<u>Weekly schedule of President Charles</u> Michel



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<u>Forward look: 26 October - 8 November</u> 2020



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<u>Press release - A greener, fairer, and</u> <u>more robust EU farm policy</u>



MEPs on Friday adopted their position on the post-2022 EU farm policy reform. The EP negotiating team is now ready to start talks with EU ministers.

Moving towards a performance-based policy

MEPs endorsed a policy shift that should better tailor the EU's farm policy to the needs of individual member states but they insist on maintaining a level playing field across the Union. National governments should draft strategic plans, which the Commission will endorse, specifying how they intend to implement EU objectives on the ground. The Commission would be checking their performance, not only their compliance with EU rules.

Promoting better environmental performance of EU farms

The objectives of strategic plans shall be pursued in line with the Paris Agreement, MEPs say.

Parliament strengthened mandatory climate and environmentally-friendly practices, the so-called conditionality, that each farmer must apply to get direct support. On top of that, MEPs want to dedicate at least 35% of the rural development budget to all types of environmental and climate-related measures. At least 30% of the direct payments budget should go to ecoschemes, which would be voluntary but could increase farmers' income.

MEPs insist on setting up farm advisory services in every member state and allocating at least 30% of their EU-sponsored funding to help farmers fight climate change, manage natural resources sustainably, and protect biodiversity. They also call on member states to encourage farmers to dedicate 10% of their land to landscaping that is beneficial to biodiversity, such as hedges, non-productive trees, and ponds.

Reducing payments to bigger farms, supporting small and young farmers

MEPs voted to progressively reduce annual direct payments to farmers above €60 000 and cap them at €100 000. However, farmers could be allowed to deduct 50% of agriculture-related salaries from the total amount before reduction. At least 6% of national direct payments should be used to support small and medium-sized farms but if more than 12% is used, the capping should become voluntary, MEPs say.

EU states could use at least 4% of their direct payments budgets to support young farmers. Further support could be granted from the rural development funding where young farmers' investments could be prioritised, MEPs say.

Parliament stresses that EU subsidies should be reserved only for those who engage in at least a minimum level of agricultural activity. Those who operate airports, railway services, waterworks, real estate services, permanent sports and recreational grounds should be automatically excluded.

Veggie burgers and tofu steaks: no change in labelling plant-based products

MEPs rejected all proposals to reserve meat-related names for products containing meat. Nothing will change for plant-based products and the names they currently use when being sold.

Helping farmers deal with risks and crises

Parliament pushed for further measures to help farmers cope with risks and potential future crises. It wants the market to be more transparent, an intervention strategy for all agricultural products, and practices aiming for higher environmental, animal health, or animal welfare standards to be exempt from competition rules. They also want to turn the crisis reserve, helping farmers with price or market instability, from an ad-hoc instrument to a permanent one with a proper budget.

Higher sanctions for repeated breaches and EU complaints mechanism

Parliament wants to increase sanctions for those who repeatedly fail to comply with EU requirements (e.g. on the environment and animal welfare). This should cost farmers 10% of their entitlements (up from today's 5%).

MEPs also want an ad-hoc EU complaints mechanism to be set up. This would cater to farmers and rural beneficiaries who are treated unfairly or disadvantageously with regard to EU subsidies, if their national government fails to deal with their complaint.

Results of the vote and more information

The strategic plans regulation was approved by 425 votes in favour to 212 against, with 51 abstentions.

The regulation on common market organisation was approved by 463 votes in favour to 133 against, with 92 abstentions.

The regulation on financing, management and monitoring of the CAP was approved by 434 votes in favour to 185 against, with 69 abstentions.

More information about the approved texts is available in the background note.

Statements by the Chair of the Agriculture Committee and the three rapporteurs are <u>available here</u>.

Background

The last reform of the EU farm policy, established in 1962, dates back to 2013.

Current CAP rules expire on 31 December 2020. They should be replaced by transitional rules until the ongoing CAP reform is agreed and approved by the Parliament and Council.

The <u>CAP accounts for 34.5% of the 2020 EU budget</u> (€58.12 billion). Around 70% of the CAP budget <u>supports the income of six to seven million EU farms</u>.

<u>FSMA consults on CCP supervisory</u> <u>reviews and evaluation processes</u>

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, has launched today a <u>consultation</u> on guidelines addressing the consistency of supervisory reviews and evaluation processes of CCPs under Article 21 of EMIR.

The consultation paper seeks input from all interested stakeholders on draft guidelines aimed at clarifying common procedures and methodologies for the supervisory review and evaluation process of CCPs by their competent authorities.

The review and evaluation processes should be conducted in a manner that is appropriate to the size, structure and internal organisation of CCPs, as well as to the nature, scope and complexity of their activities.

Next steps

The closing date for responses is 16 November 2020. ESMA will consider the feedback it receives to the consultation and aims to finalise the guidelines by Q1 2021.

<u>Public Consultation on Guidelines</u> under Article 21 of EMIR

Article 21(1) of Regulation (EU) No. 648/2012 ('EMIR') sets out an obligation for the national competent authorities to review the arrangements, strategies, processes and mechanisms implemented by the central counterparties and to evaluate risks central counterparties are or might be exposed to. Frequency and depth of such review and evaluation are to be established by the competent authorities by taking into account certain criteria provided for in Article 21(3) of EMIR.

In order to ensure consistency in the format, frequency and depth of the review carried out by the national competent authorities, ESMA is mandated in Article 21(6) of EMIR to issue guidelines in accordance with Article 16 of Regulation (EU) No 1095/2010 ('ESMA Regulation') to specify further the common procedures and methodologies for the supervisory review and evaluation process.

The purpose of this consultation paper is to seek views from all interested stakeholders on these draft guidelines aiming at clarifying the common procedures and methodologies for the supervisory review and evaluation process of CCPs by competent authorities, in a manner that is appropriate to the size, structure and internal organisation of CCPs, and the nature, scope and complexity of their activities.

The consultation will be open until 16 November 2020. ESMA will consider the feedback it receives to the consultation in Q4 2020 with a view to finalising the proposed guidelines and publishing a final report by Q1 2021.