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INFORMATION NOTE

from: General Secretariat
to: Special Committee on Agriculture/Council

Subject: Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) N° 1290/2005 on the financing of the common agricultural policy and repealing Council Regulation (EC) N° 165/94 and Council Regulation (EC) N° 78/2008
- Outcome of the European Parliament's first reading
(Strasbourg, 2 to 5 July 2012)

I. INTRODUCTION

The Rapporteur, Giovanni LA VIA (EPP, IT), presented a report consisting of 10 amendments (amendments 1-10) to the proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) N° 1290/2005 on the financing of the common agricultural policy and repealing Council Regulation (EC) N° 165/94 and Council Regulation (EC) N° 78/2008, on behalf of the Committee on Agriculture and Rural Development. No other amendments were tabled.

II. DEBATE

A joint debate together with 5 other Reports on agricultural matters focusing on the alignment to the Lisbon Treaty took place on 3 July 2012, see information note 12064/12.

III. VOTE

When it voted in plenary on 4 July 2012, the European Parliament adopted amendments 1-10.

The text of the amendments adopted and the European Parliament's legislative resolution are annexed to this note.

Financing of the common agricultural policy *I**

European Parliament legislative resolution of 4 July 2012 on the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1290/2005 on the financing of the common agricultural policy and repealing Council Regulation (EC) No 165/94 and Council Regulation (EC) No 78/2008 (COM(2010)0745 – C7-0429/2010 – 2010/0365(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2010)0745),
 - having regard to Article 294(2) and Article 42 and Article 43(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0429/2010),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the reasoned opinion submitted within the framework of Protocol (No 2) on the application of the principles of subsidiarity and proportionality by the Polish Senate, asserting that the draft legislative act does not comply with the principle of subsidiarity,
 - having regard to the other contributions submitted by the Italian Senate, the Portuguese Parliament and the Romanian Chamber of Deputies with regard to the draft legislative act,
 - having regard to the opinion of the European Economic and Social Committee of 4 May 2011¹
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Agriculture and Rural Development (A7-0209/2011),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ OJ C 218, 23.7.2011, p. 124

Amendment 1

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) The Commission should have the power to adopt delegated acts in accordance with Article 290 of the Treaty in order to supplement or amend certain non-essential elements of Regulation (EC) No 1290/2005. The elements for which that power may be exercised and the conditions to which that delegation must be subject should be defined.

Amendment

(3) In order to ensure the proper functioning of the regime established by Regulation (EC) No 1290/2005, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of supplementing or amending certain of its non-essential elements. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and Council.

Amendment 2

Proposal for a regulation

Recital 4

Text proposed by the Commission

(4) In order to *guarantee a uniform application* of Regulation (EC) No 1290/2005 *in all Member States*, the Commission should be empowered to adopt implementing acts in accordance with Article 291 of the Treaty. The Commission should adopt those implementing acts in accordance with the provisions of Regulation (EU) No xxx/xxx of the European Parliament and the Council on¹ ...

Amendment

(4) In order to *ensure uniform conditions for the implementation* of Regulation (EC) No 1290/2005, *implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers*¹

¹ OJ L [...], [...], p.[...].

¹ OJ L 55, 28.2.2011, p. 13

Amendment 3

Proposal for a regulation

Article 1 – point 10

Regulation (EC) No 1290/2005

Article 18 – paragraph 4

Text proposed by the Commission

4. If by 30 June in any year **the Council has not set** the adjustments referred to in Article 11(1) of Council Regulation (EC) No 73/2009, the Commission shall set those adjustments by implementing act in accordance with the procedure referred to in Article 42d(3) (*advisory procedure*) of **this Regulation and shall inform the Council of them immediately.**

Amendment

4. If by 30 June in any year the adjustments referred to in Article 11(1) of Council Regulation (EC) No 73/2009 **have not been set**, the Commission shall set those adjustments by implementing act **and shall inform the European Parliament and the Council of them immediately. Those implementing acts shall be adopted** in accordance with the *advisory* procedure referred to in Article 42d(3).

Amendment 4

Proposal for a regulation

Article 1 – point 11

Regulation (EC) No 1290/2005

Article 19 – paragraph 2

Text proposed by the Commission

2. If, on drawing up the draft budget for financial year N, there appears to be a risk that the net balance referred to in Article 12(3) for financial year N will be exceeded, taking account of the margin provided for in Article 11 of Regulation (EC) No 73/2009, the Commission shall propose **to the Council** the measures necessary, including those required under Article 11(2) of Regulation (EC) No 73/2009.

Amendment

2. If, on drawing up the draft budget for financial year N, there appears to be a risk that the net balance referred to in Article 12(3) for financial year N will be exceeded, taking account of the margin provided for in Article 11 of Regulation (EC) No 73/2009, the Commission shall propose the measures necessary, including those required under Article 11(2) of Regulation (EC) No 73/2009.

Amendment 5

Proposal for a regulation

Article 1 – point 11

Regulation (EC) No 1290/2005

Article 19 – paragraph 3

Text proposed by the Commission

3. At any time, if the Commission considers that there is a risk of the net balance referred to in Article 12(3) being exceeded and that it cannot take adequate measures to remedy the situation under its powers, it shall propose other measures to ensure compliance with that balance. These measures shall be adopted ***by the Council or the European Parliament and the Council.***'

Amendment

3. At any time, if the Commission considers that there is a risk of the net balance referred to in Article 12(3) being exceeded and that it cannot take adequate measures to remedy the situation under its powers, it shall propose other measures to ensure compliance with that balance. These measures shall be adopted ***in accordance with Article 43(2) TFEU.***'

Amendment 6

Proposal for a regulation

Article 1 – point 16 a (new)

Regulation (EC) No 1290/2005

Article 29 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

(16a) In Article 29, the following paragraph 1a is inserted:

1a. For Member States which have opted to organise their rural development programmes on a regional basis, the calculation of the amount to be automatically decommitted may be made at the level of the Member State.

Amendment 7

Proposal for a regulation

Article 1 – point 27

Regulation (EC) No 1290/2005

Article 42 a

Text proposed by the Commission

(27) The following Articles 42a, **42b**, **42c** and 42d are inserted:

Article 42a

Exercise of the delegation

1. The **powers** to adopt **the** delegated acts **referred to in this Regulation shall be** conferred on the Commission **for an indeterminate period of time**.

2. **As soon as it adopts a delegated act, the Commission shall simultaneously notify the European Parliament and the Council that it has done so.**

3. **The power to adopt delegated acts shall be conferred on the Commission subject to the conditions laid down in Articles 42b and 42c.**

Amendment

(27) The following Articles 42a and 42d are inserted:

Article 42a

Exercise of the delegation

1. The **power** to adopt delegated acts **is** conferred on the Commission **subject to the conditions laid down in this Article**.

3. **The delegation of power referred to in Articles 6(5), 6(6), 7(2), 9(4), 16(2), 31(a), 35a(1), 35a(2), in Article 37a and in Article 40a(1-6) of this Regulation shall be conferred on the Commission for a period of five years from ...*. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of this five years period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.**

3a. The delegation of power may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any

delegated acts already in force.

3b. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

3c. A delegated act adopted pursuant to this Regulation shall enter into force only if no objection has been expressed either by the Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.

** Date of entry into force of this Regulation.*

Amendment 8

Proposal for a regulation

Article 1 – point 27

Regulation (EC) No 1290/2005

Article 42 b

Text proposed by the Commission

Amendment

Article 42b

deleted

Revocation of the delegation

1. The delegation of power referred to in Article 42a may be revoked at any time by the European Parliament or by the Council.

2. The institution which has initiated an internal procedure for deciding whether to revoke the delegation of power shall endeavour to inform the other institution and the Commission within a reasonable period of time before taking a final decision, indicating the delegated powers

which could be subject to revocation and possible reasons for such revocation.

3. The decision of revocation shall put an end to the delegation of the powers specified in that decision. It shall take effect immediately or at a later date specified therein. It shall not affect the validity of the delegated acts already in force. It shall be published in the Official Journal of the European Union.

Amendment 9

Proposal for a regulation

Article 1 – point 27

Regulation (EC) No 1290/2005

Article 42 c

Text proposed by the Commission

Amendment

Article 42c

deleted

Objections to delegated acts

1. The European Parliament or the Council may object to a delegated act within a period of two months from the date of notification. At the initiative of the European Parliament or the Council, this period shall be extended by one month.

2. If, on expiry of that period, neither the European Parliament nor the Council has objected to the delegated act it shall be published in the Official Journal of the European Union and shall enter into force on the date stated therein.

The delegated act may be published in the Official Journal of the European Union and enter into force before the expiry of that period if the European Parliament and the Council have both informed the Commission of their intention not to raise objections.

3. If the European Parliament or the Council objects to a delegated act, it shall not enter into force. The institution which

objects shall state the reasons for objecting to the delegated act.

Amendment 10

Proposal for a regulation

Article 1 – point 27

Regulation (EC) No 1290/2005

Article 42 d

Text proposed by the Commission

Article 42d

Implementing acts - committee

1. The Commission shall be assisted by the Committee on the Agricultural Funds.

2. ***When implementing acts are adopted pursuant to this paragraph, Article [5] of Regulation (EU) No [xxxx/yyyy] (to be completed following the adoption of the regulation on control mechanisms, as referred to in Article 291(3) of the TFEU, currently the subject of discussion by the European Parliament and the Council) shall apply.(examination procedure)***

3. ***When implementing acts are adopted pursuant to this paragraph, Article [4] of Regulation (EU) No [xxxx/yyyy] (to be completed following the adoption of the regulation on control mechanisms, as referred to in Article 291(3) of the TFEU, currently the subject of discussion by the European Parliament and the Council) shall apply.(advisory procedure).'***

Amendment

Article 42d

Committee procedure

1. The Commission shall be assisted by the Committee on the Agricultural Funds. ***That committee shall be a committee within the meaning of Regulation (EU) No 182/2011 of the European Parliament and the Council, of 16 February 2011, laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers*.***

2. ***Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.***

3. ***Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.***

* OJ L 55, 28.2.2011, p. 13.