



Plenary sitting

A9-0042/2019

5.12.2019

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REPORT

on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1306/2013 as regards financial discipline as from financial year 2021 and Regulation (EU) No 1307/2013 as regards flexibility between pillars in respect of calendar year 2020 (COM(2019)0580 – C9-0163/2019 – 2019/0253(COD))

Committee on Agriculture and Rural Development

Rapporteur: Norbert Lins

(Simplified procedure - Rule 52(1) of the Rules of Procedure)

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the ***■*** symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1306/2013 as regards financial discipline as from financial year 2021 and Regulation (EU) No 1307/2013 as regards flexibility between pillars in respect of calendar year 2020
(COM(2019)0580 – C9-0163/2019 – 2019/0253(COD))**

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2019)0580),
 - having regard to Article 294(2) and Article 43(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0163/2019),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - after consulting the European Economic and Social Committee,
 - having regard to the undertaking given by the Council representative by letter of 25 November 2019 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the letter from the Committee on Budgets,
 - having regard to the report of the Committee on Agriculture and Rural Development (A9-0042/2019),
- A. Whereas for reasons of urgency it is justified to proceed to the vote before the expiry of the deadline of eight weeks laid down in Article 6 of Protocol No 2 on the application of the principles of subsidiarity and proportionality;
1. Adopts its position at first reading, taking over the Commission proposal;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

LETTER FROM THE COMMITTEE ON BUDGETS

Mr Norbert Lins
Chair
Committee on Agriculture and Rural Development
BRUSSELS

Subject: Opinion on Financial discipline as from financial year 2021 and Regulation (EU) No 1307/2013 as regards flexibility between pillars in respect of calendar year 2020 (COM(2019)0580 – C9-0163/2019 – 2019/0253(COD))

Dear Chair,

The Committee on Agriculture and Rural development (AGRI) is preparing a report on Commission proposal for a regulation amending Regulation (EU) No 1306/2013 on Financial discipline as from financial year 2021 and Regulation (EU) No 1307/2013 as regards flexibility between pillars in respect of calendar year 2020.

The Committee on Budgets decided to submit an opinion in the form of a letter:

A. Whereas the Commission submitted a set of budgetary and sectoral legislative proposals in May/June 2018 in view of the next Multiannual Financial Framework (MFF) 2021-2027, including new regulations for a reformed European Agricultural Guarantee Fund (EAGF) and European Agricultural Fund for Rural Development (EAFRD);

B. Whereas a successful transition to the next generation of expenditure programmes and support schemes under the financial programming period 2021-2027 will depend on the timely adoption of the overarching MFF legislation as well as the basic acts for the reformed financing instruments;

C. Whereas considerable progress has been made in the legislative negotiations between the Council and the European Parliament on most on the sectoral legislation; whereas, however, the negotiations on the reformed Common Agricultural Policy have been suffering severe procedural delays;

D. Whereas the Council appears to be making only very slow progress towards an agreement on the financial package for the next MFF;

E. Whereas the recipients and final beneficiaries of EU money who actually implement the policies and underlying programmes should not be harmed by legislative delays and legal uncertainties;

F. Whereas, beyond a valid legal basis, a number of operational and strategic plans must be prepared even before the first of January 2021 in order for the new policies to be launched;

G. Whereas, against this backdrop, the European Parliament adopted a Resolution on 10 October 2019 '*Multiannual Financial Framework 2021-2027 and own resources: time to*

meet citizens' expectations' which calls for a safety net to protect the beneficiaries of EU programmes and urges the Commission to start preparing an MFF contingency plan with the aim of ensuring the continuity of funding in the event that it is necessary to extend the current MFF;

I. Whereas the Member States wishing to make use of the flexibility between the pillars of the Common Agricultural Policy depend on the availability of EAFRD allocations for 2021 in order to notify by the end of December 2019 a percentage of direct payments of rural development envelopes to be transferred;

J. Whereas expenditure under the EAGF within a given financial year shall respect the sub-ceiling for Market related expenditure and direct payments as fixed in the MFF context; whereas the reference to the MFF regulation, which is pertinent for the adjustment rate for the financial discipline mechanism, needs to be modified to be valid beyond 2020;

Acknowledging the delays in the legal procedures and striving to ensure a viable transition from one financial framework period to the next, and aware of the risks for Member States and final beneficiaries that could arise from legal uncertainties, the Committee on Budgets therefore:

1. Supports the objectives of the flexibility regulation and calls for its swift adoption in order to amend the necessary provisions in the current legislation;
2. Requests transparent and timely information on any resulting changes in the CAP legal bases that have an impact on the annual budgetary procedures 2020 and beyond;
3. Expects these flexibility measures to be without prejudice to and not to lead to additional delays in the sectoral legislative process towards the reform of the Common Agricultural Policy.

Yours sincerely,

Johan Van Overtveldt

PROCEDURE – COMMITTEE RESPONSIBLE

Title	Financial discipline as from financial year 2021 and Regulation (EU) No 1307/2013 as regards flexibility between pillars in respect of calendar year 2020
References	COM(2019)0580 – C9-0163/2019 – 2019/0253(COD)
Date submitted to Parliament	31.10.2019
Committee responsible Date announced in plenary	AGRI 13.11.2019
Committees asked for opinions Date announced in plenary	BUDG 13.11.2019
Rapporteurs Date appointed	Norbert Lins 5.11.2019
Simplified procedure - date of decision	5.11.2019
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