



**COUNCIL OF
THE EUROPEAN UNION**

**Brussels, 14 May 2014
(OR. en)**

9778/14

**AGRIFIN 75
FIN 354
AGRI 356**

"I/A" ITEM NOTE

From: Working Party on Financial Agricultural Questions (AGRIFIN)
To: Permanent Representatives Committee (Part 1) / Council

No. prev. doc.: 6167/14

Subject: Special Report No 10/2013 from the European Court of Auditors entitled "Common agricultural policy: is the specific support provided under Article 68 of Council Regulation (EC) No 73/2009 well designed and implemented?"
- Adoption of Council conclusions

1. At its meeting on 5 December 2013, the Working Party on Financial Agricultural Questions (AGRIFIN) examined Special Report No 10/2013 from the European Court of Auditors entitled "Common agricultural policy: is the specific support provided under Article 68 of Council Regulation (EC) No 73/2009 well designed and implemented?" as well as the Commission replies to the Court's report.
2. At the meeting of the Working Party on 24 February 2014, the Presidency presented it with draft Council conclusions on the Special Report (doc. 6167/14).
3. After the meeting and in the light of the discussions of the Working Party, the Presidency drew up a revised version of the draft Council conclusions, which the General Secretariat of the Council then circulated and which all delegations were able to accept.

4. In accordance with the conclusions adopted by the Council on 8 May 2000 on improving the examination of special reports drawn up by the Court of Auditors, the Working Party on Financial Agricultural Questions (AGRIFIN) invites the Permanent Representatives Committee to suggest to the Council that it adopt the draft Council conclusions as set out in the Annex to this note as an "A" item at a forthcoming session.
-

THE COUNCIL OF THE EUROPEAN UNION

- (1) WELCOMES Special Report No 10/2013 from the European Court of Auditors entitled "Common agricultural policy: is the specific support provided under Article 68 of Council Regulation (EC) No 73/2009 well designed and implemented?".
- (2) RECALLS that although Article 68 of that Regulation increased the number of objectives for which aid could be granted within a maximum limit of 10% in comparison with Article 69 of Council Regulation (EC) No 1782/2003¹, it also introduced a stricter limit for coupled support.
- (3) WELCOMES the fact that, even though eight out of nine kinds of measures provided for in Article 68 of that Regulation are not subject to any Commission approval, the Commission has examined the measures notified to it with a view to ensuring that they comply with the legal framework and that each Member State supplies a certain amount of standardised information in line with the requirements laid down in the Commission's implementing rules.
- (4) NOTES therefore that the implementation of the specific support scheme which includes a possibility of granting coupled payments is compatible with the WTO rules.

¹ Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and amending Regulations (EEC) No 2019/93, (EC) No 1452/2001, (EC) No 1453/2001, (EC) No 1454/2001, (EC) 1868/94, (EC) No 1251/1999, (EC) No 1254/1999, (EC) No 1673/2000, (EEC) No 2358/71 and (EC) No 2529/2001 (OJ L 270, 21.10.2003, p. 1).

- (5) **UNDERLINES** that, in comparison with the current specific support, Regulation (EU) No 1307/2013 of the European Parliament and of the Council constitutes a simplification of the legal framework as the voluntary coupled support provided in Chapter 1 of its Title IV refers only to one of the nine measures provided for in Article 68. **NOTES** that two of those nine measures, i.e. insurance premiums and mutual funds, have been transferred to the second pillar and that a number of other measures are now again provided for only in the second pillar, as they were before the date of application of Council Regulation (EC) No 73/2009. This means that despite a more extensive list of eligible sectors than before, the number and diversity of the objectives of the support are restricted to one category (i.e. to address the economic vulnerability of certain types of farming or certain sectors), which aims to reduce the risk of overlapping and accumulation of support.
- (6) **NOTES** in this regard that, unlike Article 68 measures, the voluntary coupled support scheme provided for in Chapter I of Title IV of Regulation (EU) No 1307/2013 of the European Parliament and of the Council² is a blue box subsidy.
- (7) **EMPHASISES** that the resources that may be used for any coupled support should be limited to an appropriate level while allowing such support to be granted in Member States in their specific sectors or regions where specific types of farming or sectors are considered particularly important for economic, social or environmental reasons.

² Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009, OJ L 347, 20.12.2013.

- (8) HIGHLIGHTS the fact that Article 110 of Regulation (EU) No 1306/2013 of the European Parliament and of the Council³ establishes a common monitoring and evaluation framework in cooperation with the Member States with a view to measuring the performance of the common agricultural policy, including its impact on the environment. It is simultaneously stressed that the effect of the coupled support should be monitored closely in order to minimise the risk of market disturbances and help ensure compliance with requirements for that support.
-

³ Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008, OJ L 347, 20.12.2013.