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From: General Secretariat of the Council

To: Delegations

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Subject: Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the financial rules applicable to the general budget of the Union and amending Regulation (EC) No 2012/2002, Regulations (EU) No 1296/2013, (EU) 1301/2013, (EU) No 1303/2013, EU No 1304/2013, (EU) No 1305/2013, (EU) No 1306/2013, (EU) No 1307/2013, (EU) No 1308/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, (EU) No 652/2014 of the European Parliament and of the Council and Decision No 541/2014/EU of the European Parliament and of the Council (Omnibus Proposal)
- Agricultural provisions - revised draft consolidated text

As part of the overall compromise package annexed to document 7527/1/17 REV 1, the Presidency invites the Commission to make two statements, on regional crisis (CMO Regulation) and payments reductions (Direct Payments Regulations), along the lines set out in the Annex to this Addendum.

Draft Commission statement on regional crises

The Commission confirms that Regulation (EU) 1308/2013 establishing a common organisation of the markets in agricultural products already contains, in Articles 219 and 221, the necessary legal base allowing it, subject to the availability of budgetary resources, to address market disturbances and other specific problems, including at regional level, with the possibility of granting direct financial assistance to farmers¹. Moreover, the Commission's proposal to add a sector-specific income stabilisation tool to Regulation (EU) No 1305/2013 on support for rural development will allow Member States to include in their rural development programmes the possibility of compensating farmers in a specific sector in the event of a significant drop in their income.

Draft Commission statement on payment reductions

Article 11 of Regulation (EU) No 1307/2013² allows Member States to review their decision on a reduction of payments on an annual basis, including the possibility of introducing capping for the first time. When doing so, Member States should respect their other legal obligations under Union law. In particular, they should ensure that the amounts available for rural development as a result of the application of Article 11 are not reduced and that the legitimate expectations of the farmers are duly taken into account, which implies that a review decision should be taken sufficiently in advance before the start of the claim year to which it is supposed to apply for the first time.

¹ Examples: Regulation (EC) No 1263/2014 (Baltics) and Regulation (EC) No 1370/2014 (Finland)

² OJ L 347 of 20.12.2013, p. 680