349 TFEU and in other duly justified cases.</i>';</p> <p>(...)</p>
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<i>Reason</i>
<p>This incorporates the principle referred to in Recital 8 of Regulation 2016/791: higher aid is allocated to less-developed regions, the smaller Aegean Islands and the outermost regions in view of their limited agricultural diversification and the frequent impossibility of finding certain products in the region concerned.</p>

Amendment 96
Article 119

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Compulsory particulars</p> <p>1. Labelling and presentation of the products referred to in points 1 to 11, 13, 15, 16, 18 and 16 of Part II of Annex VII marketed in the Union or for export shall contain the following compulsory particulars:</p> <p>(a) the designation for the category of the grapevine product in accordance with Part II of Annex VII;</p> <p>(b) for wines with a protected designation of origin or geographical indication:</p> <p>(i) the term "protected designation of</p>	<p>Compulsory particulars</p> <p>1. Labelling and presentation of the products referred to in points 1 to 11, 13, 15, 16, 18 and 16 of Part II of Annex VII marketed in the Union or for export shall contain the following compulsory particulars:</p> <p>(a) the designation for the category of the grapevine product in accordance with Part II of Annex VII;</p> <p>(b) for wines with a protected designation of origin or geographical indication:</p> <p>(i) the term "protected designation of</p>

<p>origin" or "protected geographical indication", and</p> <p>(ii) the name of the protected designation of origin or geographical indication;</p> <p>(c) the actual alcoholic strength by volume;</p> <p>(d) an indication of provenance;</p> <p>(e) an indication of the bottler or, in the case of sparkling wine, aerated sparkling wine, quality sparkling wine or quality aromatic sparkling wine, the name of the producer or vendor;</p> <p>(f) an indication of the importer in the case of imported wines; and</p> <p>(g) in the case of sparkling wine, aerated sparkling wine, quality sparkling wine or quality aromatic sparkling wine, an indication of the sugar content.</p>	<p>origin" or "protected geographical indication", and</p> <p>(ii) the name of the protected designation of origin or geographical indication;</p> <p>(c) <i>the energy content per 100 ml;</i></p> <p>(d) <i>the list of ingredients, including intermediate wine-making ingredients; the list could be accessible via a QR code;</i></p> <p>(e) the actual alcoholic strength by volume;</p> <p>(f) an indication of provenance;</p> <p>(g) an indication of the bottler or, in the case of sparkling wine, aerated sparkling wine, quality sparkling wine or quality aromatic sparkling wine, the name of the producer or vendor;</p> <p>(h) an indication of the importer in the case of imported wines; and</p> <p>(i) in the case of sparkling wine, aerated sparkling wine, quality sparkling wine or quality aromatic sparkling wine, an indication of the sugar content.</p>
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Reason
Consumers are entitled to more detailed labelling, as is the case for other food products, particularly regarding nutritional content and wine-making methods.

Amendment 97
Article 152(1)a

Text proposed by the Commission	CoR amendment
<p>Producer organisations</p> <p><i>By way of derogation from Article 101(1) TFEU, a producer organisation recognised under paragraph 1 of this Article may plan production, optimise the production costs, place on the market and negotiate contracts for the supply of agricultural products, on behalf of its members for all or part of their total production.</i></p> <p>The activities referred to in the first subparagraph may take place:</p> <p>(a) provided that one or more of the activities referred to in point (b)(i) to (vii) of</p>	<p>Producer organisations</p> <p>A producer organisation recognised under paragraph 1 of this Article may plan production, optimise the production costs, place on the market and negotiate contracts for the supply of agricultural products, on behalf of its members for all or part of their total production.</p> <p>The activities referred to in the first subparagraph may take place:</p> <p>(a) provided that one or more of the activities referred to in point (b)(i) to (vii) of paragraph 1 is genuinely exercised, thus</p>

<p>paragraph 1 is genuinely exercised, thus contributing to the fulfilment of the objectives set out in Article 39 TFEU;</p> <p>(b) provided that the producer organisation concentrates supply and places the products of its members on the market, whether or not there is a transfer of ownership of agricultural products by the producers to the producer organisation;</p>	<p>contributing to the fulfilment of the objectives set out in Article 39 TFEU;</p> <p>(b) provided that the producer organisation concentrates supply and places the products of its members on the market, whether or not there is a transfer of ownership of agricultural products by the producers to the producer organisation;</p>
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Reason
The tasks and objectives of organisations defined by the CAP are outside the scope of Article 101 TFEU (Court of Justice of the European Union, endives case). There is therefore no need to include this phrase.

Amendment 98

Article 209(1)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Exceptions for the objectives of the CAP and farmers and their associations</p> <p>Article 101(1) TFEU shall not apply to the agreements, decisions and practices referred to in Article 206 of this Regulation necessary for the attainment of the objectives set out in Article 39 TFEU.</p> <p>Article 101(1) TFEU shall not apply to agreements, decisions and concerted practices of farmers, farmers' associations, or associations of such associations, or producer organisations recognised under Article 152 or Article 161 of this Regulation, or associations of producer organisations recognised under Article 156 of this Regulation, which concern the production or sale of agricultural products or the use of joint facilities for the storage, treatment or processing of agricultural products, unless the objectives set out in Article 39 TFEU are jeopardised.</p> <p><i>This paragraph shall not apply to agreements, decisions and concerted practices which entail an obligation to charge an identical price or by which competition is excluded.</i></p>	<p>Exceptions for the objectives of the CAP and farmers and their associations</p> <p>Article 101(1) TFEU shall not apply to the agreements, decisions and practices referred to in Article 206 of this Regulation necessary for the attainment of the objectives set out in Article 39 TFEU.</p> <p>Article 101(1) TFEU shall not apply to agreements, decisions and concerted practices of farmers, farmers' associations, or associations of such associations, or producer organisations recognised under Article 152 or Article 161 of this Regulation, or associations of producer organisations recognised under Article 156 of this Regulation, which concern the production or sale of agricultural products or the use of joint facilities for the storage, treatment or processing of agricultural products, unless the objectives set out in Article 39 TFEU are jeopardised.</p>

Reason
In line with the goal of better distributing added value along the food supply chain and of strengthening the power of producers and their associations to this end, it is important for this

paragraph to be applicable to price negotiations.

Amendment 99

Article 219(1)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>In order to react efficiently and effectively against threats of market disturbance caused by significant price rises or falls on internal or external markets or other events and circumstances significantly disturbing or threatening to disturb the market, where that situation, or its effects on the market, is likely to continue or deteriorate, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 to take the measures necessary to address that market situation, while respecting any obligations resulting from international agreements concluded in accordance with the TFEU and provided that any other measures available under this Regulation appear to be insufficient.</p> <p>Where, in the cases of threats of market disturbances referred to in the first subparagraph of this paragraph, imperative grounds of urgency so require, the procedure provided for in Article 228 shall apply to delegated acts adopted pursuant to the first subparagraph of this paragraph.</p> <p>Those imperative grounds of urgency may include the need to take immediate action to address or prevent market disturbance, where threats of market disturbance occur so swiftly or unexpectedly that immediate action is necessary to efficiently and effectively address the situation, or where action would prevent such threats of market disturbance from materialising, continuing or turning into a more severe or prolonged disturbance, or where delaying immediate action would threaten to cause or aggravate the disturbance or would increase the extent of the measures which would later be necessary to address the threat or disturbance or would be detrimental to production or market conditions.</p>	<p>In order to react efficiently and effectively against threats of market disturbance caused by significant price rises or falls on internal or external markets or other events and circumstances significantly disturbing or threatening to disturb the market, where that situation, or its effects on the market, is likely to continue or deteriorate, the Commission shall be empowered to adopt delegated acts in accordance with Article 227 to take the measures necessary to address that market situation, while respecting any obligations resulting from international agreements concluded in accordance with the TFEU and provided that any other measures available under this Regulation appear to be insufficient.</p> <p>Where, in the cases of threats of market disturbances referred to in the first subparagraph of this paragraph, imperative grounds of urgency so require, the procedure provided for in Article 228 shall apply to delegated acts adopted pursuant to the first subparagraph of this paragraph.</p> <p>Those imperative grounds of urgency may include the need to take immediate action to address or prevent market disturbance, where threats of market disturbance occur so swiftly or unexpectedly that immediate action is necessary to efficiently and effectively address the situation, or where action would prevent such threats of market disturbance from materialising, continuing or turning into a more severe or prolonged disturbance, or where delaying immediate action would threaten to cause or aggravate the disturbance or would increase the extent of the measures which would later be necessary to address the threat or disturbance or would be detrimental to production or market conditions.</p> <p>Such measures may to the extent and for the time necessary to address the market disturbance or</p>

Such measures may to the extent and for the time necessary to address the market disturbance or threat thereof extend or modify the scope, duration or other aspects of other measures provided for under this Regulation, <i>or provide for export refunds</i> , or suspend import duties in whole or in part including for certain quantities or periods as necessary.	threat thereof extend or modify the scope, duration or other aspects of other measures provided for under this Regulation, or suspend import duties in whole or in part including for certain quantities or periods as necessary.
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Reason
Export aid is not acceptable to third countries, and costs taxpayers more than crisis prevention.

Amendment 100

Insert a new paragraph after Article 219(4)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<p><i>Where the market price falls below a certain flexible threshold that is indexed to average production costs and set by the European market observatory for the sector concerned, the European Commission shall implement, depending on the market situation and the sector concerned, support for producers in the sector concerned who, over a specified period, voluntarily reduce their deliveries compared to the same period in the previous year.</i></p> <p><i>(i) The support shall be granted on the basis of applications submitted by producers in their Member State of establishment, using the method laid down by the Member State in question.</i></p> <p><i>(ii) In order to ensure that this scheme is implemented effectively and appropriately, the Commission shall, on the basis of data provided by the European market observatory for the sector concerned, set:</i></p> <ul style="list-style-type: none"> <i>– the maximum total volume or quantity of deliveries to be reduced at EU level under the reduction scheme,</i> <i>– the duration of the reduction period and, if necessary, its extension,</i> <i>– the amount of support, based on the volume or quantity of the reduction, and its financing arrangements,</i> <i>– eligibility criteria for applicants and</i>

	<p><i>applications,</i></p> <p>– <i>the specific conditions for implementing the system.</i></p>
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<i>Reason</i>
<p>The EU needs tools to regulate production volumes in the event of a market disturbance, tools that take effect quickly, are inexpensive for the EU budget, and enable producers to avoid selling at a loss and to earn a living, ensuring that the sector is attractive to young people.</p>

Amendment 101

Article 226

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<p><i>Performance framework</i></p> <p><i>1. The Commission shall lay down a performance framework for reporting, monitoring and evaluating the performance of the crisis management plan during its implementation.</i></p> <p><i>2. The performance framework shall include the following elements:</i></p> <p><i>(a) all common indicators of context, attainment, results and impact that shall serve as basis for the monitoring, evaluation and annual performance report;</i></p> <p><i>(b) targets and annual milestones established in relation to the relevant specific objective using result indicators;</i></p> <p><i>(c) data collection, storage and transmission;</i></p> <p><i>(d) annual reports on the performance of the crisis management plan for each of the sectors that were affected during the year;</i></p> <p><i>(e) efficiency reserve measures in the use of EAFG as a whole.</i></p> <p><i>3. The performance framework shall aim to:</i></p> <p><i>(a) assess the impact, effectiveness, efficiency,</i></p>

	<p><i>relevance, coherence and Union added value of the CAP;</i></p> <p><i>(b) report to the European Parliament and the Council on the use of powers given to the Commission in terms of crisis prevention and management;</i></p> <p><i>(c) move away from the current budget consumption logic of EAGF;</i></p> <p><i>(d) move towards a logic of countercyclical steering of agricultural markets and revenues where the Commission optimises the use of public funds according to economic cycles, climatic incidents and geopolitical tension.</i></p>
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<i>Reason</i>
The Commission should define its strategy in the event of crises so that it can be held accountable to the Parliament and the Council. The clarification of its strategy is an essential prerequisite for Member States to be able in turn to establish their priorities.

Amendment 102

Article 226

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<p><i>Crisis Management Plan</i></p> <p><i>1. The Commission shall establish a crisis management plan to implement Union aid financed by EAGF to allow the fulfilment of the CAP objectives defined in Article 39 of the Treaty on the Functioning of the European Union, in particular the market stabilisation objective.</i></p> <p><i>2. Based on the report defining the types of crisis referred to in Article 225(c), and the evaluation work conducted in the first pillar of the CAP in particular, the Commission shall define an intervention strategy for each type of crisis. A SWOT analysis of each of the market management tools defined in this Regulation shall be made to identify possible synergies</i></p>

	<p><i>between the tools.</i></p> <p>3. The Commission is empowered to adopt delegated acts in accordance with Article 227 to set quantitative targets and milestones so that the tools in this Regulation may contribute to the attainment of the objectives stated in Article 39 of the TFEU. The Commission shall submit a draft crisis management plan by 1 January 2020 to the European Parliament and the Council. Based on this, the Member States shall submit their CAP Strategic Plans to the Commission.</p> <p>4. The crisis management plan shall cover the period from 1 January 2021 to 31 December 2027, with a mid-term review clause for 30 June 2024 when its overall consistency with Member States' strategic plans shall be optimised for a more efficient use of public funds and to add more value to the Union.</p>
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Reason
The Commission should define its strategy in the event of crises so that it can be held accountable to the Parliament and the Council. The clarification of its strategy is an essential prerequisite for Member States to be able in turn to establish their priorities.

Amendment 103

Article 4

Text proposed by the Commission	CoR amendment
<p>Amendment to Regulation (EU) No 228/2013</p> <p>In Article 30, paragraphs 2 and 3 are replaced by the following:</p> <p>'2. In respect of each financial year, the Union shall finance the measures provided for in Chapters III and IV, up to a maximum annual sum of:</p> <ul style="list-style-type: none"> – in the French overseas departments: EUR 267 580 000 – Azores and Madeira: EUR 102 080 000 – Canary Islands: EUR 257 970 000 <p>3. The sums for each financial year to finance the measures provided for in Chapter III may not exceed the following amounts:</p>	<p>Amendment to Regulation (EU) No 228/2013</p> <p>In Article 30, paragraphs 2 and 3 are replaced by the following:</p> <p>'2. In respect of each financial year, the Union shall finance the measures provided for in Chapters III and IV, up to a maximum annual sum of:</p> <ul style="list-style-type: none"> in the French overseas departments: EUR 278 410 000 – Azores and Madeira: EUR 106 210 000 – Canary Islands: EUR 268 420 000 <p>3. The sums for each financial year to finance the measures provided for in Chapter III may not exceed the following amounts:</p>

– in the French overseas departments: EUR 25 900 000	– in the French overseas departments: EUR 26 900 000
– Azores and Madeira: EUR 20 400 000	– Azores and Madeira: EUR 21 200 000
– Canary Islands: EUR 69 900 000	– Canary Islands: EUR 72 700 000
(...)	(...)

<i>Reason</i>
A 3.9% reduction in the funds for (Programmes of Options Specifically Relating to Remoteness and Insularity (POSEI) is not acceptable, considering the positive evaluations of this programme and the European Commission's commitment to maintaining the level of funding. At the least, the allocation under the current programming period needs to be maintained for the outermost regions.

II. POLICY RECOMMENDATIONS

The European Committee of the Regions:

1. calls on the EU to turn the CAP into an agricultural policy that is competitive, modern, fair, sustainable and based on solidarity for the benefit of farmers, regions, consumers and members of the public;
2. underlines the need for the CAP to be adequately financed and therefore opposes a decrease in the level of EU funding for the CAP post-2020; takes the view that, if the CAP budget were to be reduced, it would be possible to make better use of it by distributing direct payments more fairly;
3. rejects the proposed 28% cut in the rural development budget, which runs counter to the EU's objective of territorial cohesion;
4. calls for the reintroduction of the EAFRD to the common strategic framework;
5. reiterates the need for stronger synergy between the ERDF, ESF and EAFRD in order to facilitate innovation and stimulate the creation of agriculture innovative production chains;
6. recommends adopting a rural and peri-urban agenda and increasing overall rural development funds so that all European policies can contribute to the goals for economic, social and territorial cohesion; emphasises the role of the CAP in helping to retain the population in rural areas;
7. considers that an excessive transfer of competences to the Member States through national Strategic Plans would lead to a renationalisation of the CAP and to distortions of competition; enough flexibility is needed to secure a place-based approach, addressing the specific needs and characteristics of agricultural areas;
8. calls for quantified, measurable common European objectives for the national Strategic Plans to be included in the Regulation;

9. calls for the regions to play a prominent role in the governance of Strategic Plans, including for the second pillar;
10. points out that market regulation is more effective and less costly than taking retroactive measures;
11. calls for the introduction of voluntary crisis management tools based on the management of production volumes;
12. calls for the establishment of sectoral operational programmes at European level, rather than at Member State level, so as to prevent distortions between Member States and between sectors;
13. calls for exacting European criteria for the definition of active farmers by the Member States;
14. proposes full convergence of direct payments between Member States as soon as possible and not later than in 2027;
15. proposes that, in those countries and regions where it has not yet been achieved, internal convergence should be gradually increased, supporting disadvantaged regions, to be complete in 2026;
16. supports the proposed cap on direct payments and suggests taking into account a maximum of 50% of costs for employees alone, to reconcile efficiency of capping and taking account of labour;
17. supports the establishment of a mandatory redistributive payment and proposes increasing its scale, with a minimum of 30% of first pillar funds;
18. in view of the difficulty in attracting young people to the farming profession, proposes that the young farmers' bonus should be mandatory for Member States;
19. suggests keeping the ceiling for coupled payments at 13% (+2% for protein crops) of the national payments envelope, with the objectives of preventing the abandonment of agricultural activity in rural areas, strengthening the EU's food self-sufficiency, exclusively targeting sustainable products and production methods, and excluding the production of agricultural bio-fuels and certain other non-priority products;
20. proposes that the specific support for small farmers should be mandatory for the Member States, and that the definition of "small farmer", the amount of support and the financial envelope should be adjusted;
21. welcomes the extension of conditionality to the whole of the basic payment and its expansion to include annual crop rotation;
22. calls for conditionality to be broadened to include respect for the rights of agricultural employees and animal welfare legislation;

23. suggests restoring the minimum requirement of 7% non-productive Ecological Focus Areas per farm;
24. supports the principle of eco-schemes, and proposes that a minimum of 30% of the national payments envelope should be devoted to them;
25. proposes that each national Strategic Plan should meet the minimum threshold of 40% of the CAP's overall financial envelope contributing to environmental climate objectives;
26. would like to retain the current co-financing rates for the second pillar, with the rate adjusted to 80% for the following four measures: agro-environmental, measures organic farming, Natura 2000 and cooperation measures;
27. opposes the option of making transfers from the second pillar to the first, which goes against the interests of rural areas, and supports transfers in the opposite direction;
28. calls on the Commission to establish a fully operational monitoring system for the regular collection of updated measured data on pesticide residue in the environment (especially in soil and water), possibly based on the successful experience with the land use/cover area frame statistical survey (LUCAS) soil monitoring system;
29. takes the view that income insurance is an expensive instrument that is ill-suited to small and medium-sized farms and cannot be a substitute for market regulation and support for the transition towards more resilient and independent production systems;
30. proposes that subsidies for investments, which take up a large proportion of second-pillar budgets, be made conditional on an assessment of their environmental impact and capped at 10% of the second-pillar envelope;
31. suggests, to support the continuation of farming in less favoured areas and areas with handicaps, that the compensatory allowance for natural handicaps (CANH) should be mandatory in those Member States where it may be applicable;
32. is in favour of maintaining a floor of 5% for LEADER programmes, which allows for the development of local territorial initiatives;
33. suggests requiring Member States to include in their rural development plans measures to promote short supply chains, local and organic mass catering, quality label supply chains, mountain and hill farming, and training in organic farming, agro-ecology and agro-forestry;
34. proposes that, in connection with the Horizon 2020 research programme and the subsequent programme, priority should be given, as regards agriculture, to agro-ecological and agro-forestry production methods, focusing on participatory research involving researchers and farmers;

35. also recommends encouraging social and economic innovation through the promotion of "smart villages".

Brussels, 5 December 2018

The President
of the European Committee of the Regions

Karl-Heinz Lambertz

The Secretary-General
of the European Committee of the Regions

Jiří Buriánek

III. PROCEDURE

Title	CAP reform
References	COM(2018) 392, COM(2018) 393 and COM(2018) 394
Legal basis	1st paragraph of Article 307
Procedural basis	Rule 41(a) RP
Date of Council referral	28/06/2018 and 06/07/2018
Date of Parliament referral	11/06/2018
Date of Commission letter	19/06/2018
Date of president's decision	28/06/2018
Commission responsible	Commission for Natural Resources
Rapporteur-general	Guillaume Cros (PES/FR)
Analysis	September 2018
Discussion in commission	Exploratory debate on 1 October and 28 November 2018
Date adopted by commission	Not applicable
Result of the vote in commission (majority, unanimity)	Not applicable
Date adopted in plenary	5 December 2018
Previous Committee opinions	CdR 65/2012 fin – Opinion of the Committee of the Regions on the Legislative proposals on the reform of the Common Agricultural Policy and rural development policy post-2013 CdR 1038/2017 fin – Opinion of the European Committee of the Regions on The CAP after 2020
Date of subsidiarity monitoring consultation	