

COUNCIL OF THE EUROPEAN UNION



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Reform of the Common agricultural policy Adjustment of the Council position for MFF related issues

At its meeting on Monday 23 September 2013, the Agriculture and Fisheries Council adjusted its negotiating position on the multiannual financial framework (MFF) aspects of the CAP reform package. Ministers decided to make final adjustments to the Presidency mandate in the legal text to reflect the broad agreement reached after intensive negotiations led by the Lithuanian Presidency.

This marks an important step towards ministers' goal of finalising the political agreement with the European Parliament at the informal trilogue meeting scheduled on 24 September.

A general political agreement with the other EU institutions on the CAP reform package was reached at the end of June but the European Parliament considered that some outstanding issues linked to the Multiannual Financial Framework (MFF) 2014-2020 were not part of the agreement.

The main elements of the final adjusted Council position, which will serve as the Presidency's mandate for negotiations with the Parliament, would complete the compromise texts prepared by the Presidency on two of the CAP reform proposals:

- the regulation establishing rules for **direct payments** to farmers (Direct Payments Regulation) (<u>13294/1/13</u>);
- the regulation on support for **rural development** (Rural Development Regulation) (13349/1/13);

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The main elements of the final adjusted Council position are summarised below:

- As regards **direct payments** and more specifically on **degressivity**, the Council made a major effort in the direction of the Parliament by moving towards a rate of 5% for amounts above EUR 150 000 along with a 5% rate for the derogation in relation to the redistributive payment. Degressivity shall apply only to the basic payment or the single area payment.
- On the presentation of the breakdown of the rural development budget, the Council agreed to include this breakdown in an annex to the rural development regulation with the power for the Commission to amend this annex through delegated acts in clearly defined circumstances.
- Concerning the **co-financing rates for rural development**, the Council could finally accept the Parliament request to increase the rate for less developed regions, outermost regions and smaller Aegean islands on a voluntary basis to 85%. This constitutes a major additional concession from the Council side on the clear understanding that all other requests from the Parliament will be dropped and that an overall agreement is now concluded on CAP reform.

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