

DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT **B**
STRUCTURAL AND COHESION POLICIES

Agriculture and Rural Development

Culture and Education

Fisheries

Regional Development

Transport and Tourism

**THE FIRST CAP REFORM
UNDER THE ORDINARY
LEGISLATIVE PROCEDURE:
A POLITICAL ECONOMY
PERSPECTIVE**

STUDY





DIRECTORATE-GENERAL FOR INTERNAL POLICIES
POLICY DEPARTMENT B: STRUCTURAL AND COHESION POLICIES

AGRICULTURE AND RURAL DEVELOPMENT

**THE FIRST CAP REFORM UNDER
THE ORDINARY LEGISLATIVE
PROCEDURE: A POLITICAL ECONOMY
PERSPECTIVE**

STUDY

This document was requested by the European Parliament's Committee on Agriculture and Rural Development.

AUTHORS

Centre for European Policy Studies (CEPS): Louise Knops, Johan Swinnen¹
With contributions from Alan Matthews, Alan Swinbank, Alessandro Olper, Attila Kovacs, Christilla Roederer-Rynning, Imre Ferto, Kaley Hart and Maria Garrone

ADMINISTRATOR RESPONSIBLE

Guillaume Ragonnaud
Policy Department B: Structural and Cohesion Policies
European Parliament
B-1047 Brussels
E-mail: poldep-cohesion@europarl.europa.eu

EDITORIAL ASSISTANCE

Catherine Morvan

LINGUISTIC VERSIONS

Original: EN

ABOUT THE PUBLISHER

To contact the Policy Department B or to subscribe to its monthly newsletter please write to: poldep-cohesion@europarl.europa.eu

Manuscript completed in December 2014.
Brussels © European Union, 2014.

This document is available on the Internet at:
<http://www.europarl.europa.eu/studies>

DISCLAIMER

The opinions expressed in this document are the sole responsibility of the author and do not necessarily represent the official position of the European Parliament.

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the publisher is given prior notice and sent a copy.

¹ Louise Knops and Johan Swinnen wrote and are responsible for the overall report, which drew on important input from the other contributors. Maria Garrone actively participated in the interview process and the analysis of the interview results. Imre Ferto and Attila Kovacs conducted a thorough European Parliament amendment analysis, the results of which have been used throughout the present study. Christilla Roederer-Rynning analysed the role of co-decision in internal European Parliament decision-making. Alan Matthews analysed the interactions between the CAP reform and the MFF negotiations. Kaley Hart analysed the negotiations and decision-making on greening. Alessandro Olper analysed decision-making voting behaviour relating to the CMO. Alan Swinbank was the main reviewer of the study.

The authors would also like to thank Kristine Van Herck for her assistance and valuable comments throughout the study, and Jonathan Little for his help and insights into specific issues.

Finally, the authors would like to thank Policy Department B and the COMAGRI Secretariat for their assistance and technical help in revising the study.



DIRECTORATE-GENERAL FOR INTERNAL POLICIES
POLICY DEPARTMENT B: STRUCTURAL AND COHESION POLICIES

AGRICULTURE AND RURAL DEVELOPMENT

**THE FIRST CAP REFORM UNDER
THE ORDINARY LEGISLATIVE
PROCEDURE: A POLITICAL ECONOMY
PERSPECTIVE**

STUDY

Abstract

This study evaluates how the most recent CAP reform was affected by the enhanced role of the EP; assesses the extent to which maximum influence was exercised by the EP negotiators and provides insights to assist the EP in its approach to future reform negotiations.

IP/B/AGRI/IC/2013-156

PE 529.067

December 2014

CONTENTS

LIST OF ABBREVIATIONS	5
LIST OF TABLES	9
LIST OF FIGURES	11
LIST OF BOXES	11
EXECUTIVE SUMMARY	13
1. INTRODUCTION	19
1.1 Background	19
1.2 Aim	19
1.3 Structure of the report	21
2. LITERATURE AND METHODOLOGICAL APPROACH	23
2.1 Insights from literature	23
2.2 Methodological approach	25
3. THE 2013 CAP REFORM AT A GLANCE	29
3.1 The decision-making procedure: timeline and key actors	29
3.2 The Commission proposal and the final outcome	33
4. EP INTERNAL DYNAMICS	37
4.1 The role of COMAGRI	37
4.2 The role of opinion-giving committees	49
4.3 The impact of the plenary voting	52
4.4 The crucial issue of EP resources	58
4.5 Summary and conclusions	60
5. THE EP AND THE TRILOGUE NEGOTIATIONS	63
5.1 From dialogue to trilogue	68
5.2 Outcome and influence of the EP in CAP reform	73
5.3 Summary and conclusions	79
6. EP INFLUENCE ON SPECIFIC ELEMENTS OF THE REFORM	81
6.1 Reform calendar	81
6.2 Capping	83
6.3 Greening	83
6.4 MFF negotiations	89
6.5 Market regulation	94
6.6 Article 43(3) issues	96

6.7	Summary of conclusions	97
7.	OVERALL ASSESSMENT: LESSONS AND RECOMMENDATIONS	99
7.1	Overall performance of the EP	99
7.2	Some lessons	101
7.3.	Recommendations	102
	REFERENCES	105
ANNEX I:	CO-DECISION AT A GLANCE – LEGISLATIVE PROCEDURE	113
ANNEX II:	KEY INSTITUTIONAL POSITIONS IN THE NEGOTIATION PHASE	115
ANNEX III:	COMPARISON OF THE NEGOTIATING MANDATES AND FINAL OUTCOME ON GREENING	129
ANNEX IV:	CAP-RELATED ISSUES IN THE MFF	137
ANNEX V:	EXPERTISE AND RESOURCES PROVIDED BY THE POLICY DEPARTMENT B DURING CAP REFORM	141
ANNEX VI:	Article 43(3) TFEU– EVOLUTION OF PROPOSAL COM(2011)626 – SCMO (DANTIN REPORT)	147

LIST OF ABBREVIATIONS

- ALDE** Alliance of Liberals and Democrats for Europe (political group)
- AT** Austria
- BG** Bulgaria
- BUDG** Committee on Budgets (European Parliament)
- CAP** Common Agricultural Policy
- CMO** Common Market Organisation
- COMAGRI** Committee on Agriculture and Rural Development (European Parliament)
- CONT** Committee on Budgetary Control (European Parliament)
- COREPER** Committee of Permanent Representatives
- CULT** Culture and Education Committee (European Parliament)
- DE** Germany
- DEVE** Committee for Development (European Parliament)
- DG** Directorate-General (European Commission)
- DG AGRI** Directorate-General for Agriculture and Rural Development (European Commission)
- DG CLIMA** Directorate-General for Climate Action (European Commission)
- DG COMP** Directorate-General for Competition (European Commission)
- DG ENV** Directorate-General for the Environment (European Commission)
- DK** Denmark
- DP** Direct payments
- EAFRD** European Agricultural Fund for Rural Development
- EC** European Commission

- EESC** European Economic and Social Committee
- ECR** European Conservatives and Reformists (political group)
- EFA** Ecological Focus Area
- EFD** Europe of Freedom and Democracy (political group)
- ENA** National School of Administration
- ENVI** Committee on the Environment, Public Health and Food Safety (European Parliament)
- EP** European Parliament
- EPP** European People's Party (political group)
- EU** European Union
- FR** France
- GR** Greece
- Greens/EFA** Greens/European Free Alliance (political group)
- GUE/NGL** Confederal Group of the European United Left - Nordic Green Left (political group)
- HU** Hungary
- IND/DEM** Independence/Democracy Group
- IT** Italy
- LFA** Less favoured area
- MEP** Member of the European Parliament
- MFF** Multiannual financial framework
- MS** Member State(s)
- NGO** Non-governmental organisation
- OGC** Opinion-giving committees
- OLP** Ordinary legislative procedure

- PT** Portugal
- QMV** Qualified majority voting
- REGI** Committee on Regional Development (European Parliament)
- RCV** Roll-call vote
- SAPS** Single Area Payment Scheme
- S&D** Progressive Alliance of Socialists and Democrats (political group)
- SCA** Special Committee on Agriculture
- SPS** Single Payment Scheme
- TFEU** Treaty on the Functioning of the European Union
- US** United States

LIST OF TABLES

TABLE 1:		
Party group representation in COMAGRI and in the Plenary, 6th and 7th legislatures		39
TABLE 2:		
Rapporteurs and shadow rapporteurs for the 'CAP after 2013' legislative package		40
TABLE 3:		
Interpretation of report allocation		41
TABLE 4:		
Impact of co-decision on political polarisation and political divisions inside COMAGRI		45
TABLE 5:		
Impact of co-decision on policy content and the likelihood of reform		47
TABLE 6:		
Committee referral and opinion-giving committees for the 2013 CAP reform legislative package		50
TABLE 7:		
Rapporteurs and opinion-rapporteurs regarding the 'CAP after 2013' legislative package		50
TABLE 8:		
Amendments tabled to the committee report on the CAP after 2013 reform, Plenary vote of 13 March 2013		55
TABLE 9:		
Differences between the COMAGRI vote in January 2013 and the Plenary vote in March 2013		56
TABLE 10:		
Table summarising the key institutional positions - Part I		64
TABLE 11:		
Impact of co-decision on the EU institutional triangle		74
TABLE 12:		
Role of the EP in the CAP reform		75
TABLE 13:		
Interpretation of the CAP reform timetable		82
TABLE 14:		
CAP budget allocation 2014-2020, in constant 2011 prices		89
TABLE 15:		
The MFF and CAP reform negotiations – Chronology 2011-2013		90
TABLE 16:		
Impact of the EU budget, MFF negotiations, negotiating box		92
TABLE 17:		
Overall performance of the EP in its first CAP reform co-decision		99
TABLE 18:		
Assessing the impact of the EP's role as co-legislator		100

LIST OF FIGURES

FIGURE 1: Co-decision at a glance - Legislative procedure	29
FIGURE 2: CAP-related initiative reports- Timeline	43

LIST OF BOXES

BOX 1: Interview sample	25
BOX 2: The timing of the 2013 CAP reform at a glance	32
BOX 3: The 2013 CAP reform at a glance: key elements of the EC proposals	33
BOX 4: The 2013 CAP reform at a glance: key elements of the final outcome	34
BOX 5: The draft reports in figures	41
BOX 6: Political divisions inside the political groups	44
BOX 7: Pending issues after the COMAGRI vote	46
BOX 8: MEPs and group voting behaviour on CMO at 2013 March Plenary	56
BOX 9: EP resources available in the context of the 2013 CAP reform	58
BOX 10: The negotiating box	91
BOX 11: The main elements of the new CMO regulation	94

EXECUTIVE SUMMARY

The 2013 CAP reform was affected by a number of important factors: the participation of 27 Member States in the negotiations, an unprecedented economic crisis, food price spikes on the global market, new concerns from the general public and a fundamental legitimacy crisis for a policy which will still represent a considerable share of the EU budget (EUR 362.7 billion² for the period 2014-2020), at a time when public finances are under extreme pressure. However crucial these aspects have been in determining the future design of the CAP, the extension of co-decision rules to agricultural and budgetary policies (granted by the Treaty of Lisbon in 2009) has arguably played the most decisive role in reshuffling the rules of the game. For the first time in the history of the CAP, which goes back to the origins of the EU, the institution directly representing the interests of the EU citizens took part – on an equal footing with the EU Ministers of Agriculture (the Council) – in the reform of the EU's agricultural policy.

There is only a slim body of literature exploring how changes introduced by the Lisbon Treaty might affect the decision-making dynamics in agricultural policy at EU level. Most of these studies were published before the first main co-decision experience involving a significant CAP reform, which culminated in the political agreement reached during the final CAP trilogues in June and September 2013. This study of the impact of the EP's co-decision role on the reform of the CAP is the first one to evaluate the political process which unfolded between 2010 and 2013.

This study evaluates how the most recent CAP reform was affected by the enhanced role of the EP; assesses the extent to which maximum influence was exercised by the EP negotiators and provides insights to assist the EP in its approach to future reform negotiations.

We use a (pragmatic) combination of several methodologies: semi-structured in-person interviews (34 actors consulted in total); a comprehensive amendment analysis (on the four basic CAP regulations); specific case studies on salient issues of the 2013 CAP reform.

Chapters 4 to 7 present the main findings.

Chapter 4 presents the EP's internal dynamics, and the different stages of the EP internal decision-making.

Co-decision appears to have had little impact on the composition of the COMAGRI. The vast majority of COMAGRI members came from the EPP (around 38 %) and the S&D (around 25%); all the other groups represented less than 10% - the same as in the previous legislature. A study shows that 31% of COMAGRI's full members had been members of farmers' unions or cooperatives or had been farmers or owned a farm; and that 24 % of members of COMAGRI had held a ministerial or other public office in agriculture or had a special expertise in agriculture. There is no evidence that this is significantly different from before.

² In 2011 constant prices: 277.8 bn for Pillar 1 and 84.9 bn for Pillar 2 (European Parliament (2013), European Council Conclusions on the Multiannual Financial Framework 2014-2020 and the CAP, Note, Policy Department B).

COMAGRI was able to come to an agreement (in January 2013) which reflects its ability to overcome divisions within and between political groups. These divisions came more strongly to the fore under co-decision due to the increased responsibility linked to binding legislation and the related need to reach a coherent and common position within COMAGRI.

When assessing the nature of COMAGRI's influence on the reform, we find that, generally speaking, COMAGRI was pushing for a lower level of reform than the EC, although this cannot be generalised to all policy issues. The status quo bias was clearest when considering the environmental component of the new CAP, which proved to be one of the most controversial areas of the reform.

The increased legislative activity and workload linked to co-decision (the introduction of 8 000 amendments) may be linked to the MEPs' willingness to make a difference on this first CAP reform under co-decision but may also be linked to the technological facilitation provided by the AT4AM system for tabling amendments.

Other parliamentary forums, such as the opinion-giving committees and the plenary, also played an important role in EP decision-making. Opinion-giving committees appeared to have had a marginal influence on the outcome, mainly due to the application of the default procedure (as opposed to the reinforced cooperation procedure). ENVI seems to have been the most active (the highest number of amendments introduced), while DEVE had the highest number of amendments adopted by COMAGRI. The relationship between COMAGRI and ENVI was tense throughout the process, not least because of ENVI's natural predisposition to legislate on environmental issues, which were at the heart of this reform. This discussion raises the broader question of the routes and ways in which opinion-giving committees should be associated with high-profile dossiers such as the CAP.

The differences between the plenary vote – and the adoption of the EP negotiating mandates on the four basic CAP regulations in March 2013 – and the COMAGRI vote two months earlier were relatively small. In the plenary vote, country cohesion was sometimes stronger than party cohesion, especially on strategic roll-call votes where some MEPs favoured national interests (for example on the CMO file).

The application of Rules 70 and 70a to the CAP reform enabled the EP to enter negotiations with the Council on a strong footing by giving it the backing of the full Parliament. It also enabled the EP to still be on track for a first-reading agreement, which would have been impossible (given the timing imperative imposed by the MFF) without the new Rules. The latter may also be seen as an extra step in an already complex process, which may counteract the efficiency gains of a first-reading agreement.

The increased responsibilities linked to co-decision were not matched with a substantial increase in EP in-house resources. Generally speaking, the ability of COMAGRI to deal with the political aspects (as opposed to technical aspects) of the CAP reform package does not seem to have been undermined by limited resources. While there seems to be an agreement that EP resources should be adapted to its new legislative functions, there is no agreement as to how precisely these resources should be enhanced, in particular to avoid a technocratic drift (i.e. a transfer of power from the MEPs to the experts). The discussion on resources also needs to be considered in the light of the nature of the EP, as a political institution, as opposed to the Council, which is more of an administrative body, and the vocation of the EC to provide EU-wide expertise and information.

Chapter 5 analyses the negotiating phase of the 2013 CAP reform process, between April and September 2013.

A new working culture seems to have emerged as a result of co-decision, but not always successfully. Areas for improvement in the communication between the institutions exist and the understanding of their respective roles needs to be enhanced. Informal contacts between the respective negotiating teams are recognised as crucial to further develop this new interinstitutional working culture and to enable successful negotiations.

Co-decision also intensified the contacts and relationship between non-institutional actors and the EP, which was sometimes criticised for being too open to the influence of certain specific actors or stakeholders. Co-decision reinforced the need for civil society actors and stakeholders to organise themselves at European level in order to influence a more complex and heterogeneous EU decision-making system. A key question here is whether the limited EP in-house resources and its reliance on external sources of expertise inevitably makes it more vulnerable to the influence of outside actors.

The success of the Irish Presidency can be considered as an indication of how co-decision can work successfully. In particular, by investing heavily in personal relationships with EP negotiators and dealing with the most sensitive issues as a package, the Irish team integrated the new interinstitutional dynamics into their strategy, which effectively led to a political agreement on the four basic CAP reform acts.

On the other hand, the episode of delegated acts may be seen as an illustration of where areas for improvement remain. Institutional arrangements should be put in place with regard to the future preparation of these acts.

In terms of influence, the EP undoubtedly enjoyed new powers under co-decision. In the 2013 CAP reform, more than half of its amendments on the most sensitive issues of CAP reform were incorporated into the final outcome.

However, its limited technical resources, compared to the two other institutions, may have reduced its ability to negotiate on an equal footing with the Council and to propose viable alternatives to the EC's proposals.

The impact of the EC's power is ambiguous: it has increased its role as facilitator and draws influence from its expertise (and the EP's reliance on it). However, it also clearly had much less influence on issues where the EP and the Council were allies. Our amendment analysis indicates that the EP partnered more easily with the Council (they shared the same positions in the highest number of cases) and that it was also most successful when it partnered with the Council.

Chapter 6 presents insights from key issues of the 2013 CAP reform: the management of the CAP reform calendar, the EP's position on capping, the role of the EP in the evolution of the greening proposal, the impact of the simultaneous MFF negotiations on the CAP reform in general and the EP's influence in particular, and the particular case of the CMO regulation and the related Article 43(3) issues³.

³ Article 43(3) TFEU excludes a short list of issues from co-decision: the measures relating to fixing prices, levies, aid and quantitative limitations are to be legislated upon separately via a Regulation of the Council.

The original reform calendar, i.e. the implementation of a new CAP by 1 January 2014, can be considered as 'unrealistic' given the parallel MFF negotiations and the natural duration of interinstitutional negotiations on a high-profile dossier such as the CAP. The internal EP process could have been slightly shorter (or more efficient) but the duration of the process also enabled the EP negotiators to build a good work environment and trust.

The EP's position on capping was ambiguous but also somewhat contradictory during the process. The EP influenced the decision on greening on specific issues. Several of its amendments to the EC proposal were included in the final legislative agreement. Most of these amendments were supported by the Council. Compared to the Commission proposal, the EP wanted an extended list of farmers covered by 'green by definition' and less areas to be included in EFAs; the EP wanted permanent grassland to be identified at the regional rather than individual level; the EP sided with the Commission against double funding; and wanted lower penalties for non-compliance with greening.

The parallel MFF negotiations were an important constraint on co-decision, as they restricted the EP's room for manoeuvre on a number of key issues and set the overall framework within which the EP and the Council could negotiate. However, the small achievements the EP managed to secure in the last trilogue meeting in September 2013 have set a precedent and are indicative of the EP's determination to ensure that co-decision rules are respected.

Regarding the EP's position on the CMO regulation and Article 43(3), the EP may have used the arguments of the economic and food crises as justification for a stronger regulation of agricultural markets and more support to European farmers. The CMO file was one of the most complex and controversial files of the full CAP reform package, because of the competition issues it raised and because of the 'Article 43(3) issues'. The EP lost negotiations on most of the issues covered by Article 43(3) but this episode does not pre-empt how they should be dealt with in the future.

Chapter 7 presents an overall assessment of the EP's performance in this first CAP reform under co-decision, and draws lessons for the future from this.

Several people involved in the decision-making considered the fact that a political agreement was reached and a new CAP will enter into force on 1 January 2015 as a sign that 'co-decision works'.

This positive evaluation is also reflected in the 'mark' that the EP received from those who were interviewed for this study. On average, our interviewees gave a mark of 4.85 on a scale of 1-7 (with 7 being the top mark) for the EP's performance in the CAP reform process; and the evaluation was relatively constant across representatives from different European institutions. Outsiders gave a less positive evaluation.

The increase in accountability and transparency is a notable and positive evolution linked to co-decision, although this should not overshadow other issues revealed by the 2013 CAP reform process, for example the complexity of the four adopted regulations, which renders democratic scrutiny over the process more difficult. Importantly, the relative success of this co-decision experience should not be confused with policy change or reform, which some have argued became more difficult with the involvement of the EP as co-legislator.

Preliminary lessons from this first CAP reform under co-decision include (amongst others):

- the increased participation of civil society;
- a relatively good working environment within the EP negotiating team, and between other institutional teams (although improvements in the working culture need to be made);
- A stronger compromise culture linked to the increased number of amendments.

This first experience also showed that (amongst others):

- adapting the internal institutional mechanisms to reflect the change in power is difficult and takes time. The EP is still less influential (especially on institutional issues such as Article 43(3) despite the formal increase in power);
- individuals play an important role in the success of the negotiations (which makes the choice of these individuals decisive);
- Unsurprisingly, preparation, communication and compromise are three key words to keep in mind for future CAP reform negotiations.

1. INTRODUCTION

1.1 Background

The history of the EU's Common Agricultural Policy (CAP) has been largely characterised by incremental change, with more significant reform initiatives only being seen during the last two decades (1992 and 2003 reforms). In 2010, the EU re-opened the CAP for reform and after three years of interinstitutional negotiations, which took place in a context of economic turmoil and budget austerity, a final agreement on the future design of this policy was reached on 24 September 2013 and confirmed by the vote of the European Parliament (EP) in its plenary session of 20 November 2013.

A number of important factors and determinants can be identified as having had a significant influence in this process: the participation of 27 Member States in the negotiations, an unprecedented economic crisis, food price spikes on the global market, new concerns from the general public and a fundamental legitimacy crisis for a policy which will still represent a considerable share of the EU budget (362.7 billion euros⁴ for the period 2014-2020), at a time when public finances are under extreme pressure. However crucial these aspects have been in determining the future design of the CAP, the extension of co-decision rules to agricultural and budgetary policies (granted by the Treaty of Lisbon in 2009) has arguably played the most decisive role in reshuffling the rules of the game. For the first time in the history of the CAP, which goes back to the origins of the EU, the institution directly representing the interests of the EU citizens took part – on equal footing with the EU Ministers of Agriculture (the Council) – in the reform of the EU's agricultural policy.

There is only a slim body of literature exploring how changes introduced by the Lisbon Treaty might affect the decision-making dynamics in agricultural policy at EU level, including Cunha and Swinbank (2011) and Swinnen and Knops (2012). Greer and Hind (2012) describe it as 'relatively uncharted territory'. Most of these studies were published before the first main co-decision experience involving a significant CAP reform, which culminated in the political agreement reached in the final CAP trilogues in June and September 2013. The political process which unfolded between 2010 and 2013 is therefore the only case on which this study of the impact of the EP's co-decision role on the reform of the CAP can be based.

1.2 Aim

The aim of the present study is to:

- Evaluate how the most recent CAP reform was affected by the enhanced role of the EP.
- Assess the extent to which maximum influence was exercised by the EP negotiators.
- Provide detailed recommendations to assist the EP in its approach to future reform negotiations.

Within the general objectives, more specific objectives aim to analyse and understand how

⁴ In 2011 constant prices: 277.8 bn for Pillar 1 and 84.9 bn for Pillar 2 (European Parliament (2013), European Council Conclusions on the Multiannual Financial Framework 2014-2020 and the CAP, Note, Policy Department B).

co-decision has affected a series of factors and aspects of the process and how these impacts have affected the overall influence of the EP on the CAP reform outcome. These specific issues are grouped into four main areas:

EP internal dynamics:

- the dynamics and the work within the Committee on Agriculture and Rural Development (COMAGRI) (political divisions, internal votes, the workload related to the amendments, etc.);
- the role of the new Articles 70 and 70a of the EP internal rules of procedure⁵, in order to facilitate the trilogue negotiations within the first reading;
- the way the different national or sectoral interests were reflected in the reform agreement and the extent to which the EP helped reconcile the common interest with these more narrow intents;
- how the internal dynamics of the functioning of the EP, e.g. the relationship between COMAGRI and the plenary or between COMAGRI and the opinion-giving committees, have been affected by co-decision and how these in turn have influenced the role of the EP.

Interinstitutional dynamics:

- how co-decision affected the interinstitutional balance and working culture between and within the three institutions;
- how disagreements were resolved concerning the constitutional issues embodied in the battle over the distribution of powers between the institutions regarding the so-called Article 43(3) TFEU issues and the choice between implementing and delegated acts within the Basic Acts.

External factors⁶:

- the impact of the parallel process of the MFF negotiations⁷ and the extent to which this eroded the EP's influence on important aspects contained in the CAP legislative texts;
- how other external factors, such as the side-effects of the food price spikes in 2007-2008, or the prevailing economic conditions in the EU have affected this CAP reform in comparison to previous rounds;
- how interest groups and lobbies have adapted their influence strategies to the new decision-making rules and how this, in turn, influenced the EP.

Enhancers and constraints on the EP's influence:

- whether it is possible to identify particular instances where the influence of a single individual (e.g. Commissioner, COMAGRI Chair, lead rapporteurs, Presidency negotiators, etc.) was telling in determining part of the reform outcome;

⁵ The numbering of these new rules has recently changed to Articles 73 and 74 (for Rules 70 & 70a respectively). However, to avoid confusion, we will refer to these using their old numbering to be consistent with the way they were discussed during the 2013 CAP reform.

⁶ We draw the reader's attention here to the absence of the WTO in the list of external actors, as international trade negotiations played a marginal role in the 2013 CAP reform, compared to previous reform rounds where WTO agreements could be seen as the main driver of reform.

⁷ Considering the inextricable character of the CAP reform and MFF negotiations, the latter can arguably also be described as an internal factor to the decision-making on the CAP.

- how the increased complexity involved in the process of trilogue negotiations affected not just the outcome but also the reform timetable;
- whether pressure to reach a first-reading agreement within the 2009-2014 legislative term constrained the EP's influence;
- the extent to which differences in the technical capacities (including the asymmetries in the working culture experiences between the EU institutions) and administrative resources that could be deployed to support the negotiators of the respective institutions affected the EP's ability to benefit fully from its newfound co-decision powers.

1.3 Structure of the report

The structure of the report reflects these different areas of analysis.

Sections 2 and 3 provide a literature review and some background information on the timing, the procedure and the key actors of the 2013 CAP reform.

Section 4 analyses the dynamics at play within the EP between the publication of the EC proposals on 12 October 2011 and the adoption of the EP negotiating mandate on 13 March 2013. It discusses the internal dynamics within COMAGRI (its members, workload, resources and political divisions), the role of the opinion-giving committees (and especially the ENVI Committee) and the relationship between COMAGRI and the plenary (with a particular focus on the role played by Rules 70 and 70a of the EP internal rules of procedure).

Section 5 analyses the way in which interinstitutional dynamics evolved under co-decision, in particular during the 'negotiating phase' between April 2013 and September 2013. It also identifies which coalitions were the most successful in changing or preserving the EC's original proposals and how the working culture between the negotiators and their teams (but also with civil society actors) developed. Finally, in this section we also look at specific illustrations of interinstitutional dynamics: the negotiations on the CAP reform delegated acts and the role played by the Irish Presidency (January-June 2013).

Section 6 completes the analysis undertaken in previous sections by looking more closely at certain aspects of the 2013 CAP reform that merit further attention. In particular it discusses the EP's responsibility in managing the reform calendar and its position on capping. It also analyses what impact the EP had on the evolution of the greening component of the reform and how the simultaneous MFF negotiations affected the process in general and the EP's influence in particular. Finally it addresses the link between the economic and food crises and the EP's positions on the CMO, including on the so-called 'Article 43(3) issues'.

Finally, section 7 attempts to provide an overall assessment of the EP's performance in this first CAP reform under co-decision, before proposing a few tentative lessons and recommendations for future reform rounds on the CAP.

2. LITERATURE AND METHODOLOGICAL APPROACH

2.1 Insights from literature

There are several strands in economic and political science literature which are of great relevance to this study, in particular political economy studies and studies analysing co-decision and the CAP. The political economy literature provides explanations for why governments do what they do regarding agricultural policies (see de Gorter & Swinnen (2002), Swinnen (2008) and Anderson, Rausser and Swinnen (2013) for reviews). Theoretical and empirical political economy studies show that a variety of factors (including changes in economic conditions; costs of collective action; policy costs in terms of budgetary outlays and market distortions; preferences of voters, politicians and interest groups; political institutions; etc.) need to be taken into account to understand agricultural policy outcomes.

A series of studies have used these insights (and contributed their own) to analyse CAP reforms (see, for example, Runge and von Witzke (1987), Pokrivcak, de Gorter and Swinnen (2001), Pokrivcak, Crombez and Swinnen (2006), Cunha and Swinbank (2011) and various chapters in Swinnen (2008)). These studies provide useful insights into which 'broader' factors (such as the budget, trade policy disciplines, the evolution of agricultural prices and incomes, etc.) need to be taken into account in political economy analyses to fully understand agricultural policy outcomes (and the dynamics behind them).

A focal point of our study is the impact of changes in EU decision-making rules (and co-decision specifically) on EU policies (and on the CAP specifically). Several studies have analysed the impact of changes in EU decision-making rules on EU policies, including Crombez (2008), who analyses the impact of the introduction of qualified majority voting (QMV) in the Council. Other studies have focused on the co-decision rules and how their introduction (or extension) has affected the distribution of powers between the three EU institutions, and how the EP has exploited this new distribution to increase its influence on legislation (Shackleton, 2000, Corbett et. al, 2003, Maurer, 2003).

These studies focus typically on other sectors where the EP has been part of the decision-making process for much longer (in some cases almost 20 years, i.e. since the entry into force of the Maastricht Treaty). For example, Burns, Rasmussen and Reh (2013) provide an extensive overview of the lessons that can be drawn from the EP's co-decision experience. In particular, they document how the introduction of co-decision affected the extent to which the EU constitutes a political system, the character of this system and whether it has contributed to increasing its democratic legitimacy. Until recently, these analyses did not concern the CAP, which was decided under the consultation procedure until the entry into force of the Lisbon Treaty (2009). This materialised into the new Articles 43.2 and 43.3 TFEU:

43.2 The European Parliament and the Council, acting in accordance with the ordinary legislative procedure and after consulting the Economic and Social Committee, shall establish the common organisation of agricultural markets provided for in Article 40(1) and the other provisions necessary for the pursuit of the objectives of the common agricultural policy and the common fisheries policy.

43.3 The Council, on a proposal from the Commission, shall adopt measures on fixing prices, levies, aid and quantitative limitations and on the fixing and allocation of fishing opportunities.

Only measures relating to fixing prices, levies, aid and quantitative limitations and on the fixing and allocation of fishing opportunities are exceptions to the co-decision procedure and are still legislated upon separately via a Regulation of the Council.

Given the recent character of this institutional development, there are only a few studies which have discussed (or speculated on) the impact of co-decision on CAP reform. Roederer-Rynning and Schimmelfennig (2012) argue that the parliamentarisation of the CAP followed a constitutional logic rather than a policy-seeking logic: the connection between decision-making rules and policy outcomes was unclear from the outset, and co-decision could equally be seen as strengthening reform and as entrenching the status quo by giving it the legitimacy of EP-backed legislation. Greer and Hind (2012), on the other hand, suggest that this may result in a potentially broadened agricultural policy agenda. This point was shared by Roederer-Rynning (2003, 2010) who argued that the new rules would bring new people into COMAGRI, which would affect the power of vested interests and could make the CAP accountable to a wider constituency. However she, and others such as Swinnen and Knops (2012), also suggests that co-decision might slow down the pace of reform by placing new technical and political constraints on the Commission's right of initiative. The extent to which co-decision may influence the outcome of the 2013 CAP reform depends crucially on the structure of relative preferences for reform (Crombez and Swinnen (2011); the introduction of co-decision reduces the prospects for CAP reform if the EP is seeking a lower level of reform than the Commission. Cunha and Swinbank (2011) make interesting predictions on the way the internal functioning of the EP may influence the EP's influence in the process and in particular the relationship between COMAGRI and the plenary session.

Greer and Hind (2012) discuss how co-decision would affect the interinstitutional balance and propose four scenarios: the conventional scenario where the EP acquires more power at the expense of the other institutions but is constrained by limited resources; the Council-EP axis where the Council fills the void created by the lack of EP resources; the Commission-centric model where the Commission manages to extend its powers, and finally the status quo scenario where the changes in decision-making rules produced stasis, a more protracted decision-making process that made reform more difficult by reinforcing the status quo. In a recent article (December 2013), Greer concludes that the 2013 CAP reform confirms the highly resistant-to-change nature of the CAP and that agricultural interests are still influential enough to insulate the CAP against pressures for radical reform. He also suggests that the increased role of the EP reinforced the dominant 'state-assisted' conception of agricultural policy.

This brief literature review demonstrates that studies have attempted to predict and speculate on the EP's influence on agricultural policy based on conceptual models and lessons from other policy areas. Most of these studies were published before the first main co-decision experience involving a significant CAP reform, which culminated in the political agreement reached in the final CAP trilogues in June and September 2013.

This is the first time the hypotheses have been tested against the valuable empirical evidence provided by the first CAP reform under co-decision, which took place between 2010 and 2013. This study of the impact of the EP's co-decision role on the reform of the CAP is the first one to evaluate this political process.

We have used several of the hypotheses stemming from literature, as reviewed above, as input in the design of our analysis, and in preparing the interviews conducted for this study.

2.2 Methodological approach

Given the tight deadline imposed on the study and our knowledge of ongoing research we could draw on, the chosen methodological approach is a (pragmatic) combination of several methodologies:

- Semi-structured in-person interviews
- Amendment analysis
- Specific case studies on salient issues of the 2013 CAP reform

2.2.1 Interviews

For the interviews, we established a non-exhaustive list of key actors directly and indirectly involved in the preparation and negotiations of the 2013 CAP reform. Despite the time constraints and the limited availability of selected individuals, we were still able to interview a large number of key individuals (34 in total).

We managed to achieve a fairly balanced share of experts from the EP (19, or 56 %) and from outside the EP (15, or 44 %). A more detailed breakdown of distribution is provided in Box 1.

Box 1: Interview sample

A total of **34 people** were interviewed between 12 February 2014 and 2 April 2014, from the EP, the EC, the Council of Ministers and civil society. In particular:

- **19 actors from the EP, comprising leading members of COMAGRI (8), their advisers and assistants (6), and members of the EP staff (5)**
- **7 actors from the EC working on the CAP, including members of the cabinet of Commissioner Ciolos, DG AGRI, and other DGs**
- **4 actors from the Council of Ministers and the Presidency**
- **4 civil society actors and external observers**

The interviews were prepared based on the methodological considerations outlined in Phellas et al (2011). The questionnaire was adapted to each interviewee based on the file and the institution/body he or she worked for. When the questionnaire could not be followed strictly speaking, for example in the case of time constraints, the same topics covered by the questionnaire were addressed to the largest extent possible. The questions were based on hypotheses drawn from literature and were aimed at investigating how co-decision affected different aspects of the decision-making process (within the EP but also between the institutions), how the EP performed in its co-legislator mandate, how other external factors influenced the process in general and the EP in particular, and finally which specific lessons could be drawn from this first co-decision experience on the CAP.

The interviews conducted for this study lasted between 30 minutes (for the shortest one) and 2 hours (for the longest one). Some people were interviewed in pairs, for example an MEP and his assistant/adviser or two collaborators working on the same file (5). Where in-person interviews were not feasible (due to availability constraints), phone interviews were conducted instead (6). In a limited number of cases (6), the interview was carried out via e-mail (the questionnaire was sent and the answers were returned within an agreed deadline). Interviews were transcribed and returned to the interviewees for potential comments and corrections.

It is important to emphasise that the interviews were carried out based on the assurance that full anonymity would be guaranteed. This allowed the interviewees to be frank and open in their answers. For this reason, the identity of the interviewees will not be disclosed and their comments will be used for the purpose of this study only.

Finally, when processing the interview results, we tried to provide a qualitative summary of views which were shared during the discussions but also some pieces of quantitative information on a few multiple choice questions, for which the response rate was above 50 %⁸.

2.2.2 Amendment analysis

The amendment analysis undertaken for this study is based on the work of Ferto and Kovacs (2014) and investigates both the role the EP played during the trilogue negotiations and the EP internal decision-making process. Both *institutional coalitions* and *success rates* of EP amendments were analysed⁹.

For the analysis of institutional coalitions, 93 key CAP policy issues in the 4 legislative proposals were identified and analysed: 43 cases in the regulation on Direct Payments (DP), 22 cases in the regulation on the European Agricultural Fund for Rural Development (EAFRD), 21 cases in the regulation on the Common Market Organisation (CMO) and 7 cases in the Horizontal Regulation (HZR) (see Annex 2). In each case, the respective positions of the three institutions that participated in the trilogue negotiations (EC, EP, Council) were identified. Their respective positions were then compared to see which institutions shared the same views on these key CAP policy issues. The objective of this analysis was twofold: to identify the coalition formulation patterns among the three institutions and to identify the winning coalitions, i.e. coalitions whose position was finally chosen and incorporated into the final agreement.

Regarding the success rate of the EP amendments, successful amendments are defined as the changes proposed by the EP which were (at least partly) adopted and incorporated into the text of the final CAP regulations. The success rate represents the ratio of EP adopted amendments to the total number of amendments introduced. The dataset includes amendments on the four CAP proposals on Direct Payments, the EAFRD, the CMO and the HZR. Amendments in the dataset have been categorised partly following the methodology proposed by Kreppel (Kreppel 1999 and 2002).

The success rate taken in isolation may not reveal much about the importance of the amendments that were adopted and hence the nature of the legislative influence. For this reason, the complete amendment analysis in Ferto and Kovacs (2014) also distinguishes between different types of amendments. We will draw on these findings where relevant and refer to the Ferto and Kovacs (2014) report for details.

⁸ In some cases, only part of the questionnaire could be addressed which means that not all interviewees answered all the questions. We account for this factor in the 'response rates' attached to the presentation of our interview results in the next sections of this study. Also, in our calculations, we counted as 'one response' the answers provided by two interviewees when they took part in the interview together and provided one joint contribution.

⁹ These methodological considerations draw on Ferto and Kovacs (2014).

2.2.3 Case studies on specific reform elements

Case studies on some of the most salient issues of the 2013 CAP reform have been carried out to further investigate areas for which the interviews and amendment analysis were not sufficient. Particular attention was given to:

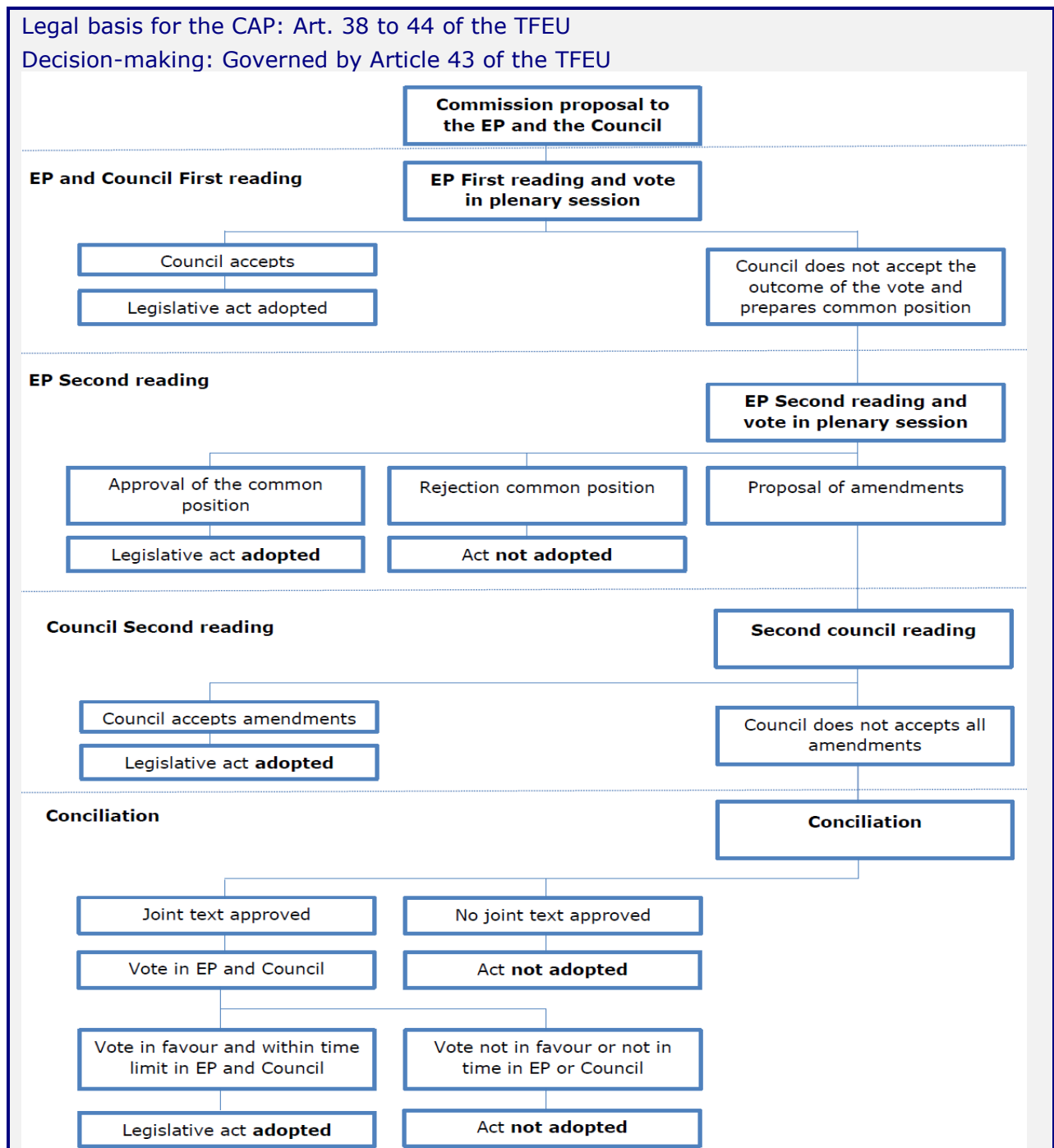
- The interinstitutional management of the reform calendar.
- The position of the EP on capping.
- The role of the EP in the evolution of the EC's greening proposal (from its publication to the final political agreement and the corresponding delegated acts).
- The impact of the simultaneous MFF negotiations on the CAP reform process itself but most importantly on the role of the EP.
- The impact of economic considerations (including the food price spikes) on the EP's position on market regulation (included in the CMO file).
- The interinstitutional battle over Article 43(3) issues.

3. THE 2013 CAP REFORM AT A GLANCE

3.1 The decision-making procedure: timeline and key actors

Since the entry into force of the Treaty of Lisbon in 2009, most of the CAP-related issues have been decided using the **Ordinary Legislative Procedure** (OLP), previously called co-decision. For purposes of clarity, **the OLP will be referred to as co-decision throughout this study**. Figure 1 provides a summary of the different stages of this procedure. In the case of the 2013 CAP reform, the agreement was reached in first reading.

Figure 1: Co-decision at a glance - Legislative procedure



Although the informal consultations started earlier, as far back as 2008-2009, the official process lasted four years, from 2010 to 2014. Box 2 below provides a timeline of the key dates of this reform.

In broad terms, the process can be split into different phases, during which various institutional and non-institutional actors played specific roles.

Firstly, the 'agenda-setting' phase took place between April 2010 and October 2011 (eighteen months) and culminated with the publication of the EC Communication in November 2010 and the legislative proposals in October 2011 on the four CAP regulations: **Direct Payments (DP), Rural Development (EAFRD), Common Market Organisation (CMO)¹⁰, Horizontal Regulation (HZR)**. In addition to the public consultation which was organised during this phase (see Box 2), this period is also significant owing to the inter-service consultation which took place between **DG AGRI** (which initiated the proposals under the impetus of the **Commissioner for Agriculture and Rural Development, Dacian Ciolos**) and the other DGs of the EC. In the 2013 CAP reform, DGs Environment (ENV), Climate Action (CLIMA) and Competition (COMP) are believed to have played a particularly important role in this internal procedure.

Secondly, once the proposals were published, they went to the EP and the Council, the co-legislators of the texts, for the 'processing phase' which took place from October 2011 to April 2013 (eighteen months). There are several important moments in this processing phase and we will mainly focus here on the EP internal procedure.

- The first step for the EP was *referring* the legislative texts to a **responsible committee¹¹**, based on the competences described in Annex VII of the EP internal Rules of Procedure¹². This responsible committee is in charge of making legislative proposals to the plenary. On 25 October 2011, the EP designated **COMAGRI** as the committee responsible for the 2013 CAP reform package.
- Besides the referral to the responsible committee, the EP also decided on how to **associate other committees (the opinion-giving committees)** with the decision-making process. Here, the EP leadership (Presidency or the Conference of Presidents in case of a dispute) had two main options: to concentrate leadership within the responsible committee (default procedure), or to allow for some degree of joint leadership between the opinion-giving and the responsible committees (reinforced cooperation procedure). In the case of the 2013 CAP reform package, the default procedure applied (where the leadership remains with the responsible committee). The EP specified different constellations¹³ of opinion-giving committees for each of the legislative proposals (see Table 6 in Chapter 4).

¹⁰ The new CAP regulation establishes a 'Common Market Organisation', thereby repealing the *single* Common Market Organisation (SCMO). The expression SCMO has been used, however, in the context of the 2013 CAP reform.

¹¹ Referral proposals are prepared by the Directorate-General for the Presidency in coordination with the secretariats of the stake committees, and announced in plenary by the Presidency. In case of disagreement, referral decisions are forwarded to the Conference of the Presidents, which must make a decision within six weeks on the basis of a recommendation from the Conference of Committee Chairs, unless the original recommendation withstands (process described in Corbett et al. 2011, p. 153).

¹² These rules govern the internal functioning of the EP. Their numbering will change as of 1 July 2014. The numbering used throughout this study corresponds to the previous numbering, in place during the CAP reform process. The corresponding new numbers can be found under <http://www.europarl.europa.eu/sipade/rulesleg8/Rulesleg8.EN.pdf>.

¹³ Not all opinion-giving committees chose to draft opinion reports, and not all opinion-giving committees granted equal attention to all four legislative proposals. For example, the Environment Committee (ENVI) chose to focus only on two sets of legislative proposals, namely direct payments and rural development (see Tables 6 & 7).

- The responsible committee – in this case COMAGRI – then proceeded with the designation (after negotiations between and within political groups) of the leading MEP(s) who would be in charge of presenting the first draft of a future EP position and leading the internal negotiations to bring the EP to a joint position. They are the **rapporteurs and the shadow rapporteurs**¹⁴. The political coordinators of each political group and the COMAGRI Chair play an important role in designating these actors. The full list of rapporteurships and shadow rapporteurships for the 2013 CAP reform are provided in Table 7 in Section 4.
- The rapporteurs have the mandate to draft amendments which will form the basis of the EP's position (adopted in the plenary). These original amendments take the form of **draft reports** presented to the Committee and following which a **deadline for amendments** is set for the shadow rapporteurs and other members to introduce their amendments (including those from the opinion-giving committees). In the case of the 2013 CAP reform package, over 8 000 amendments were introduced by the deadline of July 2012.
- Internal negotiations took place between the rapporteurs and the shadow rapporteurs, in the form of '**shadow meetings**'. These were aimed at evening out differences and finding compromises on the key legislative issues. The roles of the group coordinators and the COMAGRI Chair are also key here to make this internal process successful.
- After 6 months of internal negotiations, a **vote in COMAGRI** took place on 23 and 24 January 2013 on 279 compromise amendments. Two months later, and in accordance with Rules 70 and 70a of the EP internal rules of procedure (see Chapter 4), the texts adopted by COMAGRI were **brought before the plenary for a vote**, which took place on 13 March 2013, to adopt four negotiating mandates (on the four CAP reform regulations), based on which the EP was able to start negotiating with the Council.

This brings the process to the third stage; the negotiating phase, which took place between April 2013 and June 2013.

The negotiations between the two co-legislators were able to start based on the negotiating mandates of the EP and the **Council of Agricultural Ministers**, adopted on 13 March 2013 and 25 March 2013 respectively. These negotiations took the form of what are called '**trilogue meetings**', where the EP, the Council and the EC attempt to come to an agreement on a joint version of the legislative texts. In the case of the 2013 CAP reform package, around 50 trilogue meetings took place, leading to a political agreement on 26 June 2013 on **the basic acts of the four regulations (in first reading)**. This phase will be detailed in Chapter 5.

Although not formally involved in the co-decision per se, the role of the **European Council** should also be underlined here, as it drew up the framework for the CAP reform process and affected it in important ways. Its conclusions on the MFF reached in February 2013 restricted the room for manoeuvre of both the EP and the Council in the negotiating phase. This will be addressed in Chapter 6.

¹⁴ The shadow rapporteurs are the lead MEPs of the other political groups (other than the political group of the rapporteur) who are in charge of following the designated file. As stated in Rule 192(4) of the EP internal rules of procedure: *The political groups may designate a shadow rapporteur for each report to follow the progress of the relevant report and find compromises within the committee on behalf of the group. Their names shall be communicated to the committee Chair. The committee, on a proposal from the coordinators, may in particular decide to involve the shadow rapporteurs in seeking an agreement with the Council in ordinary legislative procedures.*

Finally, an ultimate phase was started after the co-decision procedure: the adoption of the **Delegated Acts**, which is still ongoing. This has triggered an intense interinstitutional discussion on the interpretation of the political agreement, which was partly resolved by the approval of a first set of delegated acts in April 2014.

Box 2: The timing of the 2013 CAP reform at a glance

12 April 2010: The Commission launched a public debate on the CAP's future, objectives, principles and contribution to the 'Europe 2020' strategy. The public debate stayed open for contributions until 11 June 2010 (a total of 5600 contributions were received).

18 November 2010: Based on the outcome of the public consultation, the Commission presented a communication on 'The CAP towards 2020', which highlighted the key challenges and major policy issues regarding EU agriculture and rural areas and outlined the possible policy orientations and options for the future. The communication was aimed at launching the debate with the other institutions and with stakeholders.

12 October 2011: The Commission presented a set of legal proposals on the CAP, which served as a starting point for the negotiations with the other institutions.

23-24 January 2013: COMAGRI voted on the four CAP reform regulations.

8 February 2013: The European Council reached an agreement on the MFF 2014-2020.

13 March 2013: The EP adopted its negotiating mandates on the four CAP reform Basic Regulations.

19 March 2013: The Council adopted its general approach on CAP reform.

25 March 2013: The Council adopted its mandates on the four CAP reform regulations.

11 April 2013: The interinstitutional negotiations started with the opening of the trilogue meetings on the four CAP reform regulations.

27-28 May 2013: An informal Council was held in Dublin as part of the negotiations on the CAP reform package.

26 June 2013: A political agreement on the reform of the CAP was reached between the Commission, the EP and the Council, under the Irish Presidency.

20 November 2013: The European Parliament approved the four Basic Regulations in a plenary vote.

16 December 2013: The Council formally adopted the four Basic Regulations for the reformed CAP as well as the Transition Rules for 2014.

20 December 2013: The four Basic Regulations and the Transition Rules were published in the Official Journal.

11 March 2014: The Commission adopted ten 'Delegated Acts' that clarify technical implementation details of the reform.

7 April 2014: COMAGRI approved the Delegated Acts in its committee meeting of 7 April. The EP plenary did not object to these Delegated Acts in its last plenary session of the 2009-2014 legislative term (14-17 April 2014). The Council accepted these acts on 14 April 2014.

Sources: European Commission website, www.capreform.eu, Matthews (2014).

3.2 The Commission proposal and the final outcome

In October 2011, the EC published its legislative proposals on the future of the CAP, which were then amended by the EP and the Council. Boxes 3 and 4 provide a brief overview of the key elements of the CAP reform package as proposed by the EC and as adopted by the EP and the Council in 2013.

Box 3: The 2013 CAP reform at a glance: key elements of the EC proposals

On 12 October 2011, Commissioner Ciolos published his proposals for the future of the CAP 2014-2020. The rationale of these proposals can be summarised as a 'fairer, greener and simpler CAP'. In particular, the proposals included the following main elements:

A **greening component**: tying 30 % of direct payments to three environmental measures, in addition to the cross-compliance requirements.

A **stronger convergence of payments**: ensuring that the levels of payments between and within MS move towards the EU average by 2019, and imposing a higher ceiling on the largest payments (capping).

A **reorganisation of the rural development funding**: moving from 4 axes to a set of new priorities, to stimulate rural employment and entrepreneurship. Rural development funding is also put under the Common Strategic Framework, together with the cohesion and fisheries policies.

New **risk management tools and collective organisations**: new ways for producers to manage risks linked to increased price volatility and to organise themselves in a more competitive and balanced food chain.

New schemes to **support small and young farmers**: two additional payments to support small farms and encourage the establishment of new entrants.

A **simpler and more efficient** CAP.

Additional investment in **research and innovation**.

Source: European Commission website, Legal proposals for the CAP after 2013.

Box 4: The 2013 CAP reform at a glance: key elements of the final outcome

A **greening component**: up to 70 % of the Direct Payments envelope will be dedicated to the new Basic Payment Scheme, while 30 % of the available national envelope is linked to the provision of certain sustainable farming practices as a reward for the provision of environmental public goods ('greening component').

A stronger convergence of payments:

- **Between Member States:** MS where the average payment (in € per hectare) is currently below 90 % of the EU average will see a gradual increase in their envelope (by one third of the difference between their current rate and 90 % of the EU average). Moreover, there is the guarantee that every Member State will reach a minimum level by 2019.
- **Within Member States:** MS that maintain allocations based on historical references must move to more similar levels of the basic payment per hectare. They can choose to take a regional or national approach. Furthermore, they can choose to achieve a regional/national rate by 2019 or to ensure that those farms getting less than 90 % of the regional/national average rate see a gradual increase (by one third of the difference between their current rate and 90 % of the national/regional average). In addition, there will be a reduction in the payment for large farms above € 150 000 ('**degressivity**'). This means that the basic payment will be reduced by at least 5 % for amounts above € 150 000. The **capping** of payments at a higher level remains voluntary. A **redistributive payment** will also be granted for the first 30 hectares. Importantly, degressivity does not need to apply to Member States which apply the 'redistributive payment' under which at least 5 % of their national envelope is kept back for redistribution on the first hectares of all farms.

Targeted support schemes:

- Additional support for **young farmers**: the Basic Payment awarded to **entrant young farmers** will be topped up by an additional payment for a maximum period of five years. This measure is compulsory.
- **Coupled aid** for specific areas or types of farming for economic and/or social reasons.
- Support for '**active farmers**': In order to avoid companies whose primary business activity is not agriculture claiming direct payments, a negative list of professional business activities which are excluded from receiving direct payments should be drawn up by the Member States.
- Support for **small farmers**: any farmer claiming support may decide to participate in the Small Farmers Scheme and thereby receive an annual payment fixed by the Member State, usually of between € 500 and € 1 250, regardless of the farm size. Participants will not be subject to cross-compliance controls and sanctions, and will be exempt from greening. The measure is optional for the Member States.
- Extension of the **Single Area Payments Scheme (SAPS)** in the EU-12 until 2020.

Market regulation and risk management:

- The existing tools will be adjusted to create 'safety nets', to be used solely in the event of price crises or market disruption.
- End of quota regimes in the **sugar and wine sectors**: end of the sugar quota regime foreseen on 30 September 2017. End of wine planting rights at the end of 2015 (as foreseen in the 2006 wine reform) and introduction of a system of authorisations for new vine planting from 2016.

- Improved and new **risk management mechanisms**: the existing systems of public intervention and private storage aid are revised to be more responsive and more efficient, for example with technical adjustments for beef and dairy.
- **New safeguard clauses** introduced for all sectors to enable the Commission to take emergency measures to respond to general market disturbances. These actions will be financed by a crisis reserve financed by annually reducing direct payments.
- Enhanced role of **Producer Organisations (POs) and inter-branch organisations** to improve farmers' negotiating positions in the food chain by allowing for a few derogations from EU competition law. Furthermore, the possibility for farmers to collectively negotiate contracts for the supply of olive oil, beef, cereals and certain other arable crops is foreseen under certain conditions and safeguards.

Reorganisation of rural development support:

- Measures will no longer be classified at EU level into 'axes' with associated minimum spending requirements per axis. Instead, it will be up to Member States / regions to decide which measures they use (and how) in order to achieve targets set against six broad 'priorities' and their more detailed 'focus areas' (sub-priorities).
- **The six priorities will cover**: (1) fostering knowledge transfer and innovation; (2) enhancing competitiveness of all types of agriculture and the sustainable management of forests; (3) promoting food chain organisation, including processing and marketing, and risk management; (4) restoring, preserving and enhancing ecosystems; (5) promoting resource efficiency and the transition to a low-carbon economy; and (6) promoting social inclusion, poverty reduction and economic development in rural areas.
- Rural development is now placed under a '**Common Strategic Framework**' together with the cohesion and fisheries policies.

Source: European Commission website, CAP Reform: an explanation of the main elements. European Parliament, The CAP After 2013, Factsheet.

4. EP INTERNAL DYNAMICS

To understand the EP's role and influence in the 2013 CAP reform, EP internal dynamics need to be examined.

In particular, we look at the different stages of the EP internal decision-making process. Given the role of COMAGRI as the committee responsible for the 2013 CAP reform package, we start by investigating the membership and modus operandi of COMAGRI. We also discuss the rapporteurship of the legislative package and the way in which the leading actors bridged internal divisions to reach a common position in January 2013.

We also acknowledge the role of the other parliamentary forums in this process, namely the opinion-giving committees and the plenary. We assess their role and influence in building the EP negotiating mandates on the four CAP reform regulations. Finally, we provide a summary of conclusions.

4.1 The role of COMAGRI

EP committees feature prominently in discussions of EP influence in view of their pivotal role in the EP's legislative work. EP committees have been described as 'the legislative backbone' of the EP (Westlake, 1994). They perform the bulk of the legislative work of the EP, including debating legislative proposals, assessing policy options and orientations, and drafting the EP's position. In so doing, committees structure the development of specialised knowledge within the EP and the politics of coalition building. Consequently, the EP's legislative influence rests in large part on the ability of its committees to deliver clear legislative positions (Roederer-Rynning, 2014).

4.1.1 Membership composition of COMAGRI

The decisions on the political composition of the committee rest with the Conference of Presidents and shall, as far as possible, reflect the 'composition of the plenary' (Rule 177 of the EP internal rules of procedure).

COMAGRI was composed of 44 full members and 44 substitute members (2009 composition¹⁵) to lead the work on the 2013 CAP reform legislative package.

A key question in the context of this study is whether the committee membership has changed with the extension of co-decision to the CAP, something which political scientists had predicted.

The vast majority of COMAGRI members come from the EPP (38.6%) and the S&D (25%), which is the same as in the previous legislature (see Table 1). All the other groups represent less than 10% of COMAGRI members. There is an overrepresentation of the EPP and the ECR, two political groups which are traditionally perceived to be closer to farm constituencies and interests. The EPP and the ECR have, respectively, 38.6 % and 9.1 % of COMAGRI members (compared with 35.7 % and 7.5 % of their share in the plenary). Compared to the 6th legislature, the share of both parties rose from 46.2 % of COMAGRI's

¹⁵ As stated in the European Parliament decision of 12 June 2013 on the numerical strength of the standing committees (2013/2671(RSO)).

members in the 6th legislature to 47.7 % in the 7th legislature, reflecting an increase in their representation in the plenary from 42,3% in the 6th legislature to 43,2% in the 7th legislature.

There are different perceptions on the composition of COMAGRI's membership. Some perceive COMAGRI to be still dominated by "farm interests", others argue that COMAGRI members' views have become increasingly heterogeneous and other interests, such as environmental concerns, are represented in the Committee. Partly these compositions reflect 'selection by expertise or natural interest', but of course the importance of farm issues for the political parties' constituencies also plays a role (Corbett et al. 2011).

Outside analysts had speculated that the increase of power with co-decision would affect the COMAGRI membership by attracting more members from outside the "agricultural world" (e.g. with a background in consumer protection, environmental or energy issues).

Based on her analysis of the background and expertise of COMAGRI members in the 7th legislature, Roederer-Rynning (2014) argues that 31% of COMAGRI's full members had been members of farmers' unions or cooperatives or had been farmers or owned a farm; and that 24 % of members of COMAGRI had held a ministerial or other public office in agriculture or had had an educational or occupational trajectory implying a clear and recognised expertise in agriculture.

However, there is no evidence that the background or political links have significantly changed with co-decision. Our interviews did not suggest such a change: all interviewees argued that the increase of power linked to co-decision had no or very little impact on the committee's composition. Some substitute members from outside the farming community had been attracted to the committee but this had little impact since they did not hold the same legislative responsibilities.

Several arguments for the consistency in COMAGRI composition were given: (a) the highly technical nature of the legislative dossiers handled by the committee, which creates a disincentive for non-specialist members; (b) although the CAP reform attracted a lot of public attention during major policy (reform) discussions, the committee's work appears less attractive outside such periods/activities; (c) while an increase in power for COMAGRI arguably made this committee more attractive, it did not make the other committees less attractive; and (d) the interviewees were almost unanimous that the increase in legislative power in COMAGRI did not lead to a broadening of the policy agenda beyond agriculture.

Table 1: Party group representation in COMAGRI and in the plenary, 6th and 7th legislatures

Political composition of COMAGRI, 6th and 7th legislatures						
6th legislature (2004-2009)*						
Party Group	Plenary	%	COMAGRI		COMAGRI	
			<i>Roederer-Rynning, 2014)</i>	%	<i>(Volke 2013)</i>	%
EPP	288	36.7	34	37.4	31	34.1
PES	217	27.6	23	25.3	23	25.3
ALDE	100	12.7	8	8.8	9	9.9
Greens/EFA	43	5.5	6	6.6	4	4.4
UEN (later ECR)	44	5.6	8	8.8	5	5.5
GUE/NGL	41	5.2	3	3.3	4	4.4
IND/DEM/NA	52	6.6	9	9.9	15	16.5
Total	785	100	91	100	91	100
7th legislature (2009-2014)**						
EPP	273	35.7	34	38.6	34	38.6
S&D	196	25.6	22	25	22	25
ALDE	83	10.9	8	9.1	8	9.1
Greens/EFA	57	7.5	6	6.9	6	6.9
ECR	57	7.5	8	9.1	8	9.1
GUE/NGL	35	4.6	2	2.3		
EFD	31	4.1	4	4.5		
NA	33	4.3	4	4.5		
Total	765		88			

Source: Author's compilation, unless otherwise specified.

* Outgoing parliament. Data collected from <http://www.europarl.europa.eu> under entry 'About Parliament' => 'In the past' => 'Composition'.

** In the absence of available data on 'Outgoing parliament' data are collected from <http://www.europarl.europa.eu> under entry 'MEPs' => 'Search' => 'Advanced search'

4.1.2 The rapporteurs

To fully understand what took place inside the EP during the processing phase of the 2013 CAP reform, we need to take the analysis one step further and look at the most influential MEPs and in particular the rapporteurs who were responsible for drafting the EP's amendments to the EC's proposals and managing the internal negotiations within COMAGRI.

In all, twenty-one 'rapporteurships' were allocated (excluding the shadow rapporteurs): four in COMAGRI (see Table 2), and seventeen in the opinion-giving committees (see Table 7).

Table 2: Rapporteurs and shadow rapporteurs for the 'CAP after 2013' legislative package

	Direct payments	CMO	Rural development	Horizontal regulation
Rapporteur	Luis Manuel Capoulas Santos (PT/S&D)	Michel Dantin (FR/EPP)	Luis Manuel Capoulas Santos (PT/S&D)	Giovanni La Via (IT/EPP)
Shadow rapporteurs	Mairead McGuinness (EPP)	Iratxe García Pérez (S&D)	Elisabeth Köstinger (EPP)	Michał Olejniczak Wojciech (S&D)
	George Lyon (ALDE)	Britta Reimers (ALDE)	Marit Paulsen (ALDE)	George Lyon (ALDE)
	Martin Häusling (Greens/EFA)	José Bové (Greens/EFA)	Alyn Smith (Greens/EFA)	Bas Eickhout (Greens/EFA)
	Janusz Wojciechowski (ECR)	James Nicholson (ECR)	James Nicholson (ECR)	Julie Girling (ECR)
	Patrick Le Hyaric (GUE/NGL)	Alfreds Rubiks (GUE/NGL)	Patrick Le Hyaric (GUE/NGL)	Alfreds Rubiks (GUE/NGL)
	John Stuart Agnew (EFD)	Giancarlo Scottà (EFD)	Giancarlo Scottà (EFD)	Giancarlo Scottà (EFD)

Source: this table draws on Roederer-Rynning (2014).

In COMAGRI, the rapporteurships were equally divided between the two largest groups. S&D obtained the reports on the direct payment regulation and the rural development regulation: Luis Manuel Capoulas Santos, PT, was appointed rapporteur on both matters. EPP obtained the reports on the horizontal regulation (Giovanni La Via, IT, was appointed rapporteur), and on the CMO regulation (Michel Dantin, FR, was appointed rapporteur). Taking the overall distribution of rapporteurships across COMAGRI and the opinion-giving committees, however, the balance was tilted in favour of EPP, which secured thirteen of the twenty-one rapporteurships (Roederer-Rynning, 2014).

Generally speaking, the pattern of report allocation can be ascribed to varying mixes of expertise and resources available at committee level and the political importance of the legislative proposals for the party groups (Roederer-Rynning, 2014). From a procedural point of view, the allocation of reports also follows a particular point system, where the number of points is proportionate to the size of the political groups in the Parliament and where the number of points is correlated to the chances of securing the rapporteurship of the most strategic and high-level reports.

In this light, and given the sizes of the EPP and S&D groups (265 and 184 MEPs respectively), almost 90 % of interviewees thought that the report allocation on the 2013 CAP reform package was a 'natural reflection of the political leadership within the EP' (see Table 3).

Table 3: Interpretation of report allocation

Choice of rapporteurs (all from two main political groups (S&D and EPP) and from the old Member States) (Response rate = 66 %)	Percentage of respondents
A. This is a natural reflection of the political leadership within the EP	89 %
B. This is a conscious attempt to sideline smaller political groups from the process	3 %
C. This is a mistake: rapporteurs from more than two political groups and from new Member States would have helped the EP – as a whole – to speak with one strong voice	8 %

The S&D Group decided to put its share of the package, i.e. Direct Payments and Rural Development, into the hands of one single rapporteur: L-M Capoulas Santos (PT, S&D). The interviews are inconclusive on whether this was a good or a bad thing for the overall process and the influence of the EP in particular. Some interviewees argued that two reports were too much to handle for one rapporteur, not least because of physical limitations and the pressure imposed by an intense trilogue calendar. This may have undermined the overall credibility of the EP negotiating team in the trilogue negotiations.

Others emphasised that having an overview of the issues relating to both direct payments and rural development ensured more consistencies between these two files, which are interdependent both in financial and political terms.

In fact, some of these interviewees thought that all four reports should have been allocated to one single EP rapporteur to strengthen the institutional position of the EP in the trilogue negotiations: one Rapporteur for one Presidency negotiator and one EC negotiator (see Chapter 5). Other interviewees thought this idea would be catastrophic or even undemocratic, giving too much power to one single rapporteur who would not have represented the diversity of views expressed within the EP.

Despite the divergences in interpretations on whether two reports should or shouldn't have been placed in the hands of the same rapporteur, there was a general consensus amongst the interviewees that, under these circumstances, L.M. Capoulas Santos and his team still managed to handle the workload and effectively fulfil his role as leading rapporteur on the CAP reform package.

Box 5: The draft reports in figures

The rapporteurs introduced draft reports to amend the EC legislative proposals on the four CAP reform basic regulations. These took the form of **711 amendments** – including amendments tabled to the recitals – which represents **8.3 % of the total number of amendments**.

Broken down file by file, 102 draft report amendments were tabled to the Direct Payment Regulation, 73 to the EAFRD, 434 to the CMO and 102 to the Horizontal Regulation. 78.6 % of the draft report amendments were adopted by COMAGRI and 77.5 % by the EP plenary in March 2013; they were therefore a part of the EP negotiation mandates. 46 % of the draft report amendments – either solely or in the form of a compromise amendment (see next section) – were finally incorporated into the final regulations.

Source: this Box draws on the results of the amendment analysis undertaken by Ferto and Kovacs (2014).

After the publication of the rapporteurs' draft reports, an important phase of internal negotiations took place within COMAGRI. The draft reports were opened to amendments from the shadow rapporteurs (and other members). These reflected the internal divisions and dynamics at play within the Committee that needed to be overcome to reach a joint position on the four CAP reform regulations. Efforts to build consensus around a common vision go back to a series of own-initiative reports adopted earlier in the process.

4.1.3 Internal COMAGRI politics

COMAGRI started from a proactive position, determined to make its mark on the CAP reform, but soon had to deal with difficult internal debates (Roederer-Rynning, 2014). Efforts to develop a common position had already begun in June 2010, a few months into the public consultation launched by the Commission (April 2010), almost six months before the Commission's communication on the CAP towards 2020 (November 2010), and eighteen months before the publication of the Commission CAP reform proposals (October 2011).

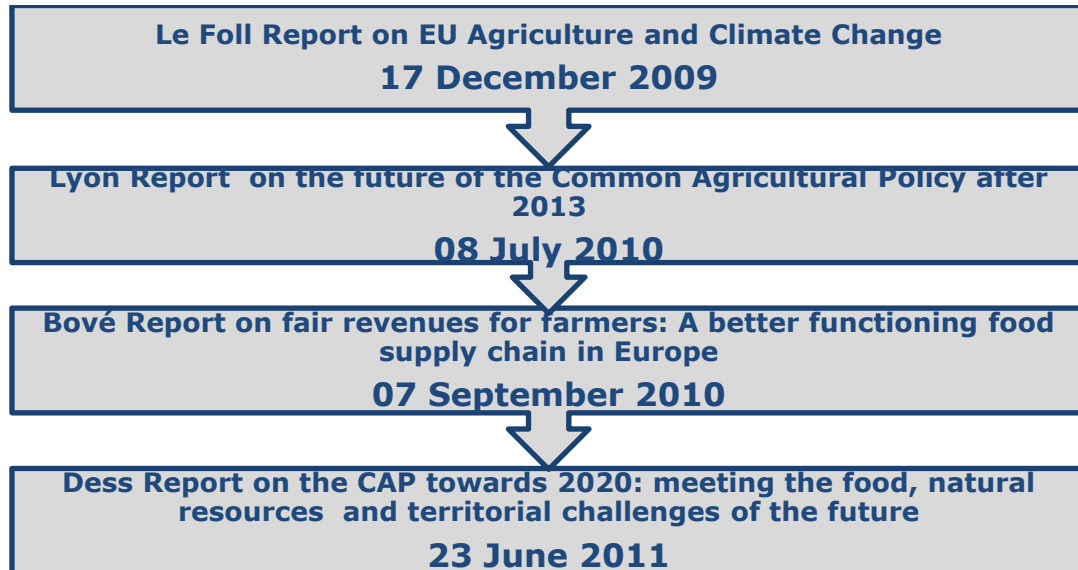
These efforts materialised in a series of own-initiative reports, each adopted by large majorities: the Le Foll Report, the Lyon Report and the Bové initiative reports (see Figure 2 for timing and titles). The content and timing of the Lyon report is particularly noteworthy. As shown in Figure 2, it was adopted in July 2010, a few months before the EC communication on the future of the CAP (November 2010). This means that the EP, through the Lyon report, was, in fact, the first European institution to take an official position on the CAP after 2013. In particular, it defined red lines and EP priorities – amongst which climate change featured prominently – for the future of Europe's agriculture.

In Chapter 5, we discuss whether these pre-defined red lines and priorities influenced the EC in the drafting of its own legislative proposals on CAP reform.

After the publication of the EC communication, COMAGRI was increasingly confronted with internal differences in opinion. The Dess Report departed surprisingly from the line sketched out in previous COMAGRI reports. The initial version of the report stirred up a great deal of controversy and Dess eventually failed to receive the backing of his own group (EPP), of which he was political coordinator in COMAGRI. After a tortuous process (and numerous amendments¹⁶) the plenary adopted the report in June 2011 in what was referred to as 'a Lyon-compatible version' (Roederer-Rynning, 2014).

¹⁶ 1200 amendments in COMAGRI, later reduced to 60 compromise amendments.

Figure 2: CAP-related initiative reports - Timeline



After the publication of the EC's legislative proposals in October 2011, the three COMAGRI rapporteurs drafted 700 amendments by May-June 2012 (in their draft reports). Once their draft reports were open to the other members of the committee, COMAGRI was flooded by an avalanche of additional amendments, and had to deal with more than 8 000 amendments¹⁷ by the deadline for tabling amendments in July 2012. At that time, some COMAGRI leaders openly expressed concern about the negative implications these internal complications could have for the credibility of the EP as a co-legislator (Roederer-Rynning, 2014). There were indeed obvious differences in opinions between political groups, but also within the political groups.

Indeed, even though the debate was mostly dominated by the two largest groups - the EPP and S&D groups - the latter were faced with internal national divisions (see Box 6 below), on the most sensitive issues of the CAP reform package, such as greening or capping.

Both EPP and S&D are said to have proceeded to intense internal discussions and sometimes internal votes to agree on a common position before important votes (such as the January 2013 COMAGRI vote). The most salient division, with the highest impact on the final outcome, is believed to have been the split inside the S&D Group on greening.

¹⁷ This figure includes the draft report amendments and the additional amendments from other members. The number of amendments indicates both the substantive complexity of the Commission proposals and an intense lobbying by professional farm organisations, individual Member States and regions, the industry, NGOs, and institutional lobbyists.

Box 6: Political divisions inside the political groups

Opinions on redistributive issues differed between old and new members, large and small farmers, and different types of commodities, which cut across party group lines; in addition, there were diverging views about the proper balance between the market and public intervention, and between farm and non-farm interests. These issues were especially prominent in centre-to-right party groups, which privileged producer concerns, whereas centre-to-left party groups (in addition) had to deal with internal debates as to the proper balance between farm and non-farm interests.

The European Conservatives and Reformists Group (ECR) had to bridge a wide gulf between national preferences. For example, on the issue of capping, differences between its Czech and UK members on the one hand, and its Polish members on the other hand, were unbridgeable, and the ECR group adopted the strategy of 'choosing not to choose'. The ECR made no secret of its strategy of tabling a wide range of amendments in order to keep all options open in the committee vote. For example, on the greening model proposed by the Commission (Article 29, direct payment regulation), ECR amendments aimed both at deleting the text proposed by the EC (amendments 1244 and 1245) and weakening it (amendments 1258 and 1259). Similarly, regarding the EC proposals on the principle of crop diversification (same text, Article 29(1)(a)), the ECR presented no fewer than five amendments (amendments 1279, 1283, 1295, 1303 and 1307) pointing in different directions.

For the Group of the Progressive Alliance of Socialists and Democrats (S&D), the lines of cleavage often followed a north-south divide. The S&D group was torn between the contrary recommendations made by the ENVI Committee (via their own S&D opinion rapporteurs) and those made by COMAGRI. An internal vote took place in the group prior to the vote in COMAGRI, resulting in a large minority opposing the compromises forwarded by MEP Capoulas Santos (40 % against). In particular, the S&D group had sought to develop a line of compromise and win internal acceptance for this line. The S&D leadership was never quite successful in rallying the 'Northern' group, which sought a more favourable representation of environmental concerns and formed an internal coalition, the 'Viking Group', including British, Danish, Dutch, Swedish, and some German MEPs. In time, internal opposition led the S&D group to proceed to internal group votes on the COMAGRI proposals, which a Northern minority voted against. Some S&D MEPs holding minority views reported being marginalised during decisive group discussions and sometimes under pressure to abstain.

The European People's Party (EPP) was also known to encounter internal difficulties and proceeded to internal votes before crucial steps in the CAP reform process and on sensitive issues (for example on capping or greening). With 17 members out of 44 (38 % of COMAGRI), the EPP almost represents a majority on its own, which puts it in a particularly strong position and makes bridging internal divisions all the more essential (i.e. if it reaches high levels of internal consensus, it has almost already won).

The groups that pushed for a more active reform agenda remained in a marginal position. **The Green/EFA** MEPs never became consensus-builders. Their strategy is sometimes described (even by environmental NGO activists) as an (idealistic) commitment to an oppositional line, which was risky given their minority position and the striving (of EP committees) for consensus. The Greens were typically close to the views expressed by the ENVI Committee.

Source: Roederer-Rynning (2014).

Interestingly, and despite these strong divisions, when asked how co-decision impacted the internal dynamics of COMAGRI, 50 % of respondents thought that the need for consensus became stronger and that new coalitions became possible. Only 20 % considered that polarisation became stronger (see Table 4).

Table 4: Impact of co-decision on political polarisation and political divisions inside COMAGRI

Impact of co-decision on political polarisation and political divisions inside COMAGRI (Response rate = 52 %¹⁸)	Percentage of respondents
A. Political divisions and coalitions stayed the same	30 %
B. Consensus became stronger and new coalitions became possible	50 %
C. Polarisation became stronger	20 %

This perceived need for stronger consensus-building may be explained by several factors.

Firstly, unlike consultation, co-decision results in binding legislation which means that COMAGRI has to work towards coherent and viable legislative texts.

Secondly, co-decision dramatically increased the workload of COMAGRI when compared to consultation, which forced consensus to become stronger. The best example of this is the tabling and processing of 8 000 amendments on the CAP reform package. It should be noted here that the increase in tabled amendments is not only linked to co-decision (and the related willingness of MEPs to make a difference), it can also be explained by a technological factor: the new computer-based platform 'AT4AM' greatly facilitates the introduction of amendments, which means that more amendments can be tabled in the same amount of time. This has arguably contributed to the recent boom in legislative activity (not only with regard to the CAP, but also in other policy areas).

In any case, this large number of amendments forced COMAGRI to increase its consensus and consolidation efforts to bring these amendments down to a manageable number of compromises on which a vote would be possible. This need for compromise and consensus was certainly less strong under consultation, where there was more room to accommodate and include diverging opinions within the texts, given their non-binding character.

Thirdly, the perception of having a common opponent in the two other institutions also encouraged COMAGRI to work towards a strong position. This is encompassed by the concept of institutional discipline, i.e. the MEPs' loyalty towards their own institution.

Eventually, and after a long process of consensus building and compromising in shadow meetings, a common position was adopted during a marathon voting session at the COMAGRI meeting of 23-24 January 2013.

The vote in itself was a difficult and confusing experience¹⁹. After internal discussions as to the appropriateness of different voting methods (i.e. show of hands or electronic voting —

¹⁸ This question has only been asked as such in the interviews carried out in the EP and with stakeholders (this is taken into account for the calculation of the response rate). However, other interviewees have also expressed their views on the new political dynamic within COMAGRI, as explained in the rest of the section.

¹⁹ Voting by hand went very fast, it was hard to follow, and some observers claim that on some occasions, there were doubts as to whether the count was right. On one of the issues where multiple proposals were on the

roll-call voting is unavailable at committee level), it was decided that the COMAGRI vote would take place by show of hands, with electronic voting on compromise amendments; 279 compromise amendments had been tabled by 15 December 2012, replacing a very significant number of original amendments (7932). The amendment analysis (Ferto and Kovacs, 2014) reveals that 93.9 % of all the compromise amendments were adopted by COMAGRI on 23-24 January 2013: 97.4 % of the compromise amendments on the DP Regulation, 94.7 % for the EAFRD Regulation, 92 % for the CMO Regulation and 100 % for the Horizontal Regulation.

But sometimes the compromise amendments were not enough to be supported by a majority, and in some cases persisting disunity led political groups to table competing proposals (Roederer-Rynning, 2014). On greening, for example, the divisions were such that different positions were presented by the different political groups to the COMAGRI vote in January 2013, which ended up excluding and neutralising each other (this effectively meant keeping most of the EC's original proposal – see section 6.3). A few issues remained contentious after the COMAGRI vote, either because no compromises could be found or because the majorities were thin. These are summarised in Box 7.

Box 7: Pending issues after the COMAGRI vote

Double funding of some farm activities, where competing models had had to be sorted out through separate voting on the original amendments underpinning the compromise models.

The greening model proposed by COMAGRI, including provisions enabling farmers to be called automatically 'green'.

The penalty for non-compliance with the greening requirements, where a thin COMAGRI majority emerged in favour of reducing the penalty to the greening payment.

Transparency on naming the beneficiaries of CAP payments, where several Member States in the Council insisted on the public disclosure of all beneficiaries (including Germany, where a national ruling compelled the government to do so).

Cross-compliance requirements, where COMAGRI amendments deleted existing binding references to the protection of ground water against pollution, minimum soil cover, soil erosion, ban on hormones in meat, registration of animals, animal diseases, the pesticides directive, the water framework directive, the protection of wetlands and carbon rich soils, the birds and habitats directives.

The extension of the sugar quota system beyond the proposed deadline of 2015.

The proposal to recognise interbranch organisations.

Source: Roederer-Rynning (2014).

table, one MEP changed his position in the process, leading to an inconclusive vote. While highlighting the fragility of the majorities built in COMAGRI, the effect was to annihilate the effort to boil down hundreds of amendments to two competing proposals. This forced MEPs to revert to voting on the original amendments, which the two competing compromise amendments had tried to eliminate. This caused a lot of confusion for MEPs, who were left without voting lists on highly technical amendments and had to take their cue from their respective group leaders. Parts of the British press described the event as testimony to the fact that MEPs commonly vote on issues they don't understand (Roederer-Rynning, 2014). More generally, it should be noted here that MEPs rely on voting instructions, contained in 'voting lists' established by EP staff (from the Committees' secretariats and political groups), to follow and proceed correctly with the votes. These voting lists therefore play a decisive role in determining the outcome of a voting session, but are sometimes very complex documents which may lead to some confusion.

4.1.4 COMAGRI: pro-status quo or pro-reform?

After discussing different aspects of the COMAGRI internal dynamics and decision-making, it is important to analyse the nature of the Committee's impact on the EC's original legislative proposals (which materialised in the January 2013 COMAGRI vote). Did it reinforce the trend initiated by the EC or did it attempt to block it?

The results of the interview process on this aspect could be summarised as follows. COMAGRI was not seen as having a particularly 'reformist' influence, if reform is understood as reinforcing the changes proposed by the EC or going beyond them²⁰. Two explanations were put forward in the interviews. Firstly, the increase in legal responsibility and accountability linked to co-decision may explain why some members were more cautious in the changes they introduced. Secondly, the fact that farm interests are well represented in the Committee tends to support a more status-quo position.

Despite this general assessment, many interviewees were cautious about putting labels on the influence of the committee; whether it was more status-quo oriented or whether it enabled the emergence of new ideas can only be fully understood on an issue-by-issue basis.

When asked what kind of impact the increase of power in COMAGRI had on the policy, 56 % argued that it moved the CAP further away from reform (and closer to the status quo) and 44 % argued that it enabled new values and new ideas to be reflected in the new CAP (see Table 5).

Table 5: Impact of co-decision on policy content and the likelihood of reform

Description of the CAP reform process (Response rate = 62 %)	Percentage of respondents
A. The increase of power in COMAGRI has moved the CAP further away from reform (and closer to policy status quo)	56 %
B. By giving more power to COMAGRI, new values and new ideas were represented and reflected in a new CAP	44 %

The examples below (based on the results of the COMAGRI vote in January 2013 and the amendment analysis of Ferto and Kovacs, 2014) give a more detailed picture of the influence of COMAGRI in amending the EC's proposals.

Direct Payments

- On the Small Farmers' Scheme, COMAGRI proposed an annual maximum amount of EUR 1500, a 50 % rise compared to the Commission's initial position of EUR 1 000. However, COMAGRI was in favour of a voluntary approach on this scheme, whereas the Commission's proposal was compulsory.
- COMAGRI's position on the Young Farmers Scheme was in favour of a compulsory system.

²⁰ Bearing in mind that the original legislative proposals act as a constraint, by setting the overall framework in which COMAGRI could operate.

- COMAGRI proposed that the definition of 'active farmer' should not be defined at EU level but by the Member States. Additionally, COMAGRI proposed extending the list of entities to be excluded from being DP beneficiaries.
- COMAGRI extended the EC proposal on granting voluntary coupled support; both the percentage of the national ceiling and the scope of eligible products were increased by COMAGRI.
- COMAGRI increased the inter-pillar budgetary transfers: from P1 to P2. COMAGRI proposed 5 % more compared to the EC proposal (10 %).
- COMAGRI introduced a new type of scheme as a complementary (additional) payment for the first hectares (the redistributive payment).
- COMAGRI rejected part of the EC's proposal on greening requirements, but maintained the proposed structure. COMAGRI proposed increasing the lower threshold for crop diversification (to 10 and 30 hectares) and Ecological Focus Areas (to 10 hectares).
- COMAGRI proposed a more gradual adjustment of direct payment levels between the Member States (external convergence), with the application of lower percentages to close the gap for Member States between the EU average and their below-the-EU-average payment levels.
- COMAGRI proposed that all the payment entitlements activated in 2019 in a Member State or in a region should approximate to or reach a uniform unit value (instead of having a uniform unit value for payment entitlements by 2019). COMAGRI also introduced the opportunity for Member States to limit farmers' individual losses.
- COMAGRI did not go as far as the EC in changing the SAPS to the SPS. The Commission proposed that the SAPS should expire at the end of 2013, while COMAGRI proposed to extend it until the end of 2020.

CMO

- COMAGRI reinforced financial assistance for associations of producer organisations. COMAGRI tabled a maximum of 5 % in terms of the value of the marketed products, an increase compared to the Commission's original proposal of 4.6 %.
- COMAGRI obtained the postponement of the end of the sugar quota regime. The EC proposed to end the system by 30 September 2015, while COMAGRI intended to extend this period until the end of the 2019-2020 marketing year. This was also the case regarding the expiry of wine planting rights, where COMAGRI tabled an extension of the current system until 2029-2030.
- COMAGRI obtained the introduction of general provisions on contractual relations and negotiations, based on what had already been achieved in the milk sector.
- COMAGRI obtained the introduction of exceptions to competition rules in times of crisis.

EAFRD

- COMAGRI increased the amount of support and extended the period of support eligibility for mountain LFAs, afforestation, agroforestry systems and animal welfare payment measures.
- COMAGRI urged the Commission to provide details of the mandatory bio-physical criteria and the corresponding threshold values to be applied for future delimitations of LFAs.

- COMAGRI introduced the possibility of 'double funding' on greening provisions, meaning that a farmer could be supported twice for the same environmental measures, once under the greening component of Pillar 1 and a second time under the corresponding 'equivalent' measure under Pillar 2.

Horizontal Regulation

- COMAGRI rejected the EC proposal to grant full transparency regarding CAP beneficiaries (i.e. via online publication of information on these beneficiaries).
- COMAGRI deleted some of the cross-compliance requirements that the EC proposed.
- COMAGRI held the position that greening penalties should not exceed greening payments, i.e. a reduction in the basic payment should not be possible.
- COMAGRI restricted the EC position regarding the number of paying agencies: only the constitutional arrangements of the Member State can justify whether more than one paying agency is accredited in a Member State.

This picture was somewhat confirmed by the interviews. The most generally expressed opinion in the interviews was that COMAGRI was pushing for a lower level of reform than the EC in its common position adopted in January 2013. In summary, on key issues (e.g. deadlines for reform, greening requirements, flexibility in exceptions to decoupling, etc.), COMAGRI preferred to have a lower level of (or a slower) reform, compared to the EC proposals.

This status quo bias was clearest when considering the environmental component of the reform discussions (for a full discussion on the EP's influence on the greening, see section 6.3).

4.2 The role of opinion-giving committees²¹

In building its position, COMAGRI also had to take into account the (non-binding) opinions of other committees which were associated with the EP internal decision-making process.

4.2.1 A marginal influence?

Besides the referral to the 'responsible committee' (in this case the designation of COMAGRI on 25 October 2011), the EP also has to decide on how to *associate* other committees with the decision-making. Here, the EP leadership (the Presidency, or the Conference of Presidents in the case of a dispute) has two main options: to concentrate leadership within the responsible committee (default procedure); or to allow for some degree of joint leadership between the opinion-giving and the responsible committees (reinforced cooperation procedure). The latter option has materialised through a series of incremental, informal adjustments, triggered by recurrent disputes between committees, and finally formalised in Rule 50 of the EP internal rules of procedure and known as the 'procedure with associated committee'. This rule is applied when the EP considers that the matter falls almost equally within the competence of two or more committees, or that different parts of the matter fall within the competence of two or more committees²².

²¹ This section draws heavily on Roederer-Rynning (2014).

²² The role of opinion-giving committees under the two procedures can be summed up using the distinction between 'policy-influencing' and 'policy-making' actors (Roederer-Rynning, 2014). In the default procedure, opinion-giving committees have more of a control function than a policy-making function: they cannot make or

In the case of the 2013 CAP reform package, the default procedure was applied (where the leadership remains with the responsible committee and the opinion-giving committee fulfils a 'control' function). The EP specified different constellations²³ of opinion-giving committees for each of the legislative proposals (Table 6). For ENVI, a special arrangement was foreseen (also as compensation for ENVI losing the battle on joint leadership); the ENVI rapporteur was allowed to be involved in the COMAGRI shadows' meetings, where ENVI-related topics were addressed (Roederer-Rynning, 2014).

Table 6: Committee referral and opinion-giving committees for the 2013 CAP reform legislative package

Legislative proposal	Responsible Committee	Opinion-giving Committee
Direct Payments	COMAGRI	DEVE, ENVI, EMPL, BUDG, CONT, REGI
CMO	COMAGRI	DEVE, EMPL, BUDG, REGI
Rural Development	COMAGRI	DEVE, ENVI, EMPL, BUDG, CONT, REGI
Horizontal Regulation	COMAGRI	DEVE, BUDG, CONT, REGI

Source: Roederer-Rynning (2014).

Note: As announced in the plenary session of 25 October 2011. In practice, neither ENVI nor EMPL chose to deliver an opinion on the horizontal proposal.

Table 7: Rapporteurs and opinion-rapporteurs regarding the 'CAP after 2013' legislative package

	Direct Payments	CMO	Rural Development	Horizontal Regulation
COMAGRI rapporteur	Luis Manuel CAPOULAS SANTOS PT/S&D	Michel DANTIN FR/EPP	Luis Manuel CAPOULAS SANTOS PT/S&D	Giovanni LA VIA IT/EPP
DEVE opinion rapporteur	Birgit SCHNIEBER-JASTRAM DE/EPP	Birgit SCHNIEBER-JASTRAM DE/EPP	Birgit SCHNIEBER-JASTRAM DE/EPP	Birgit SCHNIEBER-JASTRAM DE/EPP
ENVI opinion rapporteur	Dan JØRGENSEN DK/S&D		Karin KADENBACH AT/S&D	
BUDG opinion rapporteur	Giovanni LA VIA IT/EPP	Giovanni LA VIA IT/EPP	Giovanni LA VIA IT/EPP	Georgios PAPASTAMKOS GR/EPP

even influence policy in the sense of substituting their policy formulations for those proposed by either the Commission or the responsible committee, or even modifying or rejecting them. By contrast, opinion-giving committees have policy-making powers under the reinforced cooperation procedure insofar as they can modify and / or reject the Commission proposals on parts of the text.

²³ Not all opinion-giving committees chose to draft opinion reports, and not all opinion-giving committees granted equal attention to all four legislative proposals. For example, the Environment Committee chose to focus only on two sets of legislative proposals, namely direct payments and rural development (see Tables 6 & 7).

CONT opinion rapporteur	Monika HOHLMEIER DE/EPP		Tamás DEUTSCH HU/EPP	Iliana IVANOVA BG/EPP
REGI opinion rapporteur	Catherine GRÈZE FR/Greens-EFA	Younous OMARJEE FR/GUE-NGL	Elisabeth SCHROEDTER DE/Greens-EFA	Giommaria UGGIAS IT/ALDE

Source: Roederer-Rynning (2014).

ENVI's rather modest role under the default procedure is surprising in view of the prominence of 'greening' in the legislative proposals (Roederer-Rynning, 2003).

One could apply a similar line of reasoning to the Budgets Committee. Considering the critical role it played in negotiating the financial envelopes for such programmes for the period 2007-2013 (Corbett et al. 2011) and given the financial implications of CAP legislation, the Budgets Committee might have been expected to play a more prominent role in the EP work on CAP reform legislation (Roederer-Rynning, 2014).

Despite the limited influence the opinion-giving committees enjoy under the default procedure, to what extent did they manage to influence the content of the EP position on the CAP?

During our interview process, ENVI almost always came up as the most influential. DEVE, for example, was believed to have been influential on the export refund measures in the CMO regulation.

The amendment analysis (Ferto and Kovacs, 2014) revealed that by tabling 33.6 % of all the opinion-giving committees' amendments, ENVI was indeed the most 'active' committee, but that DEVE had the highest amendment success rate (13.2 % of all DEVE amendments were adopted in the final regulations, compared to 3.35 % for ENVI). However, these results should be treated with caution, as 76 % of them were amendments which had a minor connection to the most sensitive CAP policy issues. These amendments contained references to developing or third countries, development cooperation or agreements in light of the CAP reform (Ferto and Kovacs, 2014).

Overall, the interview results reveal a broad consensus that opinion-giving committees had a marginal influence, despite their strong interest in the process. This limited influence is confirmed by the results of the amendment analysis: opinion-giving committees tabled 533 amendments to the CAP regulation, which represents 6.2 % of the total number of amendments. Only 10 % of the amendments tabled by the opinion-giving committees were adopted by COMAGRI and the EP plenary (Ferto and Kovacs, 2014).

Nevertheless, despite its relatively small influence, the ENVI Committee managed to draw significant attention to the process, mainly in the light of its difficult relationship with COMAGRI.

4.2.2 The relationship between COMAGRI and ENVI

The fight for legislative power between COMAGRI and ENVI has always been fierce given the agro-environmental nature of many issues handled by both committees. Many interviewees highlighted the tension between COMAGRI and ENVI in this CAP reform process, not so much because of co-decision but rather because of the 'greening' component of the EC proposals.

It seems that the COMAGRI-ENVI dispute started with the referral decision to designate COMAGRI as the responsible committee. Our interviews and the findings of Roederer-Rynning

(2014) suggest that ENVI disputed this decision. COMAGRI was also in conflict with ENVI, which claimed joint leadership with COMAGRI on the legislative package on the basis of Rule 50 of the EP internal rules of procedure. ENVI's challenge was discussed at the level of both the committees and their secretariats, as well as at the level of the party groups, but ENVI did not succeed in securing joint leadership of the CAP reform package (Roederer-Rynning, 2014).

The agreement to allow the ENVI rapporteur (Dan Jørgensen) to take part in some of the COMAGRI shadow meetings (see above) proved inconsequential in practice, as the participation of the ENVI rapporteur in the COMAGRI shadow meetings was internally contested within COMAGRI (some members were vehemently opposed to this arrangement) and did not have any policy impact on the emerging position of COMAGRI (Roederer-Rynning, 2014).

This legislative dispute over such an important policy package raises a more fundamental question as to whether the opinion-giving committees – and ENVI in particular – should have a stronger influence on agricultural policy outcomes in the future.

Not surprisingly the interviewees had different opinions on this, often reflecting their positions and preferences. Those who agreed with the prominent role played by COMAGRI emphasised that a more formal involvement of opinion-giving committees would create an administrative nightmare. They also underlined that these committees can already influence policy outcomes via the plenary route; they do not need an additional channel of influence. Interestingly, it is precisely the fact that ENVI did not manage to significantly influence the plenary outcome that was interpreted by other interviewees as a sign of dysfunction and a motive for a stronger involvement of the opinion-giving committees earlier on in the process.

Indeed, those who were unhappy with the outcome and way of proceeding stressed that 'the avenues for influencing the negotiating strategy for the opinion-giving committees were functioning in an unsatisfactory way' and that 'their positions were not properly represented in the negotiating position and the plenary vote' (referring here to the 'institutional sidelining' of ENVI).

We discuss below in further detail the dynamics at play leading to the plenary voting of March 2013.

4.3 The impact of the plenary voting

4.3.1 Rules 70 and 70a: facilitator or constraint?

To fully understand the link between COMAGRI and the plenary, and before analysing the plenary voting per se, one needs to take into account the amendment of Rule 70 and the creation of Rule 70a of the EP internal rules of procedure. These rules define parts of the process between the committee and plenary voting, the conditions required for the opening of interinstitutional negotiations, and the way in which the latter should take place.

The official rationale behind these rules is to increase transparency and accountability of legislative processes and interinstitutional negotiations (for example, by specifying the composition of the negotiating teams). However, some observers would also argue that the origins of Rule 70 and 70a are linked to the time constraints imposed on the MFF-related files. In this context, Rule 70 was amended and Rule 70a was created in November 2012 to allow the EP to enter into negotiations with the Council based on a 'negotiating mandate' (rather than a full and final position on the regulations for which the MFF figures would be

necessary)²⁴. This negotiating mandate is to be derived from the vote on compromise amendments at committee level and may receive, if the Committee decides so, the blessing of the full Parliament (the plenary).

In the case of the 2013 CAP reform, the application of these rules may therefore have been due to the EP undertaking not to formally adopt the four CAP reform regulations before knowing the final figures on the future MFF (2014-2020). This commitment inevitably imposed a time imperative on the EP, as waiting for the MFF figures would have delayed the start of the negotiations with the Council. In other words, a first-reading agreement would have been virtually impossible if Rules 70 and 70a had not applied.

In particular, Rule 70 sets out the procedures to be followed for negotiations with the Council and the EC when compromise amendments are adopted at committee level, and Rule 70a governs the opening of negotiations (Matthews, 2013 d). In the case of the 2013 CAP reform package, Rule 70 applied. It reads as follows (in abbreviated form²⁵):

1. Negotiations with the other institutions aimed at reaching an agreement in the course of a legislative procedure shall be conducted having regard to the Code of Conduct laid down by the Conference of Presidents.
2. Such negotiations shall not be entered into prior to the adoption by the committee responsible of a decision on the opening of negotiations. That decision shall determine the mandate and the composition of the negotiating team... The mandate shall consist of a report adopted in committee and tabled for later consideration by Parliament ... (...).
3. The negotiating team shall be led by the rapporteur and presided over by the Chair of the committee responsible or by a Vice-Chair designated by the Chair. It shall comprise at least the shadow rapporteurs from each political group.

As explained by Matthews (2013 d), there is some confusion over the role of the EP plenary in approving a committee's mandate. The Rule states that the report of the committee shall be 'tabled for later consideration by Parliament' but does not specifically state what action Parliament should take. This was a controversial topic during the amending of Rule 70 and the deliberations of the Committee on Constitutional Affairs which drafted the rule change.

Neither does there seem to be a consensus on the role and usefulness of this rule. Some interviewees argued that the application of this rule had two advantages: it certainly provided the EP with the flexibility of being able to reach a first-reading agreement (as explained above) and greater legitimacy in its negotiating mandate via adoption by the full Parliament, rather than the committee only. The presence of the Chair at all the trilogue meetings (see Chapter 5) was also seen as a positive feature of Rules 70 and 70a.

Other interviewees thought the effect of this rule represented an extra step 'in an already highly complex process'. As also pointed out by Matthews (2013 d), involvement of the plenary may risk making the procedure too cumbersome and would counteract the efficiency and speed that are the advantages of a first-reading agreement.

²⁴ As explained by one of our interviewees, *'the main impetus for the change in the EP rules of procedure largely came from the leaders of the political groups wanting increased control over the progress of the sectoral dossiers which stemmed from the MFF, while also providing some kind of 'fast-track negotiating authority' to facilitate first-reading agreements on time-dependent policy areas tied to the MFF negotiation and the end of the financial perspective'*. It should also be noted here that the application of these Rules is by no means automatic – it depends on a decision taken by the relevant committee.

²⁵ This summary of Rule 70 is provided by Matthews (2013).

Others feared that the decision-making power would be removed from the hands of the committees to the advantage of the plenary.

Finally, Rules 70 and 70a also give the plenary the opportunity to challenge the position taken at committee level, with changes possibly emanating from committees which were not associated (or not to a sufficient extent) with the decision-making process at COMAGRI level. We assess below the extent to which this was the case in adopting the EP negotiating mandate on the four CAP reform regulations.

4.3.2 Differences between COMAGRI and plenary votes

The period between the COMAGRI vote in January 2013 and the plenary vote in March 2013 was very intense in terms of civil society mobilisation and actions to influence the plenary vote. For example, a civil society platform on environmental issues organised several actions to put pressure on all MEPs, including: an open letter signed by more than 276 civil society organisations across Europe; an e-action in 8 countries, allegedly attracting 86 000 supporters and generating more than 1.2 million e-mails to their MEPs. Green activists endeavoured to transfer to agriculture the 'fisheries strategy' of lobbying ahead of a crucial plenary vote, which, in the case of the reform of the fisheries policy, brought home an unexpectedly large victory in the plenary vote of 6 February 2013 in favour of a ban on overfishing²⁶ (Roederer-Rynning, 2014).

A rather high number of additional amendments were tabled between the COMAGRI vote of January and the plenary vote. A week before the vote in plenary, MEPs faced the prospect of having to vote on 1055 amendments, including the 783 amendments automatically tabled on behalf of the committee as a result of the COMAGRI vote of January, and 272 additional amendments tabled by political groups or groups of at least forty MEPs, as indicated in Table 8 (Roederer-Rynning, 2014).

The results of the plenary vote of 13 March 2013 differed from one dossier to another. Regarding the votes on the overall proposals for a decision, larger majorities were secured on the Rural Development dossier (556 for, 95 against). There was a larger opposition in the case of the Horizontal Regulation (472 for, 172 against) and Direct Payments (427 for, 224 against). The CMO Regulation was the most contested (375 for, 277 against) (Roederer-Rynning, 2014). A further discussion on the particular case of the CMO is provided in section 6.5 and in Box 8 below.

The amendment analysis (Ferto and Kovacs, 2014) reveals that 96.4 % of the COMAGRI adopted amendments were supported by the EP plenary. For the Direct Payment Regulation, this figure is 89.2 %, for the CMO 99.8 %, for EAFRD 98 % and for the Horizontal Regulation 90.5 %. Hence, the vast majority of the outcome of the COMAGRI vote in January 2013 was confirmed in the plenary vote.

²⁶ In plenary, the EP not only established clear red lines about overfishing, it also adopted additional measures strengthening the ban compared to those proposed by the EP committee (<http://cfp-reformwatch.eu/2013/02/parliament-adopts-cfp-reform-position-with-strong-majority>).

Table 8: Amendments tabled to the committee report on the CAP after 2013 reform, plenary vote of 13 March 2013²⁷

	(1) Committee Amendments (Am) automatically tabled in plenary	(2) Additional Am tabled in plenary by political groups or > 40 MEPs*	(2a) Number of (2) Am adopted	(2b) Number of (2) Am rejected	(6) RCV
Direct payments regulation	98	88 (90 %)	4	66	63
Horizontal regulation	194	22 (11 %)	3	18	34
Rural development	142	36 (25 %)	10	22	30
CMO	349	126 (36 %)	3	86	108
Total	783	272	20	192	235

Source: this table draws on Roederer-Rynning (2014).

RCV – roll-call votes: votes taken on important or sensitive issues, at the request of at least 40 Members (Rule 167, EP internal rules of procedure). Around one third of all EP votes are ‘roll-call votes’. Unlike the vote by ‘show of hands’ or the standard electronic vote, these votes are recorded and can be attributed to each individual member. For this reason, roll-call votes have provided a useful data set for analyses of voting behaviour within the EP or cohesion within the political groups. Groups of MEPs call roll-call votes for a variety of reasons (see Corbett et al., 2000, for a discussion). If roll-call votes in the EP are called for strategic reasons, then the MEPs’ behaviour may be quite different in roll-call votes than in other votes. However, as stressed by Hix, Noury and Roland (2006) and many others, regardless of the strategic reasons for calling a roll-call vote, it is reasonable to assume that roll-call votes are used for the more important decisions (Olper, 2014).

²⁷ A more complete version of this table is provided in Roederer-Rynning (2014).

However, different interpretations of the changes between the COMAGRI and plenary votes emerged from the interviews. Almost 40 % of the respondents believed that the changes were 'insignificant' (or marginal), while 50 % believed that the changes were significant enough to demonstrate that the plenary mattered (see Table 9).

Table 9: Differences between the COMAGRI vote in January 2013 and the plenary vote in March 2013

Differences between the COMAGRI vote in January 2013 and the plenary vote in March 2013 (Response rate = 66 %)	Percentage of respondents
A. Are insignificant and the plenary just endorsed the COMAGRI vote	39 %
B. Are significant enough to demonstrate that the EP is a 'Working Parliament' and that the plenary matters	50 %
C. Reflect the individual preferences of some MEPs, who voted differently in COMAGRI and the plenary to defend certain national interests	11 %

One reason why the plenary 'mattered', i.e. made a difference, is linked to the impact of MEPs voting to defend specific national or regional interests, in particular on issues for which roll-call votes were organised²⁸. This is consistent with the findings of Votewatch (2013), which show that some national delegations (in particular the French and the Scandinavians) voted according to national lines on agricultural issues, independently of their political group. According to Votewatch, agriculture remains the only area where voting cohesion along transnational party lines has not increased in the 2009-2014 parliamentary term. Studies show that issues involving substantial cross-country redistribution (like the CAP), tend to increase the propensity of MEPs to vote along national lines (Faas, 2003; Hix, Noury and Roland, 2006).

This is also what comes out of the specific analysis carried out by Olper (2014) on the plenary voting on the CMO. By looking at the 83 roll-call votes which were organised on this file, Olper (2014) shows that country cohesion was more often respected than party cohesion, in particular for large countries like Spain, Italy and France²⁹. A further discussion on the voting behaviour of political groups and MEPs on the CMO is provided in Box 8.

Box 8: MEPs and Group voting behaviour on CMO at 2013 March plenary

In his analysis of the voting behaviour of MEPs on the CMO (based on the 83 roll-call votes which were organised on this file), Olper (2014) finds the following results:

Out of 83 amendments for which a roll-call vote was organised, 31 (37 %) were put forward by COMAGRI, 22 (27 %) by groups of more than 40 MEPs, 14 (17 %) by ALDE, 7 (8 %) by GUE/NGL, 5 (6 %) by ECR and finally 4 (5 %) by the Greens/EFA. The 31 COMAGRI amendments were adopted with a success rate of 97 %, which means that only one RCV did not find a majority in the EP plenary vote. This is not surprising; when an amendment finds a majority at committee level, it has a high probability of finding the same majority at plenary level.

²⁸ As explained above, roll-call votes are recorded and publicly available, which means that MEPs may have wanted to vote differently on some of these issues for electoral reasons.

²⁹ Olper (2014) also finds that Germany forms an exception to this rule, with a very low level of country cohesion on the CMO.

In terms of **roll-call vote requests**, the most active group was the Greens/EFA, accounting for 55 % of all requests, followed by the ECR (19 %) and the EPP (17 %).

In terms of **issues** covered by the roll-call votes, 73 % of them related to Part I of the Regulation (introductory provisions) and Part II (internal market). The remaining votes were organised on Part III (17 % of total votes, on trade with third countries), Part IV (6 %, on competition rules) and Part V (5 %, on general provisions).

In terms of **majorities formed** on the roll-call votes, the voting pattern on the CMO seems to disregard the *a priori* propensity of political groups to form majorities along the left-right dimension (Hix, Noury and Roland, 2006). In fact, on this file, the Greens voted more frequently with the EPP than with the more ideologically close GUE/NGL. On the right-hand side of the political spectrum, the EFD voted more frequently with the EPP and even with the S&D than with the ideologically closer ECR. Overall, the most frequent winning coalition was the EPP and S&D getting together to form a majority. Finally, the analysis showed that coalitions formed by right-wing parties are more frequent than coalitions formed by left-wing parties, suggesting that agricultural interests may tend to be more frequently represented by centre-right parties.

Source: Olper (2014)

In our view, and based on the discussions carried on during the interview process, the best way to summarise the various interpretations would be to say that the changes introduced by the plenary were relatively minor but nevertheless significant, and in some cases decisive for the EP's negotiating mandate. For example, the plenary vote led to the following changes compared to the COMAGRI position:

- Definitively banning provisions for double-funding.
- Reinstating part of the Commission's greening model to partially replace or modify less constraining COMAGRI provisions on 'automatically green' farmers.
- Partly reintegrating cross-compliance requirements³⁰.

From an environmentalist perspective, the plenary vote on the CAP reform was not comparable to the green landslide which had materialised, one month earlier, in the plenary vote on the fisheries reform (and which some actors were hoping to witness).

An important question to raise in this context is whether one should expect changes to occur at all at plenary level. Some interviewees argued that changes are indicative of a dysfunction in the EP internal decision-making process, while others claimed the exact opposite. In particular, one group tended to underline that a working parliament should specifically rely on the work of the specialised committees without questioning it at plenary level. This implies that if significant changes occur in the plenary, it means that the committee has not done a good job of reflecting the majority of the full Parliament.

Another group of interviewees took the exact opposite view, arguing that the plenary should have had a much stronger role in changing important aspects of the COMAGRI vote taken in January 2013. From an environmental point of view, some actors had hoped that the plenary would re-balance the outcome to reflect other (non-farm) interests represented in the EP. This view was shared to some extent by certain civil society actors, who felt that they had a slightly bigger influence on the plenary vote, given that COMAGRI seemed, in their view, to be insulated against non-farm interests. The actors' view on this procedural

³⁰ But it failed to reintegrate compliance with: the Water Framework Directive — lost with 9 votes only; Protection of Wetlands and Carbon Rich Soils; and, unexpectedly, the Birds and Habitats Directive. The plenary initially supported additional support for the High Nature Value programme, but this was voted down after an electronic check, just as had happened in COMAGRI in January (Roederer-Rynning, 2014).

issue may have been influenced by the substantive outcome. If COMAGRI had produced a more environmentally-friendly report, those calling for a more active role for the plenary might have reversed their view, had the plenary then weakened the report.

4.4 The crucial issue of EP resources

To finalise this chapter on EP internal dynamics, it is important to address the issue of in-house resources and expertise that were available to the MEPs in analysing the EC proposals, constructing an alternative, and designing their negotiating mandates on the four CAP reform regulations. Box 9 provides a brief overview of the EP internal resources.

Box 9: EP resources available in the context of the 2013 CAP reform

The following main staff and expertise resources can be identified:

The **Members** themselves, with their respective backgrounds: some MEPs have been/are farmers, have advised their government on agricultural issues or have been agricultural ministers themselves. This is the case, for example, of the COMAGRI Chair, Paolo de Castro, who was Minister for Agriculture and Forestry in Italy (1998-2000 and 2006-2008), and Luis-Manuel Capoulas Santos, CAP reform rapporteur, who was Minister for Agriculture and Fisheries in Portugal (1998-2002) (see section 4.1.1).

Members' **assistants and advisers**: each MEP can rely on one or several assistants to follow the legislative work of the committees he/she sits on. Each political group also allocates one or two (or more) political advisers for each parliamentary committee. Together (advisers and assistants), they advise and assist the Members in their legislative duties, whether it be in preparing the grounds for tabling amendments, assisting in the drafting of reports, coordinating the shadow meetings, etc.

The **COMAGRI secretariat**: the committee relies on non-political permanent staff to advise the members, prepare the legislative work, organise the trilogue negotiations and technical meetings, process and follow up on outcomes of trilogue meetings, take part in the discussion on delegated acts, etc. In the case of the 2013 CAP reform package, each of the four regulations was followed by one (or two, in the case of Direct Payments) permanent staff members.

Policy Department B on Structural and Cohesion Policies: the EP has its own (small) department for research, divided into policy areas. Policy Department B conducts research (amongst other things) on agricultural issues to support the EP as a whole in its legislative work. It produces various types of material, including notes, studies and ex-post assessments, either internally or externally, via the subcontracting of external experts, as in the case of the present report. It also organises workshops and technical briefings on issues relevant to the legislative work of the EP. In the context of the 2013 CAP reform, Policy Department B has provided a considerable number of notes and studies (see Annex 5).

The **EP Library** could provide MEPs with briefing notes and bibliographies.

The interviewees were almost unanimous in saying that the currently available resources were insufficient to appropriately support the new legislative competencies of MEPs, both in quantitative and qualitative terms.

In particular, the resource-related problems that were identified³¹ concern: the number of staff in general, administrative support, difficulty in carrying out evidence-based scrutiny of the legislative proposals, the availability of specific expertise and knowledge regarding certain files, and the lack of experience in working with the different parliamentary bodies.

In quantitative terms, there was no agreement on whether a simple increase in the resources available would be sufficient to improve the ability of the EP to co-legislate on such high-profile and technical dossiers. Nor was there a clear consensus on what an optimal resource level would be in an ideal setting.

Nevertheless, many recognised that the resources that the EP could rely on were very limited and put under strong pressure during the process. As an illustration, one could mention the sole assistant that L.M. Capoulas Santos was able to rely on (on top of three permanent staff within the COMAGRI Secretariat and the support provided by a couple of staff in Policy Department B) to draft his two reports, or Mr Dantin's parliamentary assistant and the EP's policy advisor who processed over 2 000 amendments on the CMO file.

In qualitative terms, there was a broad agreement that COMAGRI members lacked technical expertise to deal with the sheer amount and the complexity of the legislation, although this did not seem to have affected its overall ability to reach a strong political position (as opposed to its ability to deal with some of the most technical issues). A few specific points were raised by the interviewees in this context:

- COMAGRI is certainly able to deal with the political dimension of the legislation and agree on broad political decisions, whereas it is sometimes insufficiently prepared and ill-equipped to deal with technical issues.³²
- The inability of COMAGRI to conduct, independently, an evidence-based scrutiny of legislative proposals, or impact assessments of certain policy scenarios, before embarking on the drafting of reports or the tabling of amendments, was seen by some interviewees as a constraint. The availability of specific expertise would help COMAGRI test different policy scenarios on the table and create a strong alternative vision.

But interviewees often expressed caution. Solving the EP 'resource problem' may risk transferring power from the COMAGRI members to the experts, which would run completely contrary to the purpose of co-decision: bringing citizens and their representatives into the debate. If our MEPs are not able to deal with the details of EU legislation, this may call into question the skills of our representatives, but also, more fundamentally, it raises the issue of the complexity of EU legislation and the power that 'experts' have over it.

³¹ It should also be noted that other factors not related to resources were also identified as having restricted and further complicated the work of the EP, namely linguistic and procedural constraints. *Language* plays a crucial role in negotiations and had an impact on the members' involvement (or lack thereof) in the CAP reform process. As pointed out by one interviewee, 'even the best interpretation services cannot substitute for the ability of MEPs to freely communicate with each other'. The inability or the difficulty to communicate affects motivation and participation in the negotiations, which inevitably has an impact on the dynamics within COMAGRI and, ultimately, on the policy outcome. *Procedural constraints* were identified as well, for example the fact that all the official translations of all amendments need to be circulated before they can be discussed in COMAGRI, or the difficulty of finding timeslots for the shadow meetings, which all contributed to the complexity and length of the internal process that took place between October 2011 and January 2013.

³² With the exception of the CMO file, where there seems to be an agreement that COMAGRI (and the rapporteur in particular) was capable both in political and technical terms.

Finally, the issue of EP resources also needs to be addressed from an interinstitutional point of view. Can a co-legislator be in full possession of its powers if it doesn't have sufficient in-house, independent expertise?

Two important questions need to be raised here. The first is whether the EP has the vocation to match the Council's capabilities, given the inherently political nature of the EP, as compared to the more administrative nature of the Council. As a political institution, the EP does not have the same purpose as the Council, which has a more administrative role when it comes to the implementation of the adopted legislation. The EP's political nature and its ability to focus on the political issues may also represent an advantage for the process as a whole: the EP may be seen as having a wider overview of all the big issues at stake, rather than going into all the technical details of each measure. The discussion on the resources available to the EP therefore needs to take into account these differences and the advantages that different institutional functions bring to the decision-making process and the policy outcome.

The second is whether it is optimal from an institutional perspective for the EP to rely to an important extent on information provided by the EC. The issue relates both to the possible strategic use of information in the ultimate bargaining and to the need to avoid duplicating work. In this context, some interviewees argued that the EC did not always provide the EP with the timely and necessary evidence that it required (e.g. particular policy simulations to test certain alternative scenarios) or that the information provided was biased towards the defence of the EC's own policy agenda (see Chapter 5).

4.5 Summary and conclusions

The analysis presented above yields several conclusions on the internal EP dynamics.

- Co-decision appears to have had little impact on the composition of the COMAGRI. The vast majority of COMAGRI members came from the EPP (around 38 %) and the S&D (around 25%); all the other groups represented less than 10% - the same as in the previous legislature. A study shows that 31% of COMAGRI's full members had been members of farmers' unions or cooperatives or had been farmers or owned a farm; and that 24 % of members of COMAGRI had held a ministerial or other public office in agriculture or had a special expertise in agriculture. There is no evidence that this is significantly different from before. Our interviews also confirmed that the increase of power linked to co-decision had no or very little impact on the committee's composition.
- The allocation of rapporteurships within COMAGRI reflected the political majority within the Committee (and the full plenary). The concentration of two reports in the hands of one rapporteur was a controversial move: on the one hand it overburdened one of the key EP actors of this reform, but on the other hand it provided him with an overview of overlapping issues between the direct payments and rural development regulations, which was important for ensuring legislative consistency.
- The debate within the EP was largely dominated by the two largest groups (EPP and S&D): EPP controlled the Budgets Committee and COMAGRI through interlocking rapporteurships and S&D had control over the ENVI Committee through the committee's rapporteurships, as shown in Table 7.
- The political groups had to face important internal divisions throughout the process. Divisions along national lines, and between new and old Member States, within the groups further complicated the internal decision-making process within the EP. These

internal divisions came more strongly to the fore under co-decision due to the increased responsibility linked to binding legislation and the need to reach a coherent and common position within COMAGRI.

- The increased workload associated with co-decision (and the 8 000 amendments) brought about a greater degree of consensus. While more space could be provided under consultation to accommodate diverging policy options in the same text, co-decision forced political groups to reach a coherent, common position. The fact that COMAGRI was able to come to an agreement in January 2013 was due to a large extent to it being able to overcome divisions within and between political groups and whittle close to 8 000 amendments down to 279 compromise amendments.
- When assessing the nature of COMAGRI's influence on the reform, we find that, generally speaking, COMAGRI was pushing for a lower level of reform than the EC, even if this cannot be generalised to all policy issues. The status quo bias was clearest when considering the environmental component of the new CAP, which proved to be one of the most controversial areas of the reform.
- This increased workload – which reflects greater legislative activity - may be linked to the MEPs' willingness to make a difference on this first CAP reform under co-decision, but is also linked to the technological facilitation provided by the AT4AM system for tabling amendments.
- The opinion-giving committees had a marginal influence (mainly due to the application of the default procedure – see above). ENVI was the most active (the highest number of amendments introduced), while DEVE had the highest number of amendments adopted by COMAGRI. The relationship between COMAGRI and ENVI was tense throughout the processing phase, not least because of ENVI's natural predisposition to legislate on environmental issues, which were at the heart of this reform. The practical arrangement to allow the ENVI rapporteur to take part in the COMAGRI shadow meetings did not have a significant impact on the final outcome.
- The differences brought about by the plenary votes were small but decisive, although insufficient for some actors (mainly environmental), who were hoping to see a similar reversal to the one that took place during the fisheries policy reform. The issue of whether plenary should or should not question the committee's position is a matter of interpretation. Some argued that the plenary should have a more important role, while others underlined the fact that a working parliament should rely on the work of the relevant specialised committee.
- In the plenary vote, country cohesion was sometimes stronger than party cohesion, especially in strategic roll-call votes where some MEPs favoured national interests (for example on the CMO file). Generally speaking, agriculture remains the only area where party cohesion has not increased since the Treaty of Lisbon came into force, and where country cohesion remains strong.
- Rules 70 and 70a enabled the EP to enter into negotiations with the Council on a strong footing by giving it the backing of the full Parliament. It also enabled the EP to remain on track for a first-reading agreement, which would have been impossible (given the timing imperative imposed by the MFF) without the new Rules. The application of this rule was also described as an extra step in an already complex process, which may counteract the efficiency gains of a first-reading agreement.
- The increased workload and responsibility linked to co-decision also shed light on the limited expertise and resources available to COMAGRI to handle the full scope of the legislation, especially for the most technical parts of the texts. The ability of COMAGRI

to deal with the political aspects of the CAP reform package was not undermined by these resource limitations. While there seems to be an agreement that EP resources should be adapted to its new legislative functions, there is no agreement as to how precisely these resources should be enhanced. The discussion on resources also needs to be considered in the light of the nature of the EP, as a political institution, as opposed to the Council, which is more of an administrative body, and the vocation of the EC to provide EU-wide expertise and information.

5. THE EP AND THE TRILOGUE NEGOTIATIONS

Once the respective negotiating mandates of the EP and the Council were adopted in March 2013 (see Table 10 and Annex 2 for an overview), the co-legislators started negotiating towards the adoption of a joint version of the CAP reform regulations.

In this section, we analyse the way in which interinstitutional dynamics evolved under co-decision, in particular during the 'negotiating phase' between April 2013 and September 2013 (see Box 2). We analyse how the working culture between all actors involved in the reform developed: the key negotiators, their teams and civil society actors. We assess the relative influence of the EP vis-à-vis the two other institutions and determine which coalitions were the most successful in changing or preserving the EC's original proposals.

Table 10: Table summarising the key institutional positions - Part I³³

File/Issue	Commission	Council	EP	Final Regulation
DP Financial discipline	Shall apply only to payments over € 5 000	Shall apply only to payments over € 2 000	EP shared EC position	Shall apply only to payments over € 2 000
DP Active farmers	MS must draw up a mandatory negative list of non-agricultural entities to be excluded from DP	MSs should draw up this list on a voluntary basis	EP shared EC position	Mandatory list excluding certain types of activities from DP
DP Capping & degressivity	Compulsory capping (at € 300 000) and degressivity (at € 150 000)	Voluntary capping & degressivity	EP shared EC position	Mandatory reduction of at least 5 % for payments above € 150 000 + voluntary to go beyond
DP flexibility between pillars	Up to 10 % of P1 to P2, 5 % from P2 to P1 (for a selection of MSs ³⁴)	Up to 15 % of P1 to P2, and up to 25 % from P2 to P1 (for a selection of MSs) and up to 15 % for others	Up to 15 % from P1 to P2, and 10 % from P2 to P1 (for a selection of MSs)	Up to 15 % of P1 to P2, and up to 25 % from P2 to P1 (for a selection of MSs) and 15 % for others
DP Internal convergence	Uniform unit value for payment entitlements by 2019	Same as EC + increase by 1/3 for payments whose unit value in 2014 is lower than 90 % of the national or regional unit value	Same as EC but with possibility of deviating by 20 % from this value + 2019 levels cannot exceed 2014 levels by more than 30 %	Farmers below 90 % of national average get an increase of at least 1/3 of the difference between the current payment and the 90 % rate. All farmers receive at least 60 % of the national or regional average. MSs may limit individual losses up to 30 %

³³ Source: Ferto and Kovacs (2014). For more details, see Annex 2.

³⁴ Bulgaria, Estonia, Finland, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia, Spain, Sweden and the United Kingdom

File/Issue	Commission	Council	EP	Final Regulation
DP External convergence	MSs with DP below 90 % of the average should close 1/3 of the gap by 2020	MSs with DPs below average should close gap with 90 % of EU average by one third by 2020. All MSs should reach at least EUR 196/ha	No MSs should receive less than 65 % of the EU average. In MSs with DPs below 70 % of the EU average, that shortfall shall be reduced by 30 % (etc.)	All MSs shall attain a level of at least EUR 196 per ha in 2020

Table 10: Table summarising the key institutional positions - Part I (continued)

File/Issue	Commission	Council	EP	Final Regulation
DP Crop diversification	3 crops above 3 hectares: no crop should cover more than 70 % of the land and none of the three crops shall cover less than 5 %.	2 crops in areas of 10-30 hectares; above 30 hectares, at least 3 crops. No crop should cover more than 75 % of the arable land, with the two main crops together accounting for less than 95 %	2 crops in areas of 10-30 hectares + no crop should cover more than 80 % of land; above 30 hectares, at least 3 crops + main crop should not cover more than 75 % + two main crops accounting for less than 95 %	Arable land under 10 hectares is exempted from measure; 2 crops on farm land of 10-30 hectares. 3 crops shall be cultivated above 30 hectares. No crop shall cover more than 75 % of arable land + two main crops together should cover less than 95 %
DP Permanent pasture	Applied at farm level & permanent pasture not part of permanent grassland	Applied at national, regional or sub-regional level & permanent pasture not part of permanent grassland	Applied at national, regional or sub-regional level & permanent pasture is part of permanent grassland	Applied at national, regional or sub-regional level & permanent pasture is part of permanent grassland
DP EFAs	EFAs on at least 7 % of the farmland	EFAs shall cover at least 5 % of the farmland above 15 hectares, rising to 7 % from 2018	EFAs on 3 % of the farmland – where arable land covers more than 10 hectares –, increasing up to 5 % from 2016 and up to 7 % from 2018	EFAs shall cover 5 % where the arable land of a holding covers more than 15 hectares. The threshold of 5 % shall be increased to 7 %
DP Young farmers	Compulsory with up to 2 % of national ceiling	Voluntary with up to 2 % of national ceiling	Compulsory with 2 % of national ceiling	Compulsory with up to 2 % of national ceiling
DP Voluntary coupled support	Up to 10 % for SAPS & 5 % for others; short list of products	Up to 7 %; up to 12 % for SAPS and MSs applying more than 5 % between 2010-2013; more than 12 % for MSs applying more than	Up to 15 % of national ceiling; short list of products;	8 % of annual national ceiling + 2 % for protein crops; or 13 % plus 2 % for protein crops in case of SAPS; short list of

		10 % between 2010-2013; Annex I products;		products.
DP Small farmers scheme	Mandatory between € 500 and € 1 000	Voluntary between € 500 and € 1 000	Voluntary, minimum € 500 up to € 1500	Voluntary lump sum payment no lower than € 500 and no higher than € 1 250
EAFRD Double funding	Payments for requirements going beyond greening – No double funding	Explicitly allowing double funding	Opt-outs for P2 measures that go towards fulfilment of greening – no double funding	Payments for requirements going beyond greening + MSs ensure that there is no double funding between P2 and P1
EAFRD Ring-fencing of env. payments	N/a	0 % of RD budget initially, 25 % of RD budget for climate change in the Luxembourg compromise proposal	Initially, 25 % of RD budget for climate change; 30 % for climate change and other env. measures in the Lux. compromise proposal	30 % for climate change & other environmental measures

Table 10: Table summarising the key institutional positions – Part II

File/Issue	Commission	Council	EP	Final Regulation
CMO Export refunds	Used to safeguard the EU's participation in international trade, not only serving as a crisis management instrument No maximum budget ceiling defined.	Shared EC's position	Export refunds as a crisis management instrument and budget heading should be set at zero	Export refunds as a crisis management instrument and budget heading should be set at zero
CMO Public intervention	Only for a specific list of products (see Annex)	Shared EC's position	EC's list + durum wheat and sorghum	EC's list + durum wheat
CMO Producers' organisations (POs)	All POs must be recognised + cannot hold a dominant position	POs may be recognised (not mandatory) + can hold a dominant market position	All POs must be recognised + can hold a dominant position	POs may be recognised by MSs (not mandatory) + can hold a dominant market position
CMO Sugar quotas	Until 2015	Until 2017	Until end of 2019/2020	Until 2017

			marketing year	
CMO Wine planting rights (WPR)	Transitional regime until 31.12.2015 (end of WPR) with possibility for MSs to extend up to 31.12.2018; no new system thereafter	Transitional regime until 31.12.2018 (end of WPR); setting up a new wine authorisation system from 1.1.2019 to 31.12.2024	Transitional regime Until end of 2029/2030 marketing year	Transitional regime until 31.12.2015 (end of WPR); setting up of a new wine authorisation system from 1.1.2016 to 31.12.2030
HZR Double funding	RD measures cannot be funded by other budget	Agri measures may be financed twice	Shared EC's position	No double funding possible
HZR Penalties for non-compliance with greening	Unlimited reductions in basic payment possible as a result of sanctions	Limited reduction of basic payment – up to 25 % possible	No reductions in basic payment (max. sanction = greening payment)	Limited reduction of basic payment possible, whereby the limit is 0 % in the first two years, 20 % in the third year, 25 % from the fourth year
HZR Transparency	Publication of beneficiaries but threshold – equal to the amount of SFS – under which no application	Publication of beneficiaries but threshold – equal to the amount of SFS - under which no application	Publication of beneficiaries – no threshold	Publication of beneficiaries, but threshold under which no application equal to the amount of the SFS or € 1 250 if SFS not applied in the MS
HZR Cross-compliance	Integration of water framework and pesticide directive, GAEC 7	Deletion of water framework and pesticide directive, GAEC 7	Deletion of water framework and pesticide directive, GAEC 7	Deletion of water framework and pesticide directive, GAEC 7

5.1 From dialogue to trilogue

To fully understand the role of the EP in the 2013 CAP reform and the way the introduction of co-decision influenced interinstitutional dynamics, the working relationship between the negotiating teams and their staff also needs to be analysed.

As foreseen under the rules of co-decision, the Council and Parliament have to interact sequentially, reacting to each other's legislative proposals in turn, in order to agree legislation: these interactions take place in 'trilogue meetings', which were instituted to provide a means whereby the respective bodies could find compromises informally (Ragonnaud, 2013). The EC also takes part in these meetings and its formal role is to facilitate the agreement between the EP and the Council.

In the 2013 CAP reform, the trilogue phase followed a particularly intense calendar: around 50 meetings took place between April 2013 and September 2013.

As defined in Rule 70(3) of the EP internal rules of procedure, the EP negotiating team is composed of: the committee Chair, the rapporteur and the shadow rapporteurs. The negotiating team is led by the rapporteur and presided over by the Chair of the committee responsible or by a Vice-Chair designated by the Chair. It comprises, as a minimum, the shadow rapporteurs from each political group. The Council negotiating team is composed of the Presidency, assisted by the General Secretariat of the Council. The individual MSs are represented via the Presidency and do not take part in the negotiation per se. The Commission acts as facilitator in the process: the negotiator on the CAP reform was one of the DG AGRI Deputy Directors-General, sometimes assisted by one of the Commissioner's cabinet members.

Given the long-standing working culture between the EC and the Council (due to their 40-year experience of CAP reform), there were legitimate questions as to how the third player would fit into the game and what role it would play in the trilogue meetings.

The long-standing working relationship between the EC and the Council has been forged by years of negotiating and learning-by-doing - exactly what was missing from this first co-decision experience - but also by the fact that the EC is itself present at the meetings of the Special Committee for Agriculture (SCA), which means that the institutions are used to working together on a weekly basis³⁵.

The interviews revealed different appreciations and descriptions of this new working culture in the making. Co-decision significantly increased the level of contacts between the EP and the EC. The Commissioner visited every MS and directly contacted the key members of COMAGRI. The EC also made a conscious effort, according to some interviewees, to share information with both institutions and to offer opportunities for technical meetings on the proposals to the MEPs and their assistants.

On the positive side, there was consensus on the constructive atmosphere within the EP negotiating team but also between the different technical staff of each institution

³⁵ The SCA is composed of senior agriculture officials from the Member States (most of whom are based in Brussels) and from the Commission. It meets most Mondays, <http://www.consilium.europa.eu/policies/council-configurations/agriculture-and-fisheries>.

responsible for each file³⁶. The personal and informal contacts amongst these teams were seen as crucial for the success of the negotiation as a whole.

However, some of the old working culture remained, and there was more interaction between the EC and Council teams than with the EP. A couple of additional points were alluded to during the interviews in this context.

Firstly, some interviewees underlined the need to take into account the differences in institutional nature between the Council and the EP when considering the way they interacted with each other and the way they prepared for this reform. The Council is more administrative in nature than the EP, which is inherently political. Member States have the responsibility to adopt legislation but also to ensure that it is possible to implement it on the ground, which means that a careful analysis and impact assessment of each proposed measure needs to be carried out.

Secondly, the composition of the negotiation teams and the role of the respective negotiators were also alluded to by many interviewees. In particular, some interviewees, both within and outside the EP, expressed concerns about the difference in the political levels of the negotiators. In practice, the rapporteur is not faced with negotiating counterparts of the same level; neither the Commissioner nor the Ministers take part in the trilogues. This essentially means that whilst rapporteurs have a clear mandate to take political decisions³⁷, some of the negotiating civil servants on the other side of the table have to revert back to a higher political level for approval. One interviewee believed that it was precisely because all negotiators were at the same level in the June trilogue meeting in Luxembourg³⁸ that negotiations were able to move fast and a deal was reached on that occasion.

5.1.1 Co-decision and the Council: the success of the Irish Presidency

Interviewees identified several changes in the EP-Council dynamic linked to co-decision. In particular:

- A reality check on the part of both institutions: the Council was no longer alone in the decision-making process and the EP came to realise that 'when the Council says no, it is really saying no', as expressed by one interviewee.
- The constraints imposed by the internal functioning of the Special Committee on Agriculture (SCA): once a compromise is reached within the SCA on certain issues, the Council is very reluctant to re-open these issues for discussion with the EP, which puts an overall constraint on the EP-Council relationship.
- The Council's refusal to compromise on issues which have been pronounced upon by the European Council, which undermines the overall negotiation process with the EP. This was seen as one of the biggest constraints on the working relationships and negotiations between the EP and the Council (see Chapter 6).

³⁶ As an illustration, one could note the particular approach developed at technical level on the CMO file: the respective staff responsible from each institution formed a small technical working group to go through the important issues before the trilogue meetings and process the trilogue decisions afterwards.

³⁷ Although another aspect which was mentioned in this context was the sometimes difficult coordination between the rapporteur and the shadow rapporteurs during these trilogue meetings.

³⁸ A trilogue meeting was held in Luxembourg in parallel to the Farm Council of 24-25 June 2013. There had been a lot of internal debates within COMAGRI as to whether the EP should go there and 'follow the Council's requests'. COMAGRI Chair Paolo de Castro ultimately managed to convince his committee to accept the Council's invitation to negotiate in Luxembourg. The political agreement on the CAP reform package was reached at the end of this trilogue.

- The intensification of contacts between the COMAGRI secretariat and the Council secretariat, and the EP's reliance on the expertise of the Council's national experts for certain technical issues. The contacts between MEPs and permanent representations were also enhanced.

In this discussion of a new working culture emerging between the three institutions, and in particular between the EP and the Council, there is one particularly noteworthy example which should be mentioned: the success of the Irish Presidency - also described as a triumph by Matthews (2013) - in reaching a political agreement on all four CAP reform regulations on 26 June 2013.

From the early stages, the Irish Presidency was informally chosen as the one which would close the deal on CAP reform. Other MSs and the other institutions had placed great hopes in the Irish. When they took over the Presidency in January 2013, they set themselves two goals: reaching a common position within the Council by March-April 2013 and a deal with the EP in June 2013. At that stage, many thought it would be impossible. This perception changed, however, when the EP adopted its plenary mandate in March 2013; the prospects of a political agreement in June then became more realistic. How did they manage to make this happen?

Firstly, conscious of the role and impact of co-decision, they invested heavily in developing the personal relationship between the Irish Presidency team and the EP negotiating team in the very early stages of the process (as far back as 2011). One illustration of this effort was the informal Council in Dublin to which all rapporteurs were invited.

Secondly, once the negotiations were launched, they organised a set of informal meetings with only 6 people in the room: the Irish Presidency team (Simon Coveney), the COMAGRI chair (Paolo De Castro), the lead EC negotiator (Joao Pacheco), the relevant Council Working Group Chair, the relevant rapporteur and one of the Deputy Directors-General of DG AGRI. In these meetings (9-10 in total), they tackled the most important political issues at the end. By the time they got to the Council in June, they were down to a very small number of issues to resolve, namely capping and degressivity. From a negotiating strategy point of view, they applied the same logic to the trilogue meetings where the most important issues were parked together until May 2013, so that trilogue meetings could continue on other more detailed aspects. All these issues were then ultimately dealt with as a 'package' at the very end.

Thirdly, they relied on a very skilful Minister of Agriculture, whom many interviewees have praised for his political leadership and personal commitment to the process.

The working method of Minister Simon Coveney (a former MEP) and his team, namely to engage, at an early stage, both formally and informally, with the EP negotiating team was seen by many interviewees as decisive in reaching an agreement in June 2013. Here, the important role played by Paolo de Castro was also often alluded to in the interviews. Some gave de Castro credit for the way he managed to bring everyone to a final agreement and for the role he played behind the scenes in the final rounds of the negotiations.

5.1.2 Co-decision and dynamics within the EC

Co-decision affected the contacts between the EC and the EP, but also to some extent the dynamics within the EC.

One particularly relevant question here is the extent to which co-decision has affected the EC in drafting its original proposals. The interview results on this aspect are inconclusive. Many interviewees within the EP thought that the knowledge that co-decision would apply

this time round did influence the initial proposals towards something that would be (more) acceptable for the EP. Others, however, believed that only the Lyon report had been taken into account to a marginal extent in the drafting of the proposals, underlining that the preparatory phase of the EC proposals (through the public consultation organised by the Commissioner) took stock of the EP's resolutions, alongside many other contributions.

A second dimension which needs to be considered is the participation of other DGs in the decision-making process, and whether it was affected by co-decision. Here, the results of the interviews provide a slightly clearer picture. The involvement of DG Environment, for example, was unprecedented compared to previous reforms. However, this evolution may be due to the nature of the reform (the greening) and the budgetary pressure (using part of the CAP's budget as 'environmental budget') than to co-decision per se.

DG COMP was also recognised as having had a significant influence on the process, in particular with regard to the competition issues raised by the CMO file. In reaction to the EP's amendments to the CMO regulation, DG COMP wrote a note on Mr Dantin's report, arguing that some of his proposals threatened the completion of Article 39 TFEU (which defines the objectives of the CAP). In this particular case, it was clearly the involvement of the EP (and its particular positions on the CMO) that triggered a stronger involvement of DG COMP.

A third aspect which was raised in this context was the difference in relations between the EP and the Commissioner's Cabinet, and between the EP and DG AGRI. Many contacts took place directly between the EP and the Cabinet (and their respective staff), bypassing in some cases DG AGRI. Explanations for this can be found in the political nature of both bodies. The Cabinet may have been a more natural interlocutor for the EP and easier to convince than DG AGRI. At a technical level, the EP staff explained that having direct contacts with the Cabinet was sometimes useful when it took too long to get the information from DG AGRI.

Finally, the issue of communication and information exchange often came up in discussions on the new EP-EC relationship. Some interviewees argued that, quite naturally, as the institution proposing the legislation, the EC had an agenda to pursue and to follow, which may have interfered with its supposedly 'neutral' and 'open' expertise support towards the EP. However, the interviews were inconclusive on this aspect: some actors underlined the availability, transparency and openness of the EC in providing relevant information and argued that the EC was helpful. In the opinion of one of the interviewees, it was actually the EC that actively tried to help the EP, which did not take the necessary steps to fully engage with the EC.

5.1.3 Impact of co-decision on civil society and stakeholders

One notable feature of the 2013 CAP reform was the early engagement and participation of civil society in the construction of the EC's legislative proposals. On 12 April 2010, the EC launched a public debate on the future of the CAP, which stayed open as a public consultation until June 2010 (a total of 5 600 contributions were received) and was concluded by a broad conference in July 2010. This was certainly a new approach to reforming the CAP, as the Commissioners for Agriculture have had the reputation of being closer to farm interests, compared to other civil society actors and stakeholders (Cuhna and Swinbank, 2011).

It is unclear whether this move was thought of in anticipation of co-decision, although some interviewees have underlined the genuine willingness of Commissioner Ciolos to open up the debate to the European public. It is also unclear to what extent the participation of

civil society in 2010 made a decisive contribution towards the EC legislative proposals, although it is acknowledged that they provided additional support for the Commissioner's proposal on greening, for example.

The interview results revealed a few different ways in which co-decision affected the participation and influence of civil society actors in the decision-making process.

Firstly, co-decision intensified the relationship between MEPs and outside actors, whether from the farm community, the agri-food industry or environmental NGOs. Quite logically, 'lobbying' in the EP increased alongside the increase in legislative power. A key question here is whether the limited EP in-house resources and its reliance on external sources of expertise inevitably makes it more vulnerable to the influence of these external actors.

Secondly, some interviewees noted that co-decision forced civil society to organise itself at European level; it forced civil society actors to structure their messages via a broad European platform, rather than trying to influence the institutional actors in a dispersed manner. In the light of co-decision's ultimate objective, i.e. more democratic accountability and more citizen representation, this is an important development. The 'broadening of interests' which some observers were expecting to see in COMAGRI or the plenary, might have actually happened via the emergence of a European civil society.

However, it is unclear to what extent this organisation at European level influenced decision-makers, since the decision-makers themselves were now more numerous and heterogeneous under co-decision.

Thirdly, there seems to be a difference in the civil society actors' perception of their own influence. Environmental actors, for example, seem to believe they only had a very marginal influence on the process and regret the dominance of farm interests in the debate. However, this perception of the dominance of farm interests is not shared by all observers. One interviewee suggested that farm organisations had less influence this time round than on previous reforms.

5.1.4 Delegated and implementing acts

The implementation of the Lisbon Treaty also had an impact beyond the negotiations on the CAP reform basic acts, by making the distinction between delegated and implementing acts. With both, the legislator delegates to the Commission the power to adopt acts amending non-essential elements of a legislative act. For example, delegated or implementing acts may specify certain technical details, or they may consist of a subsequent amendment to certain elements of a legislative act. The legislator can therefore concentrate on policy direction and objectives without entering into overly technical debates. However, it is also acknowledged that delegation is sometimes 'a case of entrusting politically delicate tasks to the executive' (European Parliament, 2008).

There are however fundamental differences between delegated and implementing acts. The EP may reject delegated acts (but it cannot amend them). On the contrary, concerning implementing acts, the European Parliament is excluded from their adoption. Therefore, the choice between delegated and implementing acts represents a crucial decision.

Delegation is subject to many conditions; for example, it may only apply to non-essential aspects of the act. Defining what is 'essential' and 'non-essential' in a piece of legislation is naturally a very political decision (European Parliament, 2008). The decisions about what should be dealt with in delegated or implementing acts are taken during the trilogue meetings on the basic acts.

The interviews which were carried out for the purpose of this study took place at the same time as the discussions on the first set of CAP reform delegated acts. The latter were often alluded to as a concrete illustration of where the interinstitutional working culture still needs to be improved. The interview results can be summarised along two lines.

Firstly, a general sense of miscomprehension: some MEPs claimed that the EC was trying to include technical provisions which did not respect the political agreement, and threatened to reject these acts. In a press release on 5 February 2014, the COMAGRI Chairman, Paolo de Castro, called upon on the Commission (and Commissioner Ciolos in particular) to 'bear in mind that all delegated acts must be based on and strictly adhere to what was achieved with such difficulty during the CAP reform negotiations. (...). This Agriculture committee will not accept any delegated act which goes beyond the legislative texts as approved by the Parliament and the Council last year'. The Green members of COMAGRI have accused the EPP of using the delegated acts as a further way of diluting the greening provisions (a detailed discussion on this point will be provided in section 6.3).

Secondly, a crucial question to address in this context is whether an increase in delegated acts is a desirable way forward for the EP and for the process as a whole. With the implementation of the Lisbon Treaty, the introduction of delegated acts has given the EP more powers than for implementing acts. However, this does not necessarily mean that behind the formal definition of these acts, institutional and practical arrangements have been put in place to define how the EP should fulfil its mandate, e.g. who should take part in technical meetings on these acts, how exactly they should intervene, etc. This lack of practical arrangements may have contributed to the difficulties encountered during the discussions on delegated acts.

The interviews were inconclusive as to whether the increasing importance of delegated acts undermines the overall process of co-decision, or whether it facilitates it (by removing from the basic acts technical provisions which would prolong and further complicate the decision-making process). Nor was there a strong consensus on what should be the way forward for the EP: include more in the basic acts (with the risk of dramatically prolonging the procedure) to retain full co-decision powers over the legislation, or delegate more but be better prepared to deal with this secondary legislation.

More fundamentally, if delegation becomes too widely used as a means to overcome difficult issues, it could pose a threat to the very legitimacy of the decision-making process as a whole: it must not become an instrument of co-decision. It must remain exceptional and only be resorted to in order to tackle very technical problems that should not be addressed in the basic act (European Parliament, 2008). Ultimately, it must help the EP focus on its essential tasks, not diminish its legislative powers.

5.2 Outcome and influence of the EP in CAP reform

The entry of the EP as a new player into the decision-making process naturally meant a reshuffle of the rules of the game, with new coalition opportunities and interinstitutional transfers of power. Has the new role of the EP increased or reduced the role of the EC and the Council? Has the EP become an independent actor or simply an extension of the Council (in terms of interests) and of the Commission (in terms of expertise)? With which institution did the EP partner the most and the most successfully?

In this section we discuss how much concrete influence the EP gained with co-decision, vis-à-vis the two other institutions. The outcome of the trilogue negotiations and the respective institutional positions are briefly presented in Table 10; a more detailed overview is provided in Annex 2.

5.2.1 Ex-post perceptions

Based on earlier studies, including Crombez et al (2013), we asked the interviewees to describe the changes of power between the institutions linked to the introduction of co-decision. In particular, we asked them to identify which one of the scenarios developed in Greer and Hind (2012) best represented the actual negotiations and the inter-institutional dynamics under the 2013 CAP reform:

- a) *The conventional scenario*: the EP acquired more power at the expense of the other institutions but it was constrained by limited resources.
- b) *The Council-EP axis*: the Council filled the void created by the limited resources of the EP, drawing on the substantial administrative capabilities of Member States.
- c) *The Commission-centric model*: the Commission managed to extend its powers, both formally and informally (the Commission increased its influence by using its expertise and resources to facilitate an agreement between the EP and the Council that delivered an outcome shaped more closely to its preferences).
- d) *The status quo scenario*: the changes in decision-making rules produced stasis, a more protracted decision-making process that made reform more difficult by reinforcing the status quo.

The dominant view was that the EP had more influence than in the past but that it was limited by its resources; 42 % of the respondents thought that the dominant evolution to be highlighted was the increase in the EP's power, i.e. the conventional scenario, option (a). However, 30 % did not agree and believed that the other institutions gained power; 17 % perceived the reality of interinstitutional dynamics to be more in line with scenario (b) and another 12 % underlined the potential increase of power for the EC as a result of co-decision in scenario (c) (see Table 11). However, a quarter (25 %) said that none of these scenarios described the evolution well.

Table 11: Impact of co-decision on the EU institutional triangle

Balance of power between the three institutions involved in the CAP reform (Response rate = 83 %)	Percentage of respondents
A. The conventional scenario	42 %
B. The Council-EP axis	17 %
C. The Commission-centric model	12 %
D. The status quo scenario	4 %
E. None of the above	25 %

We also asked the interviewees to describe the role of the EP vis-à-vis the other institutions: over three quarters (79 %) of respondents replied that they evaluated the EP

as a 'Working Parliament' as opposed to an 'Antechamber to the Council'³⁹ (21 %) (see Table 12).

Table 12: Role of the EP in the CAP reform

Role of the EP in the CAP reform (Response rate = 59 %)	Percentage of respondents
A. A rubber-stamp institution endorsing the EC positions	0%
B. An antechamber to the Council	21 %
C. A working Parliament (able to amend and produce its own legislation)	79 %

Many interviewees highlighted the fact that, undeniably, the entry of the EP now made it impossible for the EC and the Council to seal a deal on their own, which means that they have arguably lost a share of their previous decision-making prerogatives. Individual MSs also lost power given the new negotiation structure: the Presidency is the only body representing all the MSs in the trilogue meetings with the EP, which means that national delegations have delegated some power to the Presidency and must trust that the latter has understood and will defend their interests.

5.2.2 Amendment analysis

A similar conclusion can be drawn from the analysis of the EP's amendments (Ferto and Kovacs, 2014). For the four CAP regulations, 44 % of the total number of EP amendments in the negotiations mandate were accepted in the final outcome. The highest acceptance ratios were observed in the case of the EAFRD (47 %) and CMO (47 %) Regulations, followed by the Direct Payments Regulation (40 %). The lowest figure was seen in the case of the Horizontal Regulation (37 %)⁴⁰.

In sum, 51.2 % of all EP agricultural policy amendments⁴¹ were accepted. Broken down file by file, the EP managed to obtain higher acceptance rates in the case of the EAFRD (57 %) and CMO (55 %) regulations. The figures for Direct Payments (49 %) and the Horizontal Regulation (40 %) are lower.

As for EP CAP reform amendments⁴², 55.96 % of all the amendments of this type were accepted. The highest acceptance rates were in the case of the EAFRD Regulation (65.71 %), followed by the Horizontal Regulation (60 %), the CMO (52.38 %) and finally the Direct Payment Regulation (48.83 %).

³⁹ A Working Parliament is understood as a Parliament able to produce, amend and adopt binding legislation. An antechamber to the Council is understood here as a second chamber echoing the views expressed in the first chamber (the Council).

⁴⁰ When compromise amendments are extracted, the results are even more striking: if compromise amendments are extracted, the numbers are more significant: 59.2 % of the total amendments in the EP negotiation mandate are incorporated into the final regulations, 60.2 % for DP, 73 % for EAFRD, 41.4 % for HR and 57.1 % for CMO (Ferto and Kovacs, 2014).

⁴¹ Agricultural policy amendments are considered in this analysis as amendments which go beyond 'institutional' or 'clarification aspects' and touch upon important policy aspects (Ferto and Kovacs, 2014).

⁴² CAP reform amendments are defined here as amendments tabled to the new CAP reform items such as greening, the young farmers' scheme, the small farmers' scheme, etc., and also when the EP's position represents a step back from the Commission proposal (Ferto and Kovacs, 2014).

With these rates of acceptance, it could legitimately be argued that the EP became a real co-legislator with the Council, and that it touched on important aspects of the policy. In other words, with over 50 % of the changes proposed by the EP ultimately accepted in the final outcome, we can safely consider the EP to be a real decision-maker.

A comparison of the EP's legislative influence under co-decision with its influence under consultation also suggests a significant increase in the EP's power, but the results need to be interpreted with caution since such comparison is obviously incomplete.

Ferto and Kovacs (2014) compare EP amendment success rates under co-decision with those under consultation for four CAP regulations between 2004 and 2008⁴³. When the total number of amendments is considered (over 8 000 in the case of the 2013 CAP reform), the ratio of successfully adopted EP amendments in the final regulations is only slightly higher (10.4 %) under co-decision than under consultation (9.7 %). This may be explained by the sharp increase in the number of amendments under co-decision compared to consultation, rather than a limited increase in legislative influence.

However, the EP's position vis-à-vis the Council seems significantly more influential under co-decision: 59.2 % of the amendments adopted by the EP plenary were taken on board by the Council, compared to 29.1 % under consultation. The EP is also more powerful in putting through its draft report amendments, which had an adoption rate of 59.3 % under co-decision, compared to 23.3 % under consultation.

5.2.3 Analysis of winning coalitions

Another way of measuring the EP's influence in the process is to look at the 'winning coalitions' at play during the CAP reform negotiations (Ferto and Kovacs (2014)). Winning coalitions are defined as institutional coalitions whose common position is finally stipulated in the final regulation. In other words, we look at whether the EP was more often in the winning institutional partnership or not⁴⁴.

The position of the EP was the same as that of the EC in 20.4 % of cases, and that of the Council in 22.6 % of cases. In fact, the most frequent coalition was the Commission-Council coalition, with 43 % of cases on all the CAP policy issues observed. In 14 % of the cases no coalitions were formed, which means that the three institutions took three different positions ahead of the trilogue negotiations.

Via its amendments, the EP managed to influence the final policy outcome in 65.6 % of all observed cases (as part of an institutional coalition, solely or in a compromise form). In coalition with the Council, the EP managed to get its position through in 21.5 % of cases, and together with the Commission in 5.4 % of cases. The EP alone – without any coalitions – was successful in 24.7 % of observed cases.

When analysing the winning coalitions file by file, the results show that the EP was most successful in the case of the CMO and the Horizontal Regulation (both 71.4 %), followed by the EAFRD (63.6 %) and the Direct Payment Regulation (62.8 %).

⁴³ Proposal for a Council Regulation on the financing of the common agricultural policy; COM(2004)0489; Proposal for a Council Regulation on support for rural development by the European Agricultural Fund for Rural Development (EAFRD); COM(2004)0490; Proposal for a Council Regulation establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products; COM(2006)0822; Proposal for a Council Regulation establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers; COM(2008)0306.

⁴⁴ The results presented in this section draw on Ferto and Kovacs (2014).

When compared to the Council, the following conclusions can be drawn: the Council managed to get its position through – either in coalition, in a compromise form or alone – in 57 % of the observed cases, which is lower than the EP's relevant figure (65.6 %). The Council managed to win alone in 16.1 % of all observed cases, compared to 24.7 % for the EP.

Finally, the results of the analysis carried out by Ferto and Kovacs (2014) also reveal that (amongst other things):

- The EP-Council coalitions have by far the highest success rate (95.2 % adoption rate). It clearly reflects the co-decision: if the two co-legislators agree, there is only a minor chance that other factors will be able to influence this agreement. In particular, the EP-Council coalition was successful, for example, in making the Small Farmers' Scheme and the redistributive payments voluntary for Member States, in defining the hectare thresholds for crop diversification and in defining the percentages for inter-pillar transfers from P1 to P2.
- In coalition with the EC, the EP and the Council have almost equal weight, as the success rate of the Commission-EP coalition (26.3 %) is close to the Commission-Council figure (32.5 %). The EP-EC coalition was successful, amongst other things, in setting the threshold for financial discipline, in making the Young Farmers' Scheme mandatory for Member States and also in making degressivity compulsory for Member States.

In summary, the EP is more often engaged in winning coalitions than the Council (in 65.6 % of cases for the EP, compared to 57 % for the Council). Hence, even if the most frequent coalition is the Commission-Council coalition (in 43 % of all cases), the most successful partnership seems to have been the EP-Council coalition, which wins in 95.2 % of all cases.

The results of the interviews were less conclusive on the way the EP partnered with the other institutions. In fact, most interviewees highlighted the case-by-case nature of these coalitions and the difficulty of drawing general conclusions. As one interviewee explained, 'the EP rarely struck out on its own and imposed its own view (if the two other institutions were against it, for example). However, when the EP's views were in line with those of one of the two other institutions, it could be decisive; there were sometimes tipping points where the EP's position was indeed crucial.'

5.2.4 A nuanced interpretation

The perception of the increase or decrease of power was also different depending on the interviewee's respective institution or organisation. In particular, a few additional findings give a more nuanced picture of the interinstitutional situation during the negotiating phase:

- The EP may have equal powers with the Council, but sometimes failed to express an independent vision, removed from the interests defended by MSs, which were represented within the Council. Some interviewees thought there was some truth in the EP being an 'antechamber to the Council' or in the 'EP-Council' axis, underlining the closeness between the national delegations and their corresponding MEPs on a number of issues. In this sense, the increase in the EP's power may not necessarily mean a decrease in the Council's power, if both echo similar views and positions. The interinstitutional dynamics varied on a case-by-case basis.
- The evolution of the EC's power also seems to be ambiguous and was subject to different interpretations in the interviews: some thought the EC increased its power

by strengthening its role as facilitator, or simply because the EP was highly dependent on its technical expertise, which still gave the EC the upper hand on a number of issues. Others argued that, given the internal divisions within the EP and the Council, the EC eventually managed to bring the policy closer to its preferences.

The empirical evidence from the different methodologies clearly suggests that the EP did become more influential. However, the growth in influence was constrained by other factors, such as the EP's dependence on the EC's resources for technical expertise and its tendency to somewhat echo the positions expressed within the Council, rather than defending a third, alternative vision. Some of these factors are discussed in more detail in the case studies in Chapter 6.

A second conclusion is that, overall, the EP is believed to have pushed for less reform than the EC, but maybe in some cases for a greater level of reform than the Council would have wished for, and in other cases supported or reinforced the EC's positions. As in Chapter 4's discussion of the influence of COMAGRI, the nature of the EP's influence in comparison to the Council and the EC is best assessed on an issue-by-issue basis.

The following concrete examples were alluded to in the interviews to illustrate the nature or the specificity of the EP's influence:

- **On the CMO:** some interviewees recognised the important influence of the EP on this file, underlining the number of 'new' ideas introduced by the EP, in particular in terms of collective organisations of producers. Other interviewees, however, described the influence of the EP on this file as the most conservative, 'reverting to instruments of the past'. Notably, the EP managed to postpone the end of the sugar quotas until 2017.
- **On direct payments:** the EP's position was described as being 'concerned by the practicability and economic relevance of the regulation' or as being a 'watering down' influence on greening⁴⁵ (although not all interviewees shared this view), or even a re-nationalising influence, with regard to the increased flexibility given to MSs for implementation. The Young Farmers' Scheme was often cited as an area where the EP's influence was decisive: the EP managed to impose the mandatory character of the scheme in the face of opposition from the Council, which wanted to keep it voluntary. The EP also managed to increase the number of eligible hectares from 25 to 90. As regards the Small Farmers' Scheme, the EP also had a notable influence: the Council wanted to cap the lump sum at EUR 1 000, while the EP proposed EUR 1 500. The final outcome ended up being a compromise between the two: EUR 1 250.
- **On rural development:** the EP's influence was described as consensual but decisive with regard to the elimination of double funding and the ring-fencing of agri-environmental spending.
- **On the Horizontal Regulation:** the EP supported the efforts of the EC on strengthening the accountability of the paying agencies. The EP also supported the EC on a number of other issues aimed at strengthening the control systems (certification, possibility of suspending monthly payments, etc.). Finally, the EP added some elements to the Farm Advisory System (e.g. competitiveness, entrepreneurship) and cross-compliance (e.g. early warning system).

⁴⁵ The expression "watering down" has been used by a number of CAP-reform observers who compared the input of the EP to the nature of the original proposals put forward by the EC. The idea of "watering down" mainly comes from the increased flexibility suggested by the EP compared to the binding and compulsory character of the original proposals. A thorough discussion on the EP's influence on greening is provided in section 6.3.

5.3 Summary and conclusions

A few key findings have emerged from this chapter. In particular:

- A new working culture is emerging, but not always successfully. Areas for improvement in the communication between the institutions exist and the understanding of their respective roles needs to be enhanced. Informal contacts between the respective negotiating teams are recognised as crucial to further develop this new interinstitutional working culture and to enable successful negotiations.
- The success of the Irish Presidency can be considered as an indication of how co-decision can work in practice. In particular, by investing heavily in personal relationships with EP negotiators and dealing with the most sensitive issues as a package, the Irish team integrated the new interinstitutional dynamics into their strategy, which effectively led to a political agreement on the four basic CAP reform acts.
- The episode of delegated acts is worth mentioning as an illustration of where areas for improvement remain, although the repeated threats of some MEPs to reject the delegated acts have yielded some legislative results. Institutional arrangements should be put in place with regard to the future preparation of delegated acts, specifying who the EP negotiators should be, and what their role and mandate should be.
- Co-decision intensified the contacts and relationship between civil society and the EP, which was sometimes criticised for being too open to the influence of certain actors. Co-decision also forced civil society actors to organise themselves at European level in order to influence a more complex and heterogeneous EU decision-making system.
- The EP is clearly now enjoying powers that it never had before. Its influence on the policy went beyond recitals or clarifications: more than half of all its amendments on the most sensitive issues of CAP reform were finally incorporated into the final outcome. This would tend to confirm that the 'conventional scenario' is the most suitable to describe the reality of the 2013 CAP reform outcome.
- The EP may have more powers today and may be a 'working parliament' on political issues, but it was faced with difficulties on the most technical issues. Its lack of technical resources, compared to the two other institutions, may have reduced its ability to negotiate on an equal footing with the Council and to propose viable alternatives to the EC's proposals. The EP may be constrained by a lack of resources but it is unclear whether a mere increase in in-house technical expertise would be the right solution, given the inherently political nature of the EP compared to the two other institutions.
- The comparison of the amendment success rates under consultation and co-decision reveals that the formal increase in power has materialised into legislative terms. Despite the informal routes that could be used by MEPs under consultation to influence policy outcomes, the EP is indisputably more powerful under co-decision: it is more powerful in imposing its views vis-à-vis the Council and in putting through its draft report amendments. However, other factors need to be taken into account when assessing its increase in power.
- When the amendment success rates of each file are compared, the EP seems to have been the most successful on the CMO file. This relative success should be considered in the light of the EP's failure to impose its views on the Article 43(3) issues, which will be discussed in section 6.5.

- The EP may formally have equal powers with the Council, but sometimes failed to express an independent vision, removed from the interests represented within the Council. Some interviewees thought there was some truth in the EP being an 'antechamber to the Council' or in the 'EP-Council' axis, underlining the closeness between the Council national delegations and their corresponding MEPs on a number of issues. In this sense, the increase in the EP's power may not necessarily mean a decrease in the Council's power, if both share or echo similar views and positions. Finally, if the final result is 'less reform' compared to what was proposed by the EC, it could also be argued that the impact of co-decision was to favour inertia rather than policy change. The EP introduced amendments reversing some of the EC proposals: over 60 % of these were integrated into the final outcome.
- The evolution of the EC's power is ambiguous: it may have increased its role as facilitator and it may still have an upper hand linked to its expertise (and the EP's reliance on it). It may also use the divisions within the other institutions to bring the policy closer to its preferences. However, it also loses power when the EP and the Council are allied.
- The EP partnered more easily with the Council (they shared the highest number of cases) and it was also the most successful when it partnered with the Council. However, interinstitutional dynamics and coalitions varied on a case-by-case basis.

6. EP INFLUENCE ON SPECIFIC ELEMENTS OF THE REFORM

To complete the analysis carried out above, in this section we focus on crucial elements of the 2013 CAP reform which merit further attention. First, we look at the interinstitutional management of the CAP reform calendar and the EP's responsibility in this regard, and then at the EP's position on capping, given the political sensitivity and the prominence of this issue in the debate. We then attempt to assess to what extent the EP influenced the greening proposals. Next, we evaluate the impact of the simultaneous MFF negotiations on the process in general and the EP's influence in particular, and finally, we try to analyse how the food and economic crises may have affected the EP's positions on market regulation (via the CMO file). In this particular case, we also discuss the important interinstitutional battle over the so-called 'Article 43(3)' issues.

6.1 Reform calendar

One issue which certainly triggered a lot of discussion and differences in interpretation between the institutions is the overall CAP reform calendar. When the EC published its communication in November 2010, it was foreseen that a new CAP would be implemented on 1 January 2014. Just under a year later – in October 2011 – the EC published its legislative proposals. At that stage, the final texts would have had to be adopted and published in the Official Journal by March 2013 (for the payment claims to be introduced on time and the new CAP to be implemented by 1 January 2014). It quickly became apparent that this timeline was unrealistic. The only regulation which eventually made it through on time was the new CMO, which effectively entered into force on 1 January 2014. All the other new regulations will enter into force on 1 January 2015, which meant that it was necessary to design and implement 'transitional measures' to make a bridge between the old and the new CAP. In this light, it would be difficult not to consider the CAP reform as having suffered 'delays'; the results of the interviews, however, show a more nuanced picture.

The results of the interviews tend to confirm this perception that the reform calendar initially proposed by the EC was unrealistic (58 % of respondents chose this description, as shown in Table 13).

Table 13: Interpretation of the CAP reform timetable

Interpretation of CAP reform timetable (Response rate = 62 %)	Percentage of respondents
A. The delays were inevitable and the original reform calendar unrealistic	58 %
B. The delays were part of the EP negotiation strategy	0 %
C. The delays were part of the negotiation strategy of the EC or the Council	11 %
D. The delays were worth it and enabled the negotiators to come to a better agreement	17 %
E. The delays were a symptom of an ineffective and lengthy process that needs significant revision	14 %

Therefore, a legitimate question would be: can we really speak of delays when the original schedule was allegedly known to be unrealistic?

Some interviewees thought that rather than being too long, the process was in fact too short and suffered from many timing imperatives, including the pressure to reach a first-reading agreement and the timing constraint imposed by the simultaneous MFF negotiations and the EP's refusal to adopt the final regulations before the final figures for the CAP budget were known (a thorough discussion on this point is provided later in this section). The negotiating phase itself – from April to September 2013 – was almost unanimously considered as intense, which was a good thing for some interviewees and a bad thing for others. 'Short timing focuses the mind' as one interviewee pointed out, but it also rushes some of the last drafting phases and may put one or other of the players in a 'take it or leave it' position.

These factors aside, some interviewees still believed there would have been ways to use the available time, if not better, maybe in a more efficient way. For example, one period which was alluded to in this context was the time between the publication of the legislative proposals (which, according to some, arrived too late on the table) and the adoption of a COMAGRI position in January 2013, with a particular emphasis on the report drafting phase. On the other hand, the drafting of the report was also described as a crucial phase 'to take the political temperature of the house' and, consequently, as a period that should not be rushed. In the same vein, one interviewee underlined the fact that the duration of the process enabled the negotiators to build a good working environment and trust amongst the key actors, which was essential for the subsequent negotiations with the Council.

Another important timing element is that the EP reached a common position before the Council; this was recognised by some interviewees as a considerable achievement given the number of amendments and the internal divisions in the EP (see Chapter 4).

Finally, the most fundamental issue in the management of the CAP reform calendar was the link to the simultaneous MFF negotiations. Given the agreement by both the EP and the Council that CAP reform could not proceed without an MFF decision, both the Council and the EP produced their positions in March 2013 (after the MFF conclusions of February 2013). When one takes this link into account, there was arguably no delay, and certainly not from the EP's side. Even if it had been ready to adopt its positions beforehand, there

would have been no point. Whether the link with the MFF delayed the start of the trilogue negotiations is another issue, which is discussed in Section 6.4.

In this context, relatively little 'finger-pointing' emerged from the interviews as to where the responsibility lies for the delay in the CAP implementation. Most interviewees underlined the constructive spirit of the negotiators in trying to reach an agreement within a reasonable deadline. The changes introduced by the EP to its rules of procedure to still make a first-reading agreement possible are also an indication that there was no intention to further delay the process.

The reform was so complex that one would always have wished for more time, but we do not know whether this would have changed the results or led to a better agreement.

6.2 Capping

Apart from greening, capping can arguably be considered as one of the most contentious political issues of the reform. Table 10 and Annex 2 provide the complete details of the respective institutional positions on capping, and what ended up in the final outcome.

The EC's original proposal was to impose a mandatory maximum ceiling of EUR 300 000, with degressivity starting at EUR 150 000. The EP had expressed itself in favour of capping in numerous reports, while the Council vehemently opposed it. Matthews (2012e) provides a comprehensive overview of the arguments against and in favour of the measure.

The support of the EP may have been an additional incentive for the EC to propose capping in the first place, as they could legitimately expect the EP's support on this difficult proposal.

Some observers expected that, given the highly political measure of this proposal, the EP would want to take a strong position on it, as a way of demonstrating its new co-legislator's powers. However, the European Council's conclusions of February 2013 put a new spin on the story, by adding the word 'voluntary' to the capping proposal. Although the EP could, in theory, have ignored this wording, the Council (and some forces within the EP against capping) then had the backing of the Heads of State, which essentially killed the mandatory character of the capping proposal.

Ultimately, the outcome ended up being closer to the Council's preferences, with the EP 'not putting up much of a fight', as one interviewee argued. The compromise solution in the final outcome was to introduce a compulsory degressivity (a 5 % reduction in the payments for individual farms above EUR 150 000), but voluntary capping of payments at EUR 300 000.

Not surprisingly, depending on their political (and national) allegiances, MEPs have interpreted this result as a victory or as a complete failure.

6.3 Greening⁴⁶

At the start of the CAP reform process in 2010, one of the key issues on the table was the need to make environmental management and the delivery of public goods a more integral part of agricultural support, to address the environmental challenges facing the EU. This was considered vital if the CAP was to have legitimacy in the longer term (Hart et al, 2010; Matthews, 2013). In particular, in the light of the long uncertainty over the total CAP

⁴⁶ This section draws on the analysis carried out in Hart (2014).

budget, avoiding a sharp reduction in the level of the budget was, for many, contingent upon genuine greening measures.

In relation to greening, the proposals represented a significant change in the architecture of Pillar 1. The EC proposed that all Member States would have to tie 30 % of their direct payments envelope to three agricultural practices beneficial to climate change and the environment (greening practices) which would be compulsory for all farms.

- **General requirements:** Organic farms were considered 'green by definition' and therefore would automatically receive the 'green' payment and farmers within Natura 2000 areas would need to comply with the greening measures (crop diversification, permanent grassland and EFA) unless they are incompatible with the practices required on the particular site.
- **Crop diversification:** 3 different crops to be grown on arable land over 3 hectares, with none of the three crops covering less than 5 per cent of the arable land and the main one not exceeding 70%.
- **Permanent grassland:** Maintenance of 95 % of the area of permanent grassland on the holding as declared in 2014.
- **Ecological Focus Areas (EFAs):** 7% of the holding (excluding permanent grassland) to be managed as EFAs, which comprise one or more of the following elements: land left fallow; terraces; landscape features, e.g. hedges; ponds; ditches; trees in a line, in a group or isolated; field margins; buffer strips – with no production on them; areas afforested with funding from EAFRD.

However, as explained in Hart (2014), the proposals provided no detail on how these measures might work in practice or what their impact was likely to be environmentally. The impact assessment that accompanied the proposals (European Commission, 2011b) contained little information on the likely environmental impacts of the measures, and, in addition, was prepared on the basis of measures proposed in the 2010 Commission communication, not those that were eventually included in the legislative proposals⁴⁷. In terms of the content of the measures, the EC retained the power to define the detail through delegated acts, which left a lot of questions unanswered about precisely what would be required under the greening measures and how they would operate.

The Commissioner's greening proposal was met with widespread criticism from the majority of actors from the outset; reactions to the greening proposals were almost universally negative (Anon, 2011b), with few stakeholders feeling that they constituted a cost-effective way of bringing about a substantial improvement in the environmental management of the EU's agricultural land. For most environmental organisations, the proposals to green Pillar 1 were already a second-best option, and it was felt that the proposed measures needed strengthening if they were to increasingly reward environmental public goods (Hart, 2014). Others saw them as undermining Europe's ability to contribute to ensuring food security (for example, by requiring land to be taken out of production for the Ecological Focus Area requirement), threatening income support payments to farmers and thereby their livelihoods, and increasing the complexity of the CAP (Hart and Baldock, 2011; Matthews, 2013).

⁴⁷ For example, in the 2010 communication the Commission had proposed crop rotation rather than crop diversification, as well as soil cover, which was not included in the final legislative proposals.

The proposals were equally poorly received by the EP and the Council. As the negotiations started, calls for increased flexibility, both by those who wanted to strengthen the proposals' ability to achieve environmental benefits and by those who saw it as a way of reducing their impact and give farmers more flexibility, led to a long list of exemptions being introduced.

The relevant question to address in the context of this study is how much of the changes in the greening measures lies within the EP's responsibility.

To answer this question, Hart (2014) takes a chronological approach, looking at Capoulas Santos' draft report⁴⁸, the results of the COMAGRI vote in January 2013 and the results of the plenary vote in March 2013, and comparing the negotiating mandates from the EP and the Council with the final outcome (see Annex 3).

Within the EP, a strong concern was voiced by a majority of MEPs regarding the lack of simplification in the proposed regulations and the suggested conflict between the EFAs and food security objectives. It was within this context that Capoulas Santos started drafting his report in view of developing the EP's negotiating position.

As already explained in Chapter 4, building a strong position within the EP was not an easy task, given the divisions between but also within the political groups. Capoulas Santos' challenge was therefore to navigate between the different views within his own party, but also between political parties and stakeholders, to develop his report.

In particular, during this period, views started to coalesce around a few key alternative options, identified in Hart (2014). Firstly, the idea of a menu approach to the greening measures gained traction. This involved extending the list of greening options and allowing Member States or farmers the flexibility to decide which to implement. Secondly, there were calls for a much wider group of farmers to be considered as 'green by definition' and therefore automatically eligible to receive the green payment. Finally, it was suggested that penalties for non-compliance with greening should not impinge on the basic payment.

The S&D group was split on the greening issue (as already mentioned in Chapter 4), between those leaning towards the 'menu approach', which was also defended by the Council, and others who rejected the idea of a menu because they felt this would weaken the greening concept. In his draft report, Capoulas-Santos ended up supporting the EC's structure, rather than supporting the menu approach (although it had gained many supporters within the EP), as it would have put the EP in direct opposition to the EC from the very beginning. But the report proposed several changes to the greening measures, in the name of simplification and reducing bureaucracy, including:

- **General requirements:** A broadening of the categories of farmers deemed to be "green by definition" to include farms which are 'environmentally certified' or those which are in agri-environmental schemes (AES) and undertaking similar actions as those required under green direct payments. Furthermore, the report proposed to break the link between compliance with the green direct payments and receipt of the basic payment, which essentially makes greening voluntary, with unspent funds transferred to the agri-environment-climate measure under Pillar 2. However, in line with the EC proposal, the report proposed that double funding should not be permitted and that Pillar 2 environment payments should clearly be additional to those received for Pillar 1 greening.

⁴⁸ Due to length constraints, we have not addressed here a preliminary phase in the EP's approach to greening, i.e. the Lyon and Dess initiative reports.

- **Crop diversification:** The threshold for growing three crops should be raised to 20 hectares, with farms between 5 and 20 hectares only required to have two crops. In addition, farms with more than 80% of the holding under permanent grassland or permanent crops and an arable area under 50 hectares should be exempted from the measure altogether.
- **EFA:** A new measure for permanent crops was proposed, rather than them being included within the EFA requirements, as well as an increase in the threshold that should apply to the EFA measure (to 20 hectares). In addition, EFAs should be implemented regionally, under the argument that farms would only need to allocate 5% of their cropped area as EFA if they worked together to create 'continuous, adjacent EFAs'.

The introduction of Capoulas Santos' draft report was then followed by a period of intense activity within the EP and COMAGRI in particular, with political parties tabling thousands of amendments and developing compromise amendments, which would be put to a vote in COMAGRI in January 2013. In this vote, the following important changes to the report of Capoulas-Santos were agreed upon:

- Double funding should be permitted, i.e. payments for the same activities could be received under Pillar 1 and Pillar 2.
- Additional exemptions of farmers that are "green by definition": an amendment was approved to state that the entirety of the holding would be exempt from the greening requirements, not just the area under an agri-environmental agreement, farmed organically or designated as Natura 2000.
- Additional exemptions to the crop diversification and EFA measures for those farmers on holdings where more than 75% of their land was permanent grassland and where the remaining land did not exceed 50 hectares.

When it came to the plenary vote in March 2013 and the finalisation of the EP's negotiating mandate, attention focused primarily on the two contentious issues of double funding and the extent of the 'green by definition' exemption. A roll-call vote was held on both issues. In contrast to the position of COMAGRI, the plenary approved the amendment to prevent double funding⁴⁹ by a significant majority (379 in favour, 285 against and 7 abstentions). On the 'green by definition' issue (Article 29), a large number of amendments were tabled, but the intensely political nature of the debate led to political parties voting against one another with the result that none of the amendments were passed. As a result, the content of this greening measure remained unchanged compared to the COMAGRI position, as did the separation of the penalty for non-compliance with the greening requirements from the basic payment.

The final negotiating mandate agreed by the EP (see Annex 3) differed from the Commission's proposals in the following:

- **General requirements:** The list of farmers considered 'green by definition' was extended to farms comprising at least 75% permanent grassland and the penalty for non-compliance to the greening measures was set at 30% of the greening component. Pillar 2 agri-environment conditions were set to go beyond greening measures and double funding should not be allowed.

⁴⁹ The rule was set within the rural development regulation and the amendment stated very clearly that payments for actions funded under the agri-environment-climate measure must go beyond those under both cross-compliance and the green direct payment.

- **Crop diversification:** Arable areas under 10 hectares should be exempted from crop diversification measures. Farms with arable areas of 10 to 30 hectares should plant at least two crops a year and those over 30 hectares must have at least 3 crops. Further, the maximum area sown to a single crop should be 80% (for arable areas 10 to 30 hectares) and 75% (for arable areas of more than 30 hectares). For arable areas of more than 30 hectares, the maximum area sown to a two crops should be 95%.
- **Permanent grassland:** The ratio of permanent grassland/pasture (in 2014) to total UAA (reference area) should be maintained and should be applied at national, regional or sub-regional level. 5% conversion of the reference area should be permitted except for carbon rich soils, wetlands and semi-natural grasslands and pastures.
- **EFA:** EFA should cover 3% (excluding permanent pasture and permanent crops) in 2014, rising to 5% from 2016. EFA should only apply to eligible areas of more than 10 hectares and production should be permitted, but without the use of fertilisers and pesticides.

A month before the adoption of the EP's plenary mandate, Heads of State, as part of the negotiations on the MFF (see below), inserted the following text in their conclusions: *'the requirement to have an ecological focus area on each agricultural holding will be implemented in ways that do not require the land in question to be taken out of production(...)*'. This had serious ramifications for the eventual content of the EFA measure.

The Council also introduced amendments to the EC's greening proposal in its 'General Approach' adopted in March 2013. On most measures, the Council went further than the EP in wanting less restrictions, but in a few cases also proposed more restrictions on the environmental measures. The Council differed from the EC and EP proposals in the following:

- **General requirements:** The list of farmers considered 'green by definition' was extended compared to the mandate of both EC and EP. Farms with at least 75% of land enrolled in a nationally or regionally-certified environment scheme and farms with more than 75% covered by grassland or cultivated with leguminous crops should be exempted from greening measures. Similarly to the EP, the Council proposed a penalty for non-compliance. The proposed penalty was higher than in the EP proposal: loss of the 30% greening component plus 25% extra penalty (i.e. 37.5% of overall entitlement lost). Furthermore, greening requirements should not be included in the Pillar 2 baseline. Member States should have 'clearly defined flexibility on the choice of equivalent greening measures' and in contrast to the EC and the EP proposal, double funding was permitted in the Council proposal.
- **Crop diversification:** Similarly to the EP, the Council proposed that arable areas under 10 hectares should be exempted from crop diversification measures. In addition, the Council proposed that some specific farms should be exempted. Farms with arable areas of 10 to 30 hectares should plant at least two crops a year and those over 30 hectares must have at least 3 crops. Furthermore, the maximum area sown to a single crop should be 75%. For arable areas of more than 30 hectares, the maximum area sown to a two crops should be 95%.
- **Permanent grassland:** Farmers must maintain the area of permanent grassland as declared in 2014. Member States can choose not to apply this requirement if in 2012 the ratio of permanent grass to total UAA has not decreased or decreased by less than 5% in relation to reference ratio (as set under current regulations).

- **EFA:** 'Ecological Focus Areas' (EFAs) are set to cover 5% (excluding permanent grassland) in 2015, rising to 7% from 2018 pending review. This is higher than what the EP proposed, but lower than in the EC proposal. Up to half of the EFA requirement may be met by pooling commitments among groups of farmers. Furthermore, this measure should only apply to eligible areas of more than 15 hectares, which is higher than in the EP proposal. In addition, the Council proposed that some farms would be exempted from the EFA requirement. Finally, the Council also proposed a longer list of elements that could be included in the EFA.

Hence, on most issues, both the EP and the Council proposed less stringent environmental requirements than the EC, but the Council (and Heads of State) went further than the EP in differing from the Commission proposals.

These positions reflected the fact that many Member States and MEPs were concerned about the cost implications of the Commission proposals and few wanted to defend them. Furthermore, those who wanted very stringent environmental requirements to be included in the CAP (stakeholders, Member States or MEPs) may have not strongly defended the Commission's original proposals because they were already sceptical at the start on whether these would deliver genuine and significant environmental benefits. Later in the process, more specifically after the MFF negotiations, the political equilibrium changed even further. Once the greening proposals had succeeded in the sense of protecting the CAP budget from more serious cuts than had been feared in the MFF negotiations, opposition against stringent greening requirements grew even stronger. As a result, several changes proposed by the EP and Council were included in the final legislative agreement, which included the following:

- **General requirements:** List of farmers considered 'green by definition' is only slightly extended as compared to the EC proposal: organic farms and those participating in the small farmers scheme are exempted. Farmers within Natura 2000 areas or river basins covered by the water framework Directive (WFD) only need to comply with some greening measures. The penalty for non-compliance is the loss of the 30% greening component plus 25% extra penalty but phased in over time. This is in line with the proposal of the Council. Finally, it was decided that Pillar 2 agricultural land management payments must go beyond the greening requirements to avoid double funding, which is in line with the EC and EP proposal.
- **Crop diversification:** Arable areas under 10 ha are exempted from crop diversification measures. In addition, some specific farms are exempted. Farms with arable areas of 10 to 30 hectares should plant at least two crops a year and those over 30 hectares must have at least 3 crops. Furthermore, the maximum area sown to a single crop should be 75%. For arable areas of more than 30 hectares, the maximum area sown to a two crops should be 95%. This is in line with the proposals of the EP (size thresholds) and the Council (size thresholds, percentages and exemptions).
- **Permanent grassland:** Two types of obligations apply under this measure: (1) Farmers must not convert or plough permanent grassland in areas designated by Member States as being environmentally sensitive; (2) Member States have to ensure that the ratio of the land under permanent grassland does not decrease by more than 5% at national, regional or subregional level (to be decided by member states) compared to the situation in 2015. This is in line with what both Council and EP proposed.
- **EFA:** 'Ecological Focus Areas' (EFAs) are set to cover 5% (excluding permanent grassland) in 2015, rising to 7% from 2018 and subject to review in 2017. Up to half

of EFA requirement may be met at the regional level by pooling commitments among groups of farmers and Member States would need to designate the areas and the obligations for farmers participating. The measure only applies to eligible areas of more than 15 hectares. In addition, some farms are exempted from the EFA requirements. In addition, Member States where over 50% of the land area is covered by forests, may choose not to apply the greening measures in Areas of Natural Constraint. Finally, the list of elements included in the EFA requirement has increased substantially. Overall, these points are in line with the proposal of the Council, but importantly it follows the EP proposal in removing permanent crops from the eligible land.

6.4 MFF negotiations⁵⁰

The 2013 CAP reform process – and the EP’s influence on it – cannot be fully understood without taking into account the negotiations on the MFF 2014-2020, which began in June 2011 with the EC’s first proposal on the budgetary ceilings for the coming period.

Table 14: CAP budget allocation 2014-2020, in constant 2011 prices

Main CAP instruments	Budget allocation
Total CAP budget 2014-2020	EUR 362.7 bn
Pillar 1 – direct payments and market expenditure	EUR 277.8 bn
Pillar 2 – rural development	EUR 84.9 bn
Reserve for crisis in the agricultural sector (outside the MFF)	EUR 2.8 bn

Sources: European Parliament, the CAP after 2013, Factsheet Council Regulation No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020. European Commission website: Multiannual financial framework 2014-2020 and the financing of the CAP.

The link between CAP reforms and the EU budget has always been strong, but was made even stronger by a new set of policy priorities (the EU 2020 Strategy) and the wide-ranging fiscal austerity in Europe. In the context of the 2013 CAP reform, three important linkages between the two processes can be established (Matthews, 2014).

Firstly, much of the impetus for the 2013 CAP reform was framed by the need to create a narrative to legitimise and defend the share of the CAP budget in the 2014-2020 MFF⁵¹. Secondly, another linkage was created in the negotiation phase of the CAP reform. Although the EP and the Council could, in theory, have negotiated on all the policy content of the CAP reform package without knowing the budget figures, politically, this was impossible. As such, the negotiations on the future of the CAP depended on those taking place on the future EU budget. The tight schedule of the final negotiating phase can be partly explained by this linkage: the EP plenary mandate and the Council general approach

⁵⁰ This section draws on the analysis carried out in Matthews (2014).

⁵¹ The fact that the CAP budget could not be taken for granted had been underlined by a leaked draft of an earlier Commission response to the budget review, which suggested that '[Future reform of the CAP] must stimulate a further significant reduction in the overall share of the EU budget devoted to agriculture, freeing up spending for new EU priorities'. The draft can be downloaded from the website of Le Groupe PAC 2013, <http://www.pouruneautrepaec.eu/wp-content/uploads/2009/11/draft-document-reforming-the-budget-oct-2009.pdf-0>.

were adopted following the European Council conclusions on the MFF in February 2013. A brief chronology of the two parallel negotiations is provided in Table 15 below.

Table 15: The MFF and CAP reform negotiations – Chronology 2011-2013

CAP reform negotiations	MFF negotiations
12 October 2011: EC legislative proposals on CAP reform	8 June 2011: EP adopts the SURE report outlining its views on the next MFF ⁵² 20 June 2011: EC MFF proposal
23-24 January 2013: COMAGRI adopts its position on the CAP reform package	13 June 2012: EP resolution on EC MFF proposal and 19 June 2012: Danish Presidency first draft of MFF negotiating box
13 March 2013: EP adopts its negotiating mandate on the four regulations	8 February 2013: European Council conclusions on the MFF
19 March 2013: Council adopts its general position on CAP reform	13 March 2013: EP adopts resolution responding to the European Council conclusions on the MFF
11 April 2013: Launch of interinstitutional negotiations and trilogue meetings between the EP, the Council and the EC	13 May 2013: informal MFF trilogues begin 3 July 2013: EP adopts mandate to conclude MFF negotiations
26-27 June 2013: Political agreement reached on the four CAP regulations	23 September 2013: Council adapts its MFF mandate
20 November 2013: EP approves the four CAP regulations	19 November 2013: EP gives consent to MFF regulation
16 December 2013: Council adopts the four CAP regulations	2 December 2013: Council approves the MFF regulation

Source: Matthews (2014)

A third linkage was that the European Council's conclusions on the MFF explicitly introduced a number of elements which the EP maintained should be decided under co-decision (see Box 10). This third linkage is particularly important to put the EP's role and influence in the 2013 CAP reform process into perspective. The Council's 'negotiating box' and the European Council's conclusions have been criticised for 'hijacking' certain CAP policy issues from the hands of the EP and the Agricultural Council. Did the inclusion of CAP-related issues in the MFF dossier weaken the EP's influence on those particular issues?

⁵² SURE stands for 'Special Committee on Policy Challenges and Budgetary Resources for a Sustainable European Union after 2013'.

Box 10: The negotiating box

A contentious issue in this CAP reform process was the inclusion in the MFF negotiating box (under the responsibility of the General Affairs Council) of issues which would ultimately be incorporated into the new CAP regulations (to be decided by co-decision between the Parliament and the Council in its formation as the Agriculture Council). The MFF Regulation is adopted by the Council by unanimity after having obtained the consent of the European Parliament (the Parliament may approve or reject the Council's position, but not adopt amendments). The sector-specific legal acts are subject to the ordinary legislative procedure (co-decision) which means that the Council and the EP decide together, and that the Council decides by qualified majority.

The General Affairs Council had its first opportunity to debate the MFF ceiling for Heading 2 Sustainable Growth: Natural Resources (which includes the CAP) at its April 2012 meeting. The Danish Presidency circulated a draft text for that section of the MFF negotiating box which covered the following issues (Council of the European Union, 2012c):

- The overall level of commitment appropriations for Heading 2, as well as the ceiling for the sub-headings for market-related expenditure and direct payments (no figures are included at this stage)
- Level and model for redistribution of direct support – details of the possible convergence model across Member States
- Capping of support to large farms
- The method for financial discipline
- Other elements relating to Pillar I
- Greening (EFAs in particular)
- Flexibility between pillars
- Principles for distribution of rural development support
- Co-financing rates for rural development support

These CAP-related issues remained as part of the text in successive drafts of the negotiating box up to the European Council conclusions on the MFF in February 2013. For a full overview of these issues – also called the '**square bracket issues**' – and the comparison of the respective negotiating mandates, see Annex 4.

The strategy of the Irish Presidency was to keep all these issues until the end, in order to agree on them as a package. This finally occurred during the trilogue meeting in September 2013 under the Lithuanian Presidency.

Source: Matthews (2014)

The first linkage, between the direction chosen for this CAP reform and its role in maintaining the CAP's share in the overall MFF, is an important issue for analysis, but lies outside the scope of this report as it does not concern the role of co-decision. Thus, this section focuses on the other two important ways in which the negotiations on the MFF affected the CAP reform negotiations in general, and the EP in particular: in determining the timing and in reducing the negotiators' room for manoeuvre on certain specific elements.

COMAGRI negotiators had claimed from the outset that the EP would only adopt its final position on CAP reform once the MFF ceilings had been decided, thereby formalising the link between the timing of the CAP reform negotiations and the MFF final agreement.

There is a view that this linkage may have delayed the start of the CAP reform trilogue negotiations⁵³.

Table 16: Impact of the EU budget, MFF negotiations, negotiating box

Impact of the EU budget, MFF negotiations, negotiating box (Response rate = 73 %)	Percentage of respondents
A. The MFF negotiations pushed the EP to move faster on CAP reform	5 %
B. The MFF negotiations slowed down the whole process	40 %
C. The MFF negotiations dictated the content of the CAP reform and restricted the EP's room for manoeuvre (e.g. via the European Council's budget negotiating box)	55 %

When asked what impact the MFF negotiations had on the CAP reform, 40 % of respondents replied that they had slowed down the process and 55 % agreed that the MFF negotiations restricted the EP's room for manoeuvre (at least on some elements of the reform), as shown in Table 16.

While this seems to suggest that most found that this weakened the EP, the interview results are inconclusive as to whether this link actually strengthened or weakened the EP's negotiating strategy. Some interviewees argued that once the figures were given, the EP had its back against the wall and was in a weaker position to refuse any deal that was on the table. Another argument is that, whilst a strong focus and emphasis was being put on the budgetary aspects, a lot of attention was removed from the actual policy content of the reform. On the other hand, some interviewees argued that the EP's refusal to negotiate before the figures were known actually strengthened its strategy by giving it a more credible and consistent stance as co-legislator (the EP had indeed expressed in numerous reports its position in favour of a strong budget for the CAP).

What is clearer is that the EP's insistence that no serious CAP negotiations should begin until the budget figures were known worked in favour of those preferring a status quo position on the reform proposals, but to the disadvantage of those who sought a more radical change in the orientation of the CAP, for example, environmental groups seeking a greater focus on environmental public goods (Matthews, 2014). Once the MFF was adopted by the European Council and its overall size and ceilings accepted by the Parliament in early 2013, the threat of a budget cut no longer played a role in determining the outcome. Farm groups and status quo-minded Member States and MEPs could then focus their energy on weakening the ambition of the greening proposals by demanding much more flexibility without having to worry that this could lead to a further reduction in the CAP budget (Matthews, 2012a, 2012b). Environmental groups and reform-minded Member States and MEPS, on the other hand, had to argue their position without being able to wield the threat that the budget could be reduced if their proposals were not accepted. In fact, status quo-minded actors attempted to turn the argument around to suggest that the scale of the greening envisaged necessitated an even larger CAP budget.

The third area of linkage, beyond the reform calendar, is whether the CAP-related issues included in the MFF agreement weakened the EP's, but also the Council's, negotiating

⁵³ Although, as discussed above, there is no agreement as to how much time an earlier MFF agreement would have saved, given the other constraints the EP and the Council were under in finalising their respective positions.

position. Three questions are important here (Matthews, 2014). First, is there a meaningful distinction between the budgetary and the legislative aspects of the MFF agreement? Secondly, should the Council (and the European Council) refrain from pronouncing on legislative issues in their MFF deliberations? Thirdly, if the Council (and the European Council) does address legislative issues in its MFF deliberations, what is the status of its conclusions on legislative aspects when the Council and Parliament negotiate on the final legislation?

At a formal level, the distinction between MFF budgetary and legislative aspects seems rather clear. Article 312 TFEU provides that the Council shall adopt a regulation laying down the MFF, specifically the amounts of the annual ceilings on commitment appropriations by category of expenditure and of the annual ceiling on payment appropriations. Thus, the budgetary aspects of the MFF are very limited, confined to setting annual ceilings at EU level for the MFF as a whole and for its major headings. All other matters belong formally to legislation adopted under the ordinary legislative procedure where the Parliament has equal status as co-legislator with the Council.

However, at political level, such a distinction is much less clear. Given that the MFF is intended to reflect the political priorities of the Union, such fundamental decisions may require political support at the highest level, i.e. among the Heads of State. In the same way, it is hardly conceivable that MSs would agree to the overall ceilings without knowing the specific allocations they would receive under directly allocated programmes (such as cohesion funds, and the CAP Pillar 1 & 2 spending). In this light, the inclusion of CAP-related sensitive issues in the Council's negotiating box and the European Council's MFF conclusions makes sense, from a political perspective. The important question is what status these conclusions should have in the subsequent CAP reform negotiations between the Council and the EP. In the negotiations just concluded, wherever the MFF conclusions had expressed a red line or an indication, the Council took the view that it had zero flexibility, thereby putting the EP in an impossible negotiation position. Many interviewees acknowledged the difficulty this had created for both the EP and the Council, describing the intervention of Heads of State in the legislative process on CAP reform as 'pollution', 'political reality', or even 'the biggest constraint on the EP's influence'. As indicated in Table 16, 55 % of respondents believed that the MFF negotiations dictated the content of (or at least some parts of) the CAP reform. At the end of the day, Heads of State showed that they could overrule their respective agricultural ministers and also to some extent the leading MEPs negotiating on the CAP⁵⁴.

This perceived 'hijacking' by Heads of State of certain key elements of the CAP reform led to what some interviewees described as a 'take it or leave it deal' from the Irish Presidency on the square bracket issues (in the Luxembourg trilogue meeting of June 2013). The Presidency made an offer to accept a minimum level of mandatory degressivity on large payments, in return for the Parliament's agreement to take all other MFF issues off the table. In the event, the MFF issues were shelved until finally concluded under the Lithuanian Presidency, after the Council adopted a new mandate with concessions to the Parliament's position on the issues of degressivity of large payments, the legislative treatment of the rural development allocations by Member State and higher co-financing rates for less developed regions, outermost regions and smaller Aegean islands.

This was a noteworthy achievement of the EP in this context. Despite the pressure imposed by the MFF and the need to close the deal, the EP negotiators managed to win small

⁵⁴ As one interviewee pointed out, MEPs have strong electoral ties with their national parties, which also inevitably put them in a subordinate position vis-à-vis the heads of national governments.

concessions from the Council on some of these square bracket issues. As the EP press release welcoming the agreement noted: 'For Parliament, the key issue in this final negotiating phase was to ensure that policy content which should be legislated under co-decision is not determined solely by heads of state' (EP, COMAGRI press release, 2013e). Despite this achievement, many interviewees thought the EP could have been much tougher on this issue and achieved more.

This is obviously an important issue for future negotiations, as it sets a precedent. The Presidency logic is that, because the MFF conclusions are adopted by unanimity by the European Council, they deserve to be 'privileged' in trilogue discussions. If this were the case, there would be an incentive for MSs which might fear that they may be outvoted on an issue in the regular Council to raise the issue at the level of the European Council, where adoption by unanimity could help them to strengthen their negotiating position on that issue. Arguably, this might explain the inclusion of some very specific conclusions on CAP issues in the February 2013 European Council conclusions (Matthews, 2014). Although, politically speaking, it may be very difficult for Parliament to unravel those aspects of the MFF which have obvious and direct financial implications for the Member States, on all other issues there is no reason why the EP's role as co-legislator should not be fully respected.

6.5 Market regulation

The 2013 CAP reform negotiations took place just after the food price spikes of 2007-08 and the milk crisis of 2009-10, which all took place in a context of economic turmoil in Europe. These events inevitably had an impact on the EC in drafting its own proposals, and we discuss here to what extent they may have had an impact on the EP when formulating its amendments and when negotiating on the CMO.

Box 11: The main elements of the new CMO regulation

The political agreement reached in the June agreement on the CMO can be summarised in two main principles: first, it confirms the **market orientation of agriculture** while increasing the **bargaining power of farmers** in the supply chain, and contributes towards a further market orientation of agriculture and farmer activities, in a context of increasing international pressure and competition; second, it preserves a **minimum intervention safety** net to protect farmers from the growing uncertainty and instability of the market. Concerning the last point, the instruments put forward in the CMO will work together with the direct payments of Pillar I and the instruments of risk management incorporated in the new Pillar II.

With the objective of increasing market efficiency and to reinforce the role of farmers in the agri-food chain, the new regulation gives a **central role to producers' organisations (POs)** and to **inter-branch organisations (IBO)**, now extended to all agricultural sectors covered by the CMO⁵⁵. There will be a reorganisation, with some (minor) changes, of the standard public (and private) market intervention instruments, and the creation of a crisis reserve of EUR 400m, funded by annually reducing direct payments. This reserve could be used by the Commission as market support measures in response to market disruption related to animal diseases and/or loss of consumer confidence due to animal or plant health issues.

Source: Olper (2014).

⁵⁵ However, there are specific regulations for contractual negotiations only for olive oil, beef & veal and arable crops.

The CMO was an important and controversial file which attracted a lot of attention, partly for the following reasons.

Firstly, as has already been alluded to in Chapter 5, the CMO was one of the most contested files of the CAP reform package. The position of the EP on the CMO regulation was one of the most controversial across the four regulations related to the 2020 CAP reform. This emerged clearly from the EP votes taken on 13 March 2013 on the EP's negotiating mandate on the CMO. This regulation was adopted with a narrow majority of EPP and S&D MEPs (55 % votes for, 41 % against), largely because many MEPs from Germany, also members of the EPP, voted against the text.

Secondly, the proposals of the EP also attracted the attention of DG COMP, which saw in the EP's ideas and amendments a threat to the completion of Article 39 TFEU, which defines the objectives of the CAP.

Thirdly, the CMO regulation was also the file where most of the EP's 'innovative ideas' were identified, although others might call these ideas 'a return to instruments of the past', as they largely concerned a reinforcement of market regulation mechanisms, whereas the CAP reform path of the past 30 years has been one of moving out of market regulation towards decoupled support.

This is also what emerges from the analysis carried out by Olper (2014), who investigated in detail the EP position on the CMO and the voting behaviour of MEPs at the EP plenary session in March 2013. He finds, for example, that the COMAGRI position on the CMO (which was reflected to a very large extent in the EP negotiating mandate adopted in March) was influenced by the rapporteur's defence of 'agricultural exceptionalism' and was in general more 'interventionist' than what the EC originally proposed. The justifications for the orientation taken by the EP can be found, for example, in the introduction to the explanatory statement of the rapporteur's draft report:

'The ever growing world food demand, the relentless internationalisation of agricultural trade, the increasingly more visible effects of climate change, the structural rise in energy prices, and the gradual dwindling of water, biodiversity, arable land, and other natural resources: these upheavals are all transforming the context in which European agriculture now has to operate.' (COMAGRI, Draft Report, 2011/0281).

Matthews (2012d) describes the EP's position as following two general rules: to reinforce the state assistance⁵⁶ to farmers that operate in unstable and volatile markets, and to emphasise the legislative role of the EP with respect to both the EC and the Council.

The interview results are inconclusive as to exactly how much influence the food and economic crises have had on the EP's position on market regulation. One interviewee mentioned that these events made it clear that 'agricultural markets needed stronger regulation' and that they gave a strong justification to some proposals going in that direction. Other interviewees simply mentioned the scaling-up of agriculture on the overall policy agenda and that this also influenced to some extent the nature of the debate; food security concerns were indeed expressed throughout the reform and used by some actors to oppose the EFA in the greening component, for example⁵⁷. Finally, some indicated that with respect to the risk management and market regulation tools to deal with food crises and the volatility of international commodity markets, there is little novelty, at least with respect to what has already been done in the last few years.

⁵⁶ Understood as public support.

⁵⁷ Arguing that land shouldn't be taken out of production.

6.6 Article 43(3) issues

Amongst experts and interested observers of constitutional issues, the CMO file also became a topic for investigation because of Article 43(3) TFEU, which excludes a short list of issues from co-decision. According to some of the actors involved in the 2013 CAP reform, these issues became a symbol of how much influence the EP really had compared to the Council.

Co-decision applies to all CAP-related issues, except for those enumerated in Article 43(3) TFEU: the measures relating to fixing prices, levies, aid and quantitative limitations, and on the fixing and allocation of fishing opportunities are to be legislated upon separately via a Regulation of the Council.

Understanding and interpreting the scope of this exception has been a delicate matter. On the one hand, Article 43(3) implies that the acts adopted on this basis are no longer of a legislative nature but an executive one, and as such must be regarded as a limitation of the EP's legislative powers. On the other hand, the four points listed in Article 43(3) cover many issues regulated by the CMO basic act, including issues at the very core of it, which means that they should in fact fall under the ordinary legislative procedure (co-decision).

This precise question naturally came to the fore before the CAP reform negotiations started and triggered an important interinstitutional battle between the EP and the Council.

Discussions on the legal basis of the CMO and whether Article 43(3) should apply or not were very tense. The issue therefore remained unresolved throughout the CAP reform process. This issue was brought up in the trilogue meetings on the CMO (amongst the negotiators, but also at technical level), but no common ground could be found and the issue was left for the final stages of the negotiations in Luxembourg⁵⁸.

In these last negotiations, the EP negotiators were faced with a 'take it or leave it' deal and were not in a strong position to block the whole agreement based on these issues only, given the high pressure to close the deal and the EP's willingness to show that co-decision on the CAP could work. The Council ultimately agreed to keep the sugar quotas in the regulation which was negotiated under co-decision⁵⁹, but the other aforementioned issues were left to be decided by the Council only, in a separate text. Annex 6 shows the evolution of the different institutional positions on these issues, from the original EC proposal to the final outcome agreed upon on 26 June 2013.

Ultimately, two regulations were adopted which left neither of the institutions satisfied (mainly because of the increased complexity linked to the final outcome)⁶⁰. To express their dissatisfaction with the solution that was found, the three institutions signed a declaration stating that the way the issue around Article 43(3) was resolved on this occasion does not pre-empt any future outcomes:

'The outcome of negotiations as concerns recourse to Article 43(3) TFEU is without prejudice to each institution's position on the scope of this provision

⁵⁸ Our interviews at the EP suggest that no real negotiations took place on the Article 43(3) issues until the last trilogue in June, mainly because of the Council's refusal to negotiate on these points.

⁵⁹ To the detriment of Germany, which is said to have been vehemently against giving in on any of these issues.

⁶⁰ As explained by one interviewee, the result of this situation is that many articles of the CMO regulation (adopted by the EP) cannot be understood alone – they need to be read together with the corresponding Council regulation adopted under Article 43(3): Regulation 1308/2013 of the Parliament and the Council establishing the CMO, and Council Regulation 1370/2013 determining measures on fixing certain aids and refunds related to the CMO in agricultural products.

and to any future developments on this question, in particular in any new case law from the Court of Justice of the EU.'

This episode is a clear illustration of the remaining limitations of co-decision on agriculture and indicates that the EP still cannot decide on everything on an equal footing with the Council.

6.7 Summary of conclusions

- The original reform calendar, i.e. the implementation of a new CAP by 1 January 2014, can be considered as 'unrealistic', given the parallel MFF negotiations (and the commitment from both institutions to wait for the final budget figures to finalise the CAP reform agreement) and the natural duration of interinstitutional negotiations on a high-profile dossier such as the CAP. The internal EP process could have been slightly shorter (or more efficient) but it also enabled the EP negotiators to build a good work environment and trust.
- The EP's position on capping was ambiguous and contradictory throughout the process, not least because of the limitations imposed by the wording of the European Council conclusions of February 2013. The final result is far from the EP's original intentions on capping. The EP influenced the decision on greening on specific issues. Several of its amendments to the EC proposal were included in the final legislative agreement. Most of these amendments were supported by the Council. Compared to the Commission proposal, the EP wanted an extended list of farmers covered by 'green by definition' and less areas to be included in EFAs; permanent grassland to be identified at the regional rather than individual level; the EP sided with the Commission against double funding; and wanted lower penalties for non-compliance with greening.
- Regarding the impact of the parallel MFF negotiations on the EP's influence on CAP reform: this was undoubtedly recognised as one of the main constraints on co-decision, as it restricted the EP's room for manoeuvre on a number of key issues and set the overall framework within which the EP and the Council could negotiate. Given the current centre of gravity in the EU political system, it is 'political reality' that Heads of State and Government will want to legislate on certain highly sensitive issues with strong financial implications. However, the small achievements the EP managed to secure in the last trilogue meeting in September 2013 have set a precedent and are indicative of the EP's determination to ensure that co-decision rules are respected.
- Regarding the impact of the food and economic crises on the EP's market regulation positions under the CMO: there is evidence that the COMAGRI rapporteur used these external factors as justification for a stronger regulation of agricultural markets and more support to European farmers. The CMO file was one of the most complex and controversial files of the full CAP reform package, because of the competition issues it raised and because of the Article 43(3) issues.
- The EP lost negotiations on most of the issues covered by Article 43(3) and it was decided that two regulations would be adopted which left neither of the institutions satisfied; they underlined that this episode does not pre-empt how these issues should be dealt with in the future.

7. OVERALL ASSESSMENT: LESSONS AND RECOMMENDATIONS

As a final phase of the analysis, we attempt to make an overall assessment of the EP's performance in this first CAP reform under co-decision. This section draws on the interviews that were carried out for the purpose of this study.

7.1 Overall performance of the EP

The first observation which needs to be underlined is that, ultimately, co-decision "worked"; an agreement was reached and a new CAP will enter into force in 2015. This is one indicator to measure the EP's success in fulfilling its mandate⁶¹, but it is not enough to fully assess the EP's role and influence in the process.

A second finding here is the average score which was given by the interviewees to the EP. At the end of the interviews⁶², when asked to give a grade (1-7)⁶³, respondents gave 4.85 on average, a fairly high mark. Not surprisingly, the EP interviewees attributed the highest grade to the EP (5.20) but Table 17 illustrates how the EP performance marks were relatively similar across the EU institutions, with the stakeholders' and civil society's response bringing down the average score. This indicates that, despite the constraints, problems, shortcomings and difficulties encountered during the process, the general appreciation of the EP's participation in the process was quite positive and that the EP's performance was seen as rather successful

However, there were particular interviewees who perceived the EP performance as much worse. The latter were expecting a better result on the environmental front of the reform.

Table 17: Overall performance of the EP in its first CAP reform co-decision

Overall performance of the EP in its first CAP reform (Score 1 (lowest) – 7 (highest)) (Response rate = 79%)	Average Grade
Average score (Response rate = 79%)	4.85
A. Parliament interviewees (Response rate = 83%)	5.20
B. Commission interviewees (Response rate = 71%)	4.70
C. Council interviewees (Response rate = 50%)	5.00
D. Stakeholders/Civil Society (Response rate = 100%)	2.50

⁶¹ Purely from a legislative point of view; the success in policy terms is of course subject to a more subjective appreciation

⁶² When the interview allowed for this question to be asked at the end.

⁶³ These grades should not be considered in any way as official positions, just as personal assessments of the actors interviewed in the context of this study.

A third important element for this final assessment is the interviewees' perception of the main impact of the EP on the overall process. Here, more than 70 % of respondents answered that it increased the accountability mechanisms on the CAP (and its democratic character), as indicated in Table 18. Apart from the natural increase in democracy linked to the participation of directly elected representatives, the main justification put forward to support this answer was the increased transparency of the process⁶⁴ and the increased public scrutiny over the reform (co-decision increased the political accountability of COMAGRI members, who were therefore automatically subject to more criticism from the public).

However, it should be noted that some interviewees selected this option by default and added a number of reservations and additional comments mostly on how much more accountable the process had really become. A related comment referred to the limitations imposed by the complexity of the reform. Many interviewees expressed concerns about the complexity of the legislation which had been adopted and the related difficulty to organise real scrutiny over it.

Table 18: Assessing the impact of the EP's role as co-legislator

Overall assessment of the EP's involvement as co-legislator (Response rate = 69%)	Percentage of respondents
A. Strengthened the accountability mechanisms on the CAP	72.5%
B. Raised obstacles to reform	7.5%
C. Made the decision-making more efficient	5 %
D. Other	15 %

Finally, some interviewees argued that, despite the increase in accountability and democracy, the EP's involvement had reduced the chances of policy change, by raising new obstacles to reform.

This was inherently linked to the existing political coalitions and majorities in the EP. The outcome might be different in future reform rounds with a different composition and membership within the EP (and COMAGRI in particular). This issue was discussed particularly in relation to greening, which came up in many interviews as the main symbol of the 2013 CAP reform, as a positive or a negative feature to be remembered.

On the one hand, the novelty of greening and the attempt to further tie the CAP to environmental objectives was seen as a positive evolution. On the other hand, the watering down of the greening was also mentioned on numerous occasions as a negative feature of the reform. In this context, the increased flexibility and the numerous exemptions left for MS and farmers were also alluded to as a symbol of the 2013 CAP reform by interviewees who feared the 'loss' of commonness in the CAP that this reform created.

⁶⁴ COMAGRI meetings where the proposals were debated and amended were open to the public; the attention of civil society actors and the public in general increased, and more documents could be circulated on a formal or informal basis. Plenary debates are also webstreamed.

7.2 Some lessons

7.2.1 A decision was reached

Despite the many constraints, obstacles and difficulties throughout the reform process, many interviewees underlined the ultimate achievement of the process, i.e. a deal was reached between the Council, the EC and the EP on the future of the CAP. For some interviewees, this was enough to argue that the EP faced up to its responsibilities and that, as a political actor, it played a key role to balance the more administrative influence of the two other institutions.

The following elements of the decision-making process were put forward as examples of the success of this first co-decision experience on the CAP:

- The increased participation of civil society.
- A relatively good working environment within the EP negotiating team, but also between the respective institutional teams (although of course areas for improvement remain).
- A stronger compromise culture linked to the increased number of amendments.
- The relative success of the shadow meetings and trilogue meetings.
- The high-level contacts put in place by the Irish Presidency during the negotiations.

It is also obvious though that the achievement of reaching a final decision is only a partial success. There is certainly room for improvement. Issues for improvements that were often mentioned in the interviews were:

- Changing the internal institutional machine to adapt it to the increase of power is much more difficult.
- The EP is still the weakest of the three institutions, especially in negotiations on institutional issues such as Article 43(3), despite the formal increase in power.
- It is a learning-by-doing process; it is just the beginning of a new way of reforming the CAP.
- The game isn't over until it is over: the political negotiations do not end with the political agreement, they go on until the delegated acts have been drawn up.

7.2.2 The importance of individual contributions and leadership

The important role played by individuals and personalities was emphasised in many interviews. The deal on CAP reform was only possible because of a particular mix of people, skills and capabilities. Simon Coveney was often cited as one of the "2013 CAP reform heroes", for his personal contribution towards the process and the success of the Irish Presidency in closing the deal. Other interviewees highlighted the role played by the leading negotiators in the trilogue meetings and in particular the COMAGRI Chair and the Rapporteurs who, as individuals, engage the responsibility of the entire EP. Aside from the institutional level, a lot of credit was given to the staff supporting the respective negotiating teams and the parliamentary assistants of the key MEPs negotiating on the CAP.

Although the deal seemed impossible at the beginning, it was eventually reached because people were willing to work together towards a common objective. The constructive working atmosphere in the technical meetings was a point raised on numerous occasions in the interviews. Given the important role played by the individual negotiators and their respective staff, each institution should clearly 'put their best people on the job'.

7.2.3 Preparation, Communication and Compromise

Another lesson to be learned from this first co-decision experience on the CAP was, according to many interviewees, the importance of investing a lot of time and effort in the preparatory phases of the reform, whether it be in order to understand the legislative proposals, to prepare a coherent position within the EP or, once the negotiations have started, to prepare each trilogue meeting.

Here, the management and exchange of information, based on the trust between the key actors (in formal or informal settings), was seen as decisive. A lack of trust regarding the information that is being exchanged could flaw the process from the beginning. As summarised by one interviewee, *'if the Parliament feels that the Council is in bed with the Commission or vice-versa, it won't work'*. To build confidence and trust, the lines of communication between the three institutions need to remain open.

In this discussion on information-sharing and communication, the issue of resources was also alluded to. A lesson on this topic is that many actors involved in the reform recognised the lack of resources available to the EP to conduct an appropriate evidence-based scrutiny of the legislative proposals and thus to be a fully empowered co-legislator on all technical issues. Another lesson is that there was no agreement on the type or level of additional resources that would be needed, as many feared the transfer of power from MEPs to 'experts', or simply acknowledged the political nature – as opposed to the administrative or technical nature – of the EP.

7.3. Recommendations

The analysis for this study and report was carried out under tight time and resource constraints, preventing an extensive round of discussions on the recommendations. Another important point is the specific focus of the study, i.e. the evaluation not of the overall outcome of the CAP reforms but of the role of the EP in the co-decision process. These factors are important to keep in mind when considering our recommendations, which should be interpreted in this framework. They should be considered as preliminary and rather as starting points to a broader discussion on the role of the EP and co-decision in CAP decision-making. A longer and more comprehensively developed list of recommendations would require more in-depth exchanges both within and outside the EP, with the actors and observers of the 2013 CAP reform, including stakeholders and civil society actors.

Despite these constraints and with the specific objectives in mind, we have identified three points which may be considered as areas for improvement:

- **Adapting the EP's resources to its new legislative role: remaining political while providing solid policy alternatives and not duplicating existing resources**

To reach this objective, a first step may be to attempt making better use of the already-existing resources and analyses provided by the EC and other bodies

(whether institutional or not). This would entail better communication and information channels between the EP and the EC and other relevant sources of analysis and expertise.

Additional in-house expertise would be needed to apply this recommendation, particularly concerning the EP ability to carry out its own impact assessments, although increasing the number of 'experts' could lead to other problems, such as a technocratic drift in EU decision-making. To avoid this evolution, enhanced expertise could be drawn from the work of "*project teams*" composed of staff members of different existing departments in the EP: COMAGRI Secretariat, the Policy Department B and the new DG EPRS. These teams would be organised to deal with specific issues when major policy reforms take place. This would force the EP to make optimal use of its existing resources. Whatever the means of achieving this additional technical back-up, it should, in any case, not jeopardise the political nature of the EP and its ability to have an overview of the broad political issues at stake. This should remain a strong feature of the EP's negotiation strategy.

Furthermore, another concrete way to adapt the EP's resources to its new legislative role would be to improve its ability to propose drafting alternatives to the EC legislative proposals. This would imply reinforcing the EP's legal resources.

Finally, given the role played by outside expertise in the EP's legislative work, the EP may consider a better organisation and structure of its contacts with stakeholders and civil society actors.

- **Improving the inter-institutional working culture: new formal and informal arrangements**

To enhance the understanding and communication between the three institutions, the EP could be involved in a more prominent way in the very early stages of the CAP legislative proposals. At this point, the EP could also consider taking a more pro-active stance, by adopting a clear and common position before the EC proposals are out. The lack of a strong, coherent vision on the EP side makes it easier for the two other institutions to impose their own visions. In the negotiating phase, informal and formal contacts should be intensified between the respective negotiating teams, which would also contribute to an improved inter-institutional working culture. Here as well, the EP could invest more time in the preparation of its negotiating priorities before entering the trilogues. In the last stages of the process, clear and formal arrangements should be foreseen to improve the working culture and negotiations on delegated acts. Finally, to embrace its new legislative role, the EP may consider using and embodying the "*democratic accountability card*", i.e. being the only directly elected institution, more prominently on high-level legislative files such as the CAP. This may translate for example in its negotiating strategy towards the other institutions but also in its communication towards the public.

- **Standing firm on the EP's new legislative prerogatives: lessons learned from the MFF-related and Article 43(3) issues**

Two episodes are worth highlighting here as examples of areas where the EP may want to improve its negotiating strategy and better defend its new co-decision powers. For example, the EP should invest time and energy to better understand and anticipate the link between the MFF negotiations and legislative files under co-decision. The EP needs to make sure it has, from the outset, a strong and clear

position on any MFF-related issue, in order not to be forced into a deal at the very end of the process. At this stage, the pressure to reach an agreement is too strong for the EP to block the process on a handful of issues. The EP should stand firm on its prerogatives under co-decision and never allow the European Council to take over certain legislative issues over which it is co-legislator. In the same way, the EP should better anticipate institutional battles (such as the fight over the Article 43(3) issues) which limit its powers as co-legislator, for example by trying to move these up the EP's political and institutional priorities. Finally, the EP could use highly contentious topics such as the MFF-related issues and the Article 43(3) issues as bargaining chips with the Council, for example by refusing to discuss one before achieving progress on the other. This may reinforce the EP's negotiation strategy in future CAP reform rounds involving similar issues.

REFERENCES

- Adinolfi, F., Little, J., Massot, A., (2011), *The CAP in the Multiannual Financial Framework 2014/2020*. European Parliament, Directorate-General for Internal Policies, Brussels.
- Allen, B. and Hart, K. (2013), *Meeting the EU's environmental challenges through the CAP – how do the reforms measure up?* Aspects of Applied Biology, No 118, pp. 9–22.
- Anderson K., Rausser G., Swinnen, J. (2013), *Political economy of public policies: insights from distortions to agricultural and food markets*, Journal of Economic Literature, Vol. 51, No 2, pp. 423-477.
- Anon (2011a), *EP COMAGRI vote on Dess report: U-turn on greening and capping elements*. Agra Facts (43-11), 25 May 2011.
- Anon (2011b), *Commission publishes CAP reform proposals*, Agra Europe, 12 October 2011.
- Anon (2011c), *CAP Reform – Ministers outline mixed initial reactions to CAP proposals*. Agra Facts No 82-11. 20 October 2011.
- Anon (2013), *Direct Payments: Voluntary capping; greening exemptions; flexibility*, Agra Facts No 22-13, 19 March 2013.
- Anon (2013b), *Historic day for the Common Agricultural Policy as Irish Presidency steers European institutions to landmark reform deal*, Irish Presidency Press Release, 26 June 2013.
- Antoine, L. (2011), "CAP reform: Greening measures spark greatest misgivings", *Europolitics*. 21 October 2011.
- Barry, B. (1980), *Is It Better to Be Powerful or Lucky?*, Part 1 and part 2. Political Studies 28: 183-194 and 338-352.
- BirdLife International (2008), *New Challenges, New CAP: BirdLife International's vision for the future of the EU Common Agricultural Policy*.
- BirdLife International (2011), *CAP disappoints on green hopes*, Press Release, 12 October 2011.
- BirdLife International (2012), *Leaked council paper suggests attempt to kill the greening of the CAP*, Media Release, 30 April 2012.
- BirdLife International and European Landowners' Organization (2010), *Proposals for the future CAP: a joint position from the European Landowners' Organization and BirdLife International*.
- Bourguignon-Wittke, R., Grabitz, E., Schmuck, O., Steppat, S., and Wessels, W. (1985), *Five Years of Elected European Parliament: Performance and Prospects*, Journal of Common Market Studies 24(1): 39-60.
- Brunner, A, (2013), *Birdlife: CAP reform is dead*, 29 December 2013.
- Bureau, J.C. (2013), *The biodiversity consequences of killing Ecological Focus Areas*, 1 March 2013.
- Bureau, J.C. (2013), *The evolution of greening of direct payments*, presentation at CEPS conference, Brussels, 28 October 2013.

- Bureau, J.C., Mahé, L.P. (2008), *CAP Reform Beyond 2013: An Idea for a Longer View*. Notre Europe.
- Burns, C., Rasmussen, A., and Reh, C. (2013), *Legislative co-decision and its impact on the political system of the European Union*, *Journal of European Public Policy*, Vol. 20, No 7, pp. 941-952.
- Clark, S., Priestley, J. (2012), *Europe's Parliament: People, Places, Politics*. London: John Harper.
- EC, (2009), *A Reform Agenda for a Global Europe [Reforming the Budget, Changing Europe]: The 2008/2009 EU Budget Review*. Brussels.
- EC, (2010a), *The Common Agricultural Policy after 2013: Public Debate Summary Report*. Directorate-General for Agriculture and Rural Development, Brussels.
- EC, (2010b), *The CAP towards 2020: Meeting the food, natural resources and territorial challenges of the future*, Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, COM(2010)0672, Brussels.
- EC, (2010c), *The EU Budget Review*, SEC(2010)7000. European Commission, Brussels.
- EC, (2011a), *Common Agricultural Policy towards 2020, Impact Assessment, Commission Staff Working Paper*, SEC(2011)1153. European Commission, Brussels.
- EC, (2011b), *A Budget for Europe 2020*, Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, COM(2011)0500. Brussels.
- EC, (2011c), *A Budget for Europe 2020 - Part II: Policy fiches*, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, COM(2011)0500 PART II. Brussels.
- EC, (2011d), Proposal for a Regulation of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy, COM(2011)0625; Proposal for a Regulation of the European Parliament and of the Council establishing a common organisation of the markets in agricultural products (CMO Regulation), COM(2011)0626; Proposal for a Regulation of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), COM(2011)0627; Proposal for a Regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy, COM(2011)0628. Brussels.
- Copa-Cogeca (2011), *Copa-Cogeca reacts to EU Commission proposals on future CAP, calling for more emphasis on encouraging green growth, not green constraints*, 12 October 2011.
- Corbett, R., Jacobs, F., Shackleton, M. (2011), *The European Parliament*. London: John Harper.
- Corbett, R., Jacobs, F., Shackleton, M. (2003), *The European Parliament at Fifty: A View from the Inside*, in: *Journal of Common Market Studies*, Vol. 41, No 2, pp. 353-373.
- Council of the European Union (2011), *Multiannual Financial Framework (2014-2020) - Report on progress of work within the Council in the second semester 2011*, 17448/1/11 REV 1. Brussels.

- Council of the European Union (2012a), *Multiannual Financial Framework (2014-2020) - Organisation of work within the Council in the second semester 2012*, 12076/12. Brussels.
- Council of the European Union (2012b), *Multiannual Financial Framework (2014-2020) - Negotiating Box*, 19 June 2012, 11539/12. Brussels.
- Council of the European Union (2012c), *Multiannual Financial Framework (2014-2020) - Sections of Negotiating Box relating to Heading 1 (cohesion and CEF), 2 and provisions relating to the funds under the Common Strategic Framework*, 8966/12 ADD 1. Brussels.
- Council of the European Union (2012), *Greening Instruments – menu for Member States within the EU framework*, Working paper 9283/12, 26 April 2012.
- Council of the European Union (2013a), *Proposal for a Regulation of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy (CAP Reform) - Presidency consolidated draft Regulation*, 12 March 2013, 7183/13 and compromise amendments from 19 March (document 7539/13).
- Council of the European Union (2013b), *Council General Position on consolidated draft CAP regulations*, 7539/13 ADD 1. Brussels.
- Council of the European Union (2013c), *Main results of the June 2013 Agriculture Council*, Press release 11372/13, 25 June 2013. Brussels.
- Corbett et al. (2000), *The European Parliament*, 4th ed., London: Catermill.
- Crombez, C. (1996), *Legislative Procedures in the European Community*, British Journal of Political Science, Vol. 26, No 2, pp. 199-228.
- Crombez, C. (1997), *The Co-Decision Procedure in the European Union*, Legislative Studies Quarterly, Vol. 22. No 1, pp. 97-119.
- Crombez, C. (1999), *Institutional Reform and Co-decision in the European Union*.
- Crombez, C., Swinnen, J. (2011), *Political Institutions and Public Policy: The Co-Decision Procedure in the European Union and the Reform of the Common Agricultural Policy*. LICOS Discussion Paper 286/2011, KULeuven.
- Crombez, C., Knops, L., and Swinnen, J., 2012, 'Reform of the Common Agricultural Policy under the Co-decision procedure', *Intereconomics* 47(6): pp. 336-42.
- Cuhna, A., Swinbank, A. (2011), *An Inside View of the CAP Reform Process, Explaining the MacSharry, Agenda 2000 and Fischler Reforms*. Oxford University Press.
- De Gorter, H., Swinnen, J. (2002), *Political Economy of Agricultural Policy*. In G. Gardner and G. Rausser (eds.) *Handbook of Agricultural Economics*, Vol. 2, Elsevier Science.
- European Commission (2010), *The CAP towards 2020: meeting the food natural resources and territorial challenges of the future*. Communication from the Commission, COM(2010)0672, 18 November 2010, European Commission, Brussels.
- European Commission (2011a), *A Budget for Europe 2020*, COM(2011)500.
- European Commission (2011b), *Proposal for a Regulation of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy*, COM(2011)0625/3, 2011/0280(COD).

- European Commission (2011c), *CAP towards 2020: Impact Assessment, Annex 2: Greening the CAP*, Commission Staff Working Document.
- European Council (2005), *Financial Perspective 2007-2013*, 15915/05. Brussels.
- European Council (2013), *The Multi-annual Financial Framework, Conclusions of the European Council 7/8 February 2013*. Brussels.
- European Parliament (2008), *The CAP and the Lisbon Treaty*, Note, Policy Department B, October 2008.
- European Parliament (2010a), *Decision of 16 June 2010 on setting up a special committee on the policy challenges and budgetary resources for a sustainable European Union after 2013, its powers, numerical composition and term of office*. Brussels.
- European Parliament (2010b), *Resolution of 8 July 2010 on the future of the Common Agricultural Policy after 2013*. Brussels.
- European Parliament (2010c), *Working Document on the Future of the CAP after 2013*, Committee on Agriculture and Rural Development, Rapporteur: George Lyon.
- European Parliament (2010d), *Resolution of 8 July 2010 on the future of the Common Agricultural Policy after 2013 (2009/2236(INI))*, Strasbourg, 8 July 2010.
- European Parliament (2011a), *Activities and Documents*, Volume 1, Presentation and General Outcome. SURE Committee, July 2010-June 2011.
- European Parliament Committee on Agriculture and Rural Development (2011a), *Own-initiative report on 'The CAP towards 2020' (Rapporteur: Albert Dess)*, Compromise Amendments, 24 May 2011.
- European Parliament (2011b), *Resolution of 23 June 2011 on the CAP towards 2020: meeting the food, natural resources and territorial challenges of the future*. Brussels.
- European Parliament, (2012), *Resolution of 23 October 2012 in the interests of achieving a positive outcome of the Multiannual Financial Framework 2014-2020 approval procedure*, A7-0313/2012. Brussels.
- European Parliament (2013a), *Direct payments to farmers under support schemes within the framework of the CAP (Decision on the opening of interinstitutional negotiations)*, P7_TA(2013)0084. Brussels.
- European Parliament (2013b), *Resolution of 13 March 2013 on the European Council conclusions of 7/8 February concerning the Multiannual Financial Framework*. Brussels.
- European Parliament (2013c), *Resolution of 3 July 2013 on the political agreement on the Multiannual Financial Framework 2014-2020 (2012/2799(RSP))*. Brussels.
- European Parliament (2013d), *European Council Conclusions on the Multiannual Financial Framework 2014-2020 and the CAP*, Note, Policy Department B.
- European Parliament (2013e), *CAP reform deal: MEPs ensure significant improvements in future farm policy*, Press release, 25 September 2013. European Parliament Committee on Agriculture and Rural Development (COMAGRI), Brussels.
- European Parliament (2014), *CAP Reform: Delegated acts improving but still a long way to go, De Castro tells Ciolos*, Press release, 5 February 2014.
- Faas, T. (2003), *To defect or not to defect? National, institutional and party group pressures on MEPs and their consequences for party group cohesion in the European Parliament*, European Journal of Political Research 42:841-866.

- Forstner, B., Deblitz, C., Kleinhanß, W., Nieberg, H., Offermann, F., Röder, N., Salamon, P., Sanders, J., Weingarten, P. (2012), *Analyse der Vorschläge der EU-Kommission vom 12. Oktober 2011 zur künftigen Gestaltung der Direktzahlungen im Rahmen der GAP nach 2013*, Arbeitsberichte aus der vTI-Agrarökonomie 04/12.
- Ferto, I., Kovacs, A. (2014), *Analysis of the European Parliamentary amendments to the legislative proposals of the 2013 CAP reform*, Working Paper.
- Greer, A., Hind, T. (2011), *The Lisbon Treaty, agricultural decision-making and the reform of the CAP: a preliminary analysis of the nature and impact of 'co-decision'*. Paper prepared for the annual conference of the Agricultural Economics Society, at the University of Warwick, 18–20 April 2011.
- Greer, A., Hind, T. (2012), *Inter-institutional decision-making: the case of the common agricultural policy*. *Politics and Society*, Vol. 31, No 4.
- Gusfield, J. (1980), *The Culture of Public Problems*. Chicago: Chicago University Press.
- Hart, K., and Baldock, D. (2011), *Greening the CAP: Delivering Environmental Outcomes through Pillar One*. Institute for European Environmental Policy, London.
- Hart, K. and Little, J. (2012), *Environmental Approach of the CAP Legislative Proposal, International Agricultural Policy*, Vol. 1/2012, pp. 19-30.
- Hart, K. and Baldock, D. (2013), *A Greener CAP: Still within Reach?*, IEEP, London.
- Hart, K. (2014), *The fate of green direct payments in the CAP reform negotiations: the role of the European Parliament*, Working Paper.
- Hix, S. (1994), *The Study of the European Community: The Challenge to Comparative Politics*, *West European Politics* 17(1): 1-30.
- Hix, S., *Why the 2014 European Elections Matter: Ten Key Votes in the 2009–2013 European Parliament (2014)*. Swedish Institute for European Policy Studies, European Policy Analysis Issue 2013.
- Hix, S., Raunio, T., and Scully, R. (2003), *Fifty years on: research on the European Parliament*. *Journal of Common Market Studies* 41(2): pp. 191-202.
- Hix, S., Noury, A. and Roland, G. (2006), *Democratic politics in the European Parliament*. Cambridge: Cambridge University Press.
- IEEP (2013), *The last lap on greening: the death knell for EFAs?*
- Jambor, A. (2012), *Who cares about Capping?*
- Judge, D. (1992), *Predestined to save the earth: The environment committee of the European Parliament*, *Environmental Politics* 1(4): pp. 186-212.
- Judge, D. and Earnshaw, D. (2008), *The European Parliament*. Second edition. New York: Palgrave Macmillan.
- Kölling, M., Serrano Leal, C. (2014), *An analysis of the agreement on the Multiannual Financial Framework 2014-2020*, Working Paper 2/2014. Elcano Royal Institute, Madrid.
- Koester, U. (2011), *'Greening' – a return to compulsory set-aside*, 1 November 2011.
- Kreppel, A. (1999), *What Affects the European Parliament's Legislative Influence? An Analysis of the Success of EP Amendments*, *Journal of Common Market Studies*, Vol. 37, No 3. pp. 521-538.

- Kreppel, A. (2002), *Moving Beyond Procedure, An Empirical Analysis of European Parliament Legislative Influence*, Comparative Political Studies, Vol. 35, No 7, September 2002, 784-813.
- Little, J., Massot, A., Ragonnaud, G., Tropea, F. (2013), *European Council Conclusions on the Multiannual Financial Framework 2014-2020 and the CAP*, European Parliament, Directorate-General for Internal Policies, Brussels.
- Lucic, S. (2004), *The Power of the European Parliament in Cooperation Legislative Procedure*.
- Mamadouh, V. and Raunio, T. (2002), *Allocating Reports in the European Parliament: How Parties Influence Committee Work*. EPRG Working Paper No 7.
- Mamadouh, V. and Raunio, T. (2003), *The Committee System: Powers, Appointment and Report Allocation*, Journal of Common Market Studies 41(2): 333-51.
- Matthews, A. (2011), *Updated analysis of Commission legislative proposals*, 20 October 2011.
- Matthews, A. (2012a), *Greening the CAP: the way forward*. QA Riv. Dell'Associazione Rossi-Doria 4, 37-60.
- Matthews, A. (2012b), *Greening the Common Agricultural Policy Post-2013*. Intereconomics - Rev. Eur. Econ. Policy 47, 326-331.
- Matthews, A. (2012c), *Environmental Public Goods in the new CAP: Impact of Greening Proposals and Possible Alternatives*. IP/B/AGRI/CEI/2011-097/E001/SC1. Brussels: European Parliament.
- Matthews, A. (2012d), *More supply management demanded in COMAGRI single CMO report*, www.capreform.eu.
- Matthews, A. (2013a), *Greening agricultural payments in the EU's Common Agricultural Policy*, Bio-based and Applied Economics 2(1): 1-27, 2013.
- Matthews, A. (2013b), *A triumph for the Irish Presidency – a damp squib for CAP reform*.
- Matthews, A. (2013c), *The Ciolos CAP reform*, 17 December 2013.
- Matthews, A. (2013d), *The significance of Rule 70 for CAP reform negotiations*.
- Matthews, A. (2014), *The impact of the simultaneous MFF negotiations on the EP's influence on CAP reform*, Working Paper.
- Maurer, A. (2003), *The Legislative Powers and Impact of the European Parliament*. Journal of Common Market Studies, Vol. 41, No 2, pp. 227-247.
- McElroy, G. (2006), *Committee Representation in the European Parliament*, European Union Politics 7(1): 5-29.
- Neuhold, C. (2007), *'We are the employment team': Socialisation in European Parliament committees and possible effects on policy-making*. Paper presented at the EUSA Tenth Biennial International Conference, Montreal, Canada, 17-19 May 2007.
- Official Journal (2006), *Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management*, (2006/C 139/1). Brussels.
- Olper A. (2014), *An Analysis of the European Parliament position on market regulation and the impact of the economic context*, Working Paper.

- Phellas, C.N. et al. (2011), *Structured Methods: Interviews, Questionnaires and Observation*. In Seale, C. (ed.), *Researching Society and Culture*, 3rd Edition, SAGE Publications, London.
- Piattoni, S. (2011), *The Problematic Coexistence of Functional and Territorial Representation in the EU*, *Journal of European Integration* 33(4): 369-384.
- Pinder, J. (1991), *European Community, The Building of a Union*. Oxford: Oxford University Press.
- Pokrivcak, J., Crombez, C., and Swinnen, J. (2006), *The Status Quo Bias and Reform of the Common Agricultural Policy: Impact of Voting Rules, the European Commission, and External Changes*. *European Review of Agricultural Economics*, Vol. 33, No 4, pp. 562-590.
- Pokrivcak, J., De Gorter, H., and Swinnen, J. (2001), *Does a 'Restaurant Table Effect' Exist with the EU's Common Agricultural Policy? A Note*, *Journal of Agricultural Economics*, Vol. 52, No 3, pp. 28-30.
- Republic of Cyprus, 2012, *Presidency Issues Paper: Multiannual Financial Framework 2014-2020, Informal Meeting of Ministers and Secretaries of State for European Affairs Nicosia, 30 August 2012*. Nicosia.
- Roederer-Rynning, C. (2003), *From 'Talking Shop' to 'Working Parliament'? The European Parliament and Agricultural Change*, *Journal of Common Market Studies*, Vol. 41, No 1.
- Roederer-Rynning, C. (2010), *The Common Agricultural Policy: the Fortress Challenged*, in H. Wallace, M.A. Pollack, A.R. Young (eds.), *Policy-Making in the European Union*, 6th Edition, Oxford University Press.
- Roederer-Rynning, C. and Schimmelfennig, F. (2012), *Bringing co-decision to agriculture: a hard case of parliamentarization*, *Journal of European Public Policy*, 2012:1-18.
- Roederer-Rynning, C. (2014), *The EP and the 'CAP After 2013' Reform: in search of a collective sense of purpose*, Working Paper.
- Ragonnaud, G. (2013), *Presentation given at the ENA SEMINAR, The Future of Agriculture, 5-7 November 2013, Brussels*.
- Runge, C.F., Von Witzke, H. (1987), *Institutional Change in the Common Agricultural Policy of the European Community*. *American Journal of Agricultural Economics*, Vol. 69, No 2, pp. 213-222.
- Scully, R.M., (1997), *The European Parliament and the Co-Decision Procedure: A Reassessment*, *The Journal of Legislative Studies*, Vol. 3, No 3, Autumn 1997, pp. 58-73.
- Selck, T.J., Steunenbergh, B. (2004), *Between Power and Luck: The European Parliament in the EU Legislative Process*, *European Union Politics*, Vol. 5. (1): 25-46.
- Shackleton, M. (2000), *The Politics of Co-decision*. *Journal of Common Market Studies*, Vol. 38, No 2, pp. 325-342.
- Spence, T. (2013), *'Damn tough' deal on CAP leaves little room for celebration*, Euractiv, 27 June 2013.

- Swinnen, J. (2008), *The Perfect Storm: The Political Economy of the Fischler Reforms under the Common Agricultural Policy*. Centre for European Policy Studies (CEPS), Brussels.
- Swinnen, J., Knops, L., and Van Herck, K. (2013), *Food Price Volatility and EU policies*. UNU-WIDER Working Paper 2013/032.
- Swinnen, J., Knops, L. (2012), *CAP Reform: Will the European Parliament take the Bull by the Horns?* CEPS Commentary, Brussels.
- Tsebelis, G., and Garrett, G. (2001), *The Institutional Foundations of Intergovernmentalism and Supranationalism in the European Union*, International Organization 55, 2, Spring 2001, pp. 357–390.
- Tsebelis, G., Jensen, B. C., Kalandrakis, A., Kreppel, A. (2001), *Legislative procedures in the European Union: An Empirical Analysis*, British Journal of Political Science, 31, 573-599.
- Volke, M. (2013), *Policy Change in the European Union: the Case of the Common Agricultural Policy*. MA thesis. Universität Potsdam: Wirtschafts- und Sozialwissenschaftliche Fakultät.
- Votewatch.eu (2013), *Voting in the 2009-2014 European Parliament: How do MEPs Vote after Lisbon?* Third report.
- Wallace, H. (2010), *An Institutional Anatomy and Five Policy Modes*, pp. 69-106 in *Policy-Making in the European Union*, ed. H. Wallace, M. Pollack, and A. Young. Oxford: Oxford University Press.
- Westlake, M. (1994), *The Commission and the Parliament: Partners and Rivals in the European Policy-making Process*. London: Butterworths.
- Whitaker, R. (2001), *Party Control in a Committee-Based Legislature? The Case of the European Parliament*, Journal of Legislative Studies 7(4): 63–88.
- Yordanova, N. (2009), *The Rationale Behind Committee Assignment in the European Parliament: Distributive, Informational, and Partisan Perspectives*, European Union Politics 10(2): 253-80.

ANNEX I: CO-DECISION AT A GLANCE – LEGISLATIVE PROCEDURE

Co-decision is a complex procedure which may include several readings by the different institutional bodies. Figure 1 provides an overview of the procedure.

1. First reading (no time limit)

The Commission, which takes the initiative in the legislative process, submits its legislative proposal simultaneously to the Council and to the EP for the first reading. After examining the proposals and having exploratory contacts and negotiations with the Council, the EP votes on the proposal in a plenary session. The Council can then:

(a) Accept the outcome of the European Parliament's first reading:

In this case, the Council adopts the legislative act and the act is submitted for the signature of the Presidents and Secretaries-General of the European Parliament and the Council and published in the Official Journal.

(b) Refuse to accept the outcome of the European Parliament's first reading:

In this case, the Council adopts a common position, which is sent to the EP together with a statement of reasons and any statements by the Council and/or the Commission made for the Council's minutes. The Commission then informs Parliament fully of its position. The Council's common position is the subject of the second reading by the EP.

Besides this formal description of a first-reading agreement, there is now a dominant tendency for 'trilogues' to take place between the institutions to harmonise their positions before they are submitted for first-reading approval.

2. Second European Parliament reading (time limit: 3 months (+ a 1-month extension))

After receiving the Council's common position, the EP has three (+one) months to complete the second reading and vote in a plenary session. It should be noted that if the EP does not vote on the common position within the time limit, the Council's common position will be adopted. In order to prepare the vote in plenary session, a parliamentary committee (COMAGRI) examines the Council's common position and formulates a recommendation, based on which the EP will vote in the plenary session. The outcome of the vote may lead to three different situations. The EP can:

(a) Accept the Council's common position:

In this case, the act is adopted in accordance with the common position. Note that the Council no longer needs to adopt the act, and the act is submitted directly for the signature of the Presidents and Secretaries-General of the European Parliament and of the Council and published in the Official Journal.

(b) Reject the Council's common position:

If the EP rejects the common position with a majority of votes, the procedure ends and the proposed act is then deemed not to have been adopted.

(c) Propose amendments to the common position:

The EP can propose amendments to the common position based on a majority of votes in plenary. The outcome of the vote is notified to the Council and the Commission. The Commission should then provide an opinion on the proposed amendments.

3. Second Council reading (time limit: 3 months (+ a 1-month extension)):

After examining the amendments provided by the EP, the Council can:

(a) Accept the amendments: In this case, the act is adopted in the form of the common position including the amendments, and the act is submitted directly for the signature of the Presidents and Secretaries-General of the European Parliament and of the Council and published in the Official Journal. However, note that the Council must obtain a qualified majority or a unanimous vote (when the Commission provided a negative opinion) in order to accept the amendments.

(b) Accept only certain amendments – convening of the Conciliation Committee:

In this case, the President of the Council, in agreement with the President of the European Parliament, convenes the Conciliation Committee within a time limit of 6 (+ 2) weeks after the Council notes the impossibility of accepting all the amendments.

4. Conciliation (6 weeks (+ a 2-week extension)):

The time limit for the work of the Conciliation Committee starts to run from its first meeting. Before that date, there are technical and negotiation contacts between the three institutions (the 'trilogues') to bring the positions closer. In the Conciliation Committee there are delegations from Parliament and from the Council, which each consist of 15 members. In addition, the Commission, represented by the Commissioner responsible for the matter (DG AGRI for CAP reform), also takes part in the Conciliation Committee, and its main task is to bring the positions of the Council and the EP closer together. However, the Commission's position has no influence on the majority rules for the adoption of the joint text by the Conciliation Committee: qualified majority or unanimity for some matters for the Council and majority for the EP. Note that if the Committee fails to approve the joint text within the time limit, the proposed act is deemed not to have been adopted.

5. Third European Parliament and Council reading (time limit: 6 (+ 2) weeks)

If the Conciliation Committee approves a joint text, both the EP (with majority rule) and the Council (with qualified majority or unanimity for some matters) need to adopt the act within a time period of 6 (+ 2) weeks. If one of the two institutions fails to do so, the act is deemed not to have been adopted. If both institutions adopt the act within the time period, the act is adopted and is submitted directly for the signature of the Presidents and Secretaries-General of the European Parliament and of the Council and published in the Official Journal.

ANNEX II: KEY INSTITUTIONAL POSITIONS IN THE NEGOTIATION PHASE⁶⁵

Direct Payment								
	Measure	Item	EC position	EP position	Council position	Final Regulation	Coalition*	Winner
1	Financial discipline	Threshold for application	5.000 EUR	5.000 EUR	2.000 EUR	2.000 EUR	EC=EP	Council
2	Active farmer	Mandatory vs. Voluntary	Mandatory	Mandatory	Voluntary	Mandatory	EC=EP	EC=EP
3	Redistributive payments	Mandatory vs. Voluntary	N/a	Voluntary	Voluntary	Voluntary	EP=Council	EP=Council
4	Redistributive payments	Threshold for eligible ha	N/a	Up to 50 or average farm size	Up to 30 or average farm size	Up to 30 or average farm size	No coalition	Council
5	Redistributive payments	Threshold for funding (% of national average payment per ha)	N/a	N/a	Max. 65%	max. 65%	No coalition	Council
6	Redistributive payments	Maximum for annual national ceiling	N/a	Up to 30%	Up to 30%	up to 30%	EP=Council	EP=Council
7	Support for young farmers	Mandatory vs. Voluntary	Mandatory	Mandatory	Voluntary	Mandatory	EC=EP	EC=EP
8	Support for young farmers	Threshold for annual national ceiling	Up to 2%	2%	Up to 2%	Up to 2%	EC=Council	EC=Council
9	Support for young farmers	Threshold for eligible ha	Up to 25 or average farm size	up to 100	Up to 25 or average farm size	between 25-90	EC=Council	EP
10	Support for small farmers	The scheme is mandatory vs. voluntary for MSS	Mandatory	Voluntary	Voluntary	Voluntary	EP=Council	EP=Council
11	Support for small farmers	The scheme is mandatory vs. Voluntary for farmers	Voluntary	Mandatory	Voluntary	Voluntary	EC=Council	EC=Council
12	Support for small farmers	Maximum of annual payment	1.000 EUR	1.500 EUR	1.000 EUR	1.250	EC=Council	Compromise, EP towards final

⁶⁵ From Ferto and Kovacs (2014).

Direct Payment								
	Measure	Item	EC position	EP position	Council position	Final Regulation	Coalition*	Winner
13	Support for small farmers	Amount of annual payment as a percentage of the national average payment per beneficiary	Up to 15%	Up to 25%	Up to 15%	up to 25%	EC=Council	outcome EP
14	Support for small farmers	Calculation of payment based on national average payment per ha	Up to 3 ha	Up to 5 ha	Up to 3 ha	Up to 5 ha	EC=Council	EP
15	Support for small farmers	Maximum annual national ceiling	10%	15%	10%	10%	EC=Council	EC=Council
16	Support for small farmers	Application for SAPS	No	No	Yes	Yes	EC=EP	Council
17	Greening	Equivalence of national environmental certificates	No	No	Yes	Yes	EC=EP	Council
18	Greening - Crop diversification	Lower threshold for crop rotation	3 ha	10 ha	10 ha	10 ha	EP=Council	EP=Council
19	Greening - Crop diversification	2 crops	No	10-30 ha	10-30 ha	10-30 ha	EP=Council	EP=Council
20	Greening - Crop diversification	3 crops above	3 ha	30 ha	30 ha	30 ha	EP=Council	EP=Council
21	Greening - Crop diversification	Maximum threshold for one crop in term of arable land	70%	80%	75%	75%	No coalition	Compromise, EP towards final outcome
22	Greening - Permanent Grassland	Level of application/calculation of permanent grassland ratio	At farm level	national, regional or sub-regional level	national, regional or sub-regional level	national, regional or sub-regional level	EP=Council	EP=Council
23	Greening - Permanent	Permanent pasture part of permanent	No	Yes	No	Yes	EC=Council	EP

Direct Payment								
	Measure	Item	EC position	EP position	Council position	Final Regulation	Coalition*	Winner
24	Grassland Greening - Ecological Focus Areas	grassland Threshold above which EFA applies	0 ha	10 ha	15 ha	15 ha	EP=Council	EP=Council
25	Greening - Ecological Focus Areas	Percentage of farmland	7%	3 %, up to 5% from 2016, up to 7% from 2018	5%, up to 7% from 2018	5 %, 7% from 2018	No coalition	Council, EP towards final outcome
26	Internal Convergence	Payment entitlements	Uniform unit value have to be reached by 2019	Same as EC position but with possibility to deviate by 20% from this value + 2019 levels can't be more than 30% over 2014 level	Uniform unit value have to be reached by 2019 + increase by 1/3 for payments whose unit value in 2014 is lower than 90 % of the national or regional unit value	All farmers below 90% of national average must get a payment increase of at least 1/3 of the difference of the current payment to the 90%. All farmers shall receive at least 60% of the national or regional average. Option for Member States to limit farmers' "losses" to 30%.	No coalition	EP
27	External Convergence	Convergence between MSs	MSs with direct payments below the level of 90% of the average	No MSs should receive less than 65% of the EU average.	All MSs should reach at least 196 EUR/ha by 2020	MSs shall attain at least a level of 196 euros per ha by 2020	No coalition	Council, EP towards final outcome

Direct Payment								
	Measure	Item	EC position	EP position	Council position	Final Regulation	Coalition*	Winner
			should close one third of the gap between their current level and this level by 2020.					
28	Voluntary coupled support	List of sectors	Short list	Long list	Short list	Short list	EC=Council	EC=Council
29	Voluntary coupled support	MSs applying more than 5% of their DP for coupled payments during at least one year between 2010-2013	Up to 10%	Up to 15%	Up to 10%	Up to 13%	EC=Council	Compromise, EP towards final outcome
30	Voluntary coupled support	MSs applying more than 10% of their DP for coupled payments during at least one year between 2010-2013	No position	No position	more than 10%	more than 13%	EC=EP	Other
31	Voluntary coupled support	MSs applying SAPS	Up to 10%	Up to 15%	Up to 10%	up to 13%	EC=Council	Compromise, EP towards final outcome
32	Voluntary coupled support	Other MSs	Up to 5%	Up to 15%	Up to 5%	up to 8%	EC=Council	Compromise, EP towards final outcome
33	Voluntary coupled support	Protein crops	0	Plus 3%	Plus 2%	Plus 2 %	No coalition	Council, EP towards final outcome
34	Payment entitlements	Reference year for BPS	2011	2009, 2010 or 2011	2012, 2013, 2014	2014	No coalition	Council
35	Payment entitlements	SAPS expiry	31/12/2013	31/12/2020	31/12/2020	31/12/2020	EP=Council	EP=Council
36	Capping and	Mandatory vs.	Mandatory	Mandatory	Voluntary	Mandatory	EC=EP	EC=EP

Direct Payment								
	Measure	Item	EC position	EP position	Council position	Final Regulation	Coalition*	Winner
37	degressivity Capping and degressivity	Voluntary Maximum (capping)	300.000 EUR	300.000 EUR	No maximum	No maximum	EC=EP	Council
38	Capping and degressivity	Degressivity	20-70%	20-70%	Fix percentage set by the MSs	at least 5%	EC=EP	Council
39	Capping and degressivity	Exemption	No	No	Yes	MSs using at least 5% of ANC on redistributive payments	EC=EP	Council
40	Flexibility between pillars	From P1 to P2 for above-average MSs (in terms of DP per ha)	Up to 10%	Up to 15%	Up to 15%	Up to 15%	EP=Council	EP=Council
41	Flexibility between pillars	From P1 to P2 for below-average MSs (in terms of DP per ha)	Up to 10%	Up to 15%	Up to 15%	Up to 15%	EP=Council	EP=Council
42	Flexibility between pillars	From P2 to P1 for above-average MSs	0	0	Up to 15%	Up to 15%	EC=EP	Council
43	Flexibility between pillars	From P2 to P1 for below-average MSs	up to 5%	up to 10%	Up to 25%	Up to 25%	No coalition	Council

*Coalition = institutions with the same position

CMO Regulation								
	Measure	Item	EC position	EP position	Council position	Final Regulation	Coalition*	Winner
1	Export refunds	Budget available	Not defined in the CMO	EUR 0	Not defined in the CMO	EUR 0	EC=Council	EP
2	Export refunds	Serve as a crisis management instrument	Not only	Yes only	Not only	Yes only	EC=Council	EP
3	Public intervention	Products eligible	Common wheat, barley, maize, paddy rice, beef, veal, butter, skimmed milk powder	EC proposal + durum wheat, sorghum	Common wheat, barley, maize, paddy rice, beef, veal, butter, skimmed milk powder	Common wheat, durum wheat, barley, maize, paddy rice, beef, veal, butter, skimmed milk powder	EC=Council	Compromise, EP towards final outcome
4	Public intervention	Intervention period	Varies by product	Throughout the year	Varies by product	Varies by product	EC=Council	EC=Council
5	Buying-in	Measures on quantitative limitations	part of the regulation	part of the regulation	not part of the regulation, defined later by the Council	not part of the regulation, defined later by the Council	EC=EP	Council
6	Private storage aid	Products eligible	Olive oil	Olive oil and table olives	Olive oil	Olive oil	EC=Council	EC=Council
7	Private storage aid	Products eligible	No cheese	Cheese	No cheese	Cheese	EC=Council	EP
8	Private storage aid	Conditions for granting aid include	Average recorded Union market price; reference prices for the products	Average recorded Union market price; reference prices for the products; production costs; impact of market situation on producers' profit margin	Average recorded Union market price; reference prices for the products	Average recorded Union market price; reference thresholds and production costs; profit margins in the sector;	EC=Council	EP

CMO Regulation								
	Measure	Item	EC position	EP position	Council position	Final Regulation	Coalition*	Winner
9	School fruit Scheme	Extended to vegetables	No	Yes	No	Yes	EC=Council	EP
10	School fruit Scheme	maximum aid per school year	EUR 150 million	EUR 150 million	No definite amount; shall be defined later by the Council	No definite amount; shall be defined later by the Council	EC=EP	Council
11	Aid in the fruit and vegetables sector	Timeframe of operational fund	Not defined	3-5 years	Not defined	Not defined	EC=Council	EP
12	Aid in the fruit and vegetables sector	Maximum expenditure for crisis prevention and management under the operational programme	Less than one-third	40%	Less than one-third	Less than one-third	EC=Council	EC=Council
13	Aid in the fruit and vegetables sector	Maximum Union financial assistance for associations of producer organisations in terms of the value of marketed products	4,60%	5,00%	4,60%	4,70%	EC=Council	Compromise, EP towards final outcome
14	Aid in the apiculture sector	EU contribution to national apiculture programmes	Max 50%	Max 60%	Equivalent to 50%	Equivalent to 50%	No coalition	Council, EP towards final outcome
15	Sugar sector	End of sugar quota system	30/09/2015	end of the 2019/2020 marketing year	30/09/2017	30/09/2017	No coalition	Council, EP towards final outcome

CMO Regulation								
	Measure	Item	EC position	EP position	Council position	Final Regulation	Coalition*	Winner
16	Wine sector	End of transitional wine planting right rights (WPR) + set up of new vine authorization system	End of WPR by 31/12/2015 with possibility for MSs to extend up to 31/12/2018, no new system after	End of WPR by the end of 2029/3030 marketing year	End of WPR by 31/12/2018 + set up of new vine authorization system from 1/1/2019 to 31/12/2024	End of WPR by 31/12/2015 + set up of new vine authorization system from 1/1/2016 to 31/12/2030	EP=Council	EP=Council
17	Producer Organisations	Mandatory vs. Voluntary recognition	Mandatory	Mandatory	Voluntary	Voluntary	EC=EP	Council
18	Producer Organisations	Competition rules	POs shall not hold a dominant market position	POs can hold a dominant market position	POs can hold a dominant market position	POs can hold a dominant market position	EP=Council	EP=Council
19	Producer Organisations	Pre-requisite for the ratio of Non-Annex I. products	Not defined	Non-Annex I. products shall not exceed 49% of the total volume marketed	Not defined	Non-Annex I. products shall not exceed 49% of the total volume marketed	EC=Council	EP
20	Associations of producer organisations	Mandatory vs. Voluntary recognition	Mandatory	Voluntary	Voluntary	Voluntary	EP=Council	EP=Council
21	Interbranch organisations	Mandatory vs. Voluntary recognition	Mandatory	Voluntary	Voluntary	Voluntary	EP=Council	EP=Council

*Coalition = institutions with the same position

EAFRD Regulation								
	Measure	Item	EC position	EP position	Council position	Final Regulation	Coalition*	Winner
1	Ring-fencing for environmental payments	Share of EAFRD and measures covered	N/a	25% for agri-environment and organic farming; 30% for agri-environment, organic farming, LFA, Forestry measures, Natura 2000 payments, WFD payments in the Luxembourg compromise proposal	0% initially, 25% for agri-environment, organic farming, LFA, Forestry measures, Natura 2000 payments, WFD payments in the Luxembourg compromise proposal	30% for: Agri-environment; Organic farming; LFA; Forestry payments; Natura 2000 payments; Environment-related investment;	EC=Council	EP
2	Greening under P1 and P2	Double funding	No double funding	No double funding	Explicitly allowing double funding	No double funding	EC=EP	EC=EP
3	Organic farming	Double funding	No exclusion of double funding	No double funding	No exclusion of double funding	No double funding	EC=Council	EP
4	National distribution of RD resources	Annual breakdown by MSs	implementing act	Annex to EAFRD regulation	Implementing act	Annex to EAFRD regulation	EC=Council	EP
5	National distribution of RD resources	Adjustments due to inter-pillar transfers	implementing act	Delegated act	Implementing act	Delegated act	EC=Council	EP
6	Support rates	Investments in physical assets and investments in new forestry technologies - Aegean islands	65%	75%	65%	75%	EC=Council	EP

EAFRD Regulation								
	Measure	Item	EC position	EP position	Council position	Final Regulation	Coalition*	Winner
7	Support rates	LFA - mountain areas	300 EUR/ha	450 EUR/ha	300 EUR/ha	450 EUR/ha	EC=Council	EP
8	Support rates	Possibility to increase the support rates by 20% under the 'Investments in physical assets, Agricultural sector' measures	Young farmers setting up; Collective investments and integrated projects; Areas facing natural constraints as referred to in Article 33.; Operations supported in the framework of the EIP;	Young farmers setting up; Collective investments and integrated projects; Areas facing natural constraints as referred to in Article 33.; Operations supported in the framework of the EIP; Organic farmers, Natura 2000 and WFD, Agri-environment	Young farmers setting up; Collective investments and integrated projects; Areas facing natural and other specific constraints as referred to in Article 33.; Operations supported in the framework of the EIP;	Young farmers setting up; Collective investments and integrated projects; Areas facing natural and other specific constraints as referred to in Article 33.; Operations supported in the framework of the EIP;	EC=Council	EP
9	Fund contribution	Percentage of eligible expenditure in less developed regions, outermost regions and Aegean islands	85%	85%	75%	85%	EC=EP	Solely EP as this was the only results that differs from the European Council conclusions of 8 February 2013
10	Fund contribution	Percentage of eligible expenditure in other regions	50%	50%	53-75%	53-75%	EC=EP	Council

EAFRD Regulation								
	Measure	Item	EC position	EP position	Council position	Final Regulation	Coalition*	Winner
11	Fund contribution	Agri-environment and climate measures	50-85%	55-90%	75%	75%	EC=Council, as the EC accepted the MFF conclusions of 8 February 2013	EC=Council
12	Fund contribution	Operations receiving funding from funds transferred to EAFRD from P1	50-85%	95% (MSs receiving FA)	100%	100%	EC=Council, as the EC accepted the MFF conclusions of 8 February 2013	EC=Council
13	Areas facing significant natural constraints	Eligibility threshold in terms of UAA	66%	EC was asked to table new delimitation by 31/12/2014	60%	60%	EC=Council	EC=Council
14	Areas facing significant natural constraints	Number of criteria to be fulfilled	at least 1	EC was asked to table new delimitation by 31/12/2014	At least one	at least 1	EC=Council	EC=Council
15	Areas facing significant natural constraints	Percentage that criteria shall be fulfilled	100%	EC was asked to table new delimitation by 31/12/2014	1 for 100% or 2 for 90%	100%	No coalition	EC

Horizontal Regulation								
EAFRD Regulation								
	Measure	Item	EC position	EP position	Council position	Final Regulation	Coalition*	Winner
16	Areas facing significant natural constraints	Deadline for new delimitation	No position	31/12/2014	No position	2018	EC=Council	EP, policy outcome towards EP's position
17	Producer groups	Eligible activity	Setting up the PG	Setting up and development of PG	Setting up the PG	Setting up the PG	EC=Council	EC=Council
18	Young farmers	Definition, eligible person	Less than 40 years of age	40 years of age or less	Less than 40 years of age	No more than 40 years of age	EC=Council	EP
19	Afforestation and creation of woodland	Maximum period of support	10 years	15 years	15 years	12 years	EP=Council	Compromise, EP position towards outcome
20	Establishment of agroforestry systems	Maximum period to cover the costs of maintenance	3 years	5 years	5 years	5 years	EP=Council	EP=Council
21	Animal welfare payments	Commitment period	1 year	1-7 years	1 year	1-7 years	EC=Council	EP
22	Investments in irrigation	Eligibility of new irrigation installations	Only in new MSs	In all MSs	In all MSs	Compromise between the three institutions	EP=Council	Other

*Coalition = institutions with the same position

	Measure	Item	EC position	EP position	Council position	Final Regulation	Coalition*	Winner
1	General provisions	No double funding for environmental obligations both under P1 and P2	No double funding	No double funding	Double funding is possible for agri-environment and organic farming	No double funding	EC=EP	EC=EP
2	Transparency, publication of beneficiaries	Threshold, under which beneficiaries are exempted	Yes, equal to the amount of the SFS	No	Yes, equal to the amount of the SFS	Yes, equal to the amount of the SFS or 1250 Euro if SFS not applied in the MS	EC=Council	EC=Council
3	Paying Agencies	Number of PA	1 per MS or 1 per region / type of support (reduction relative to status quo)	1 per MS or 1 per region (even stronger reduction relative to status quo)	Restrict to the necessary minimum (allows increase relative to status quo)	1 per MS or per region/type of support, with derogation to keep existing paying agencies (confirms status quo, but limits further increase)	EC=EP	Other, compromise close to the Council position, but no absolute victory
4	Cross-compliance	Water Framework Directive	Yes	No	No	No	EP=Council	EP=Council
5	Cross-compliance	Pesticide Directive	Yes	No	No	No	EP=Council	EP=Council
6	Cross-compliance	GAEC 7	GAEC 7 included	Deletion of GAEC 7	Deletion of GAEC 7	Deletion of GAEC 7	EP=Council	EP=Council
7	Penalties	Penalty for non-compliance with the greening requirements (% additional to the 30% greening payment)	No limit (unlimited reduction of basic payment possible)	0% (reduction of basic payment not possible at all)	Max. 25% (limited reduction of basic payment possible)	Limited reduction of basic payment possible: 0% in the first two years, 20% for the third year, 25% from the 4th year	No coalition	EP=Council (Both positions well reflected in the final outcome, with smooth transition over time from one to the other)

*Coalition = institutions with the same position

ANNEX III: COMPARISON OF THE NEGOTIATING MANDATES AND FINAL OUTCOME ON GREENING⁶⁶

Measure	EC proposal	EP position (April 2013)	Council position (April 2013)	Regulation 1307/2013 (December 2013)	Influence over outcome
General Requirements	All farms must comply with greening requirements	All farms must comply with greening requirements	Farms involved in relevant Pillar Two agri-environment schemes would be exempt from one or more of the requirements.	Green practices apply to the whole eligible area of the holding.	Exemptions moved to individual measures.
	Green by Definition = Organic	Farms comprising at least 75% permanent grassland qualify as 'green by definition'	Farms with at least 75% of land enrolled in a nationally or regionally-certified environment scheme would be exempt from greening.	Green by Definition - land being farmed organically and those participating in the small farmers scheme (in countries where this is offered).	General requirements remain similar to Commission's original proposal
	Land managers farming land within Natura 2000 areas are only required to comply with the greening measures insofar as these are compatible with the requirements of these areas		Holdings with more than 75% covered by grassland or cultivated with leguminous crops also exempt.	Land managers farming land within Natura 2000 sites or river basins covered by the water framework Directive (WFD) are only required to comply with the greening measures insofar as these are compatible with the requirements set under the birds, habitats or water framework Directives.	
	P2 agri-environment conditions must go beyond EFA baseline	P2 agri-environment conditions must go beyond greening measures	Greening requirements not included in P2 baseline. Member States to have 'clearly defined flexibility on choice of equivalent greening measures'	Pillar 2 agricultural land management payments must go beyond the greening requirements to avoid double funding	EP

⁶⁶ From Hart (2014).

Measure	EC proposal	EP position (April 2013)	Council position (April 2013)	Regulation 1307/2013 (December 2013)	Influence over outcome
		Penalty for non-compliance = loss of the 30% greening component	Penalty for non-compliance = loss of the 30% greening component plus 25% extra penalty (i.e. 37.5% of overall entitlement lost)	Penalty for non-compliance = loss of the 30% greening component plus 25% extra penalty but phased in over time.	Council
Crop diversification	3 different crops to be grown on arable land over 3 ha.	Farms with arable areas of 10-30 hectares must plant at least two crops a year and those over 30 ha must have at least 3 crops (except holdings north of 62 parallel)	Farms with arable areas of 10-30 ha must plant at least two different crops and those with arable areas > 30ha would have to cultivate at least three crops.	Farms with 10 - 30 ha of arable land are required to have a minimum of two crops. Farms with more than 30 ha are required to have a minimum of three crops	EP/Council
	Arable areas < 3 ha = exempt	Arable areas under 10ha = exempt	Arable areas under 10 ha = exempt.	Only applicable on arable areas of holdings over 10 ha	EP/Council – thresholds
			Other exemptions are:	These rules do not apply to holdings:	Council – further exemptions
			- Where 75% of eligible area is grassland or cultivated with crops under water	- Where > 75% of arable land is used for the production of grasses or other herbaceous forage, land laying fallow, or subject to a combination of these uses, provided the arable area not covered by these uses does not exceed 30 ha.	
		- where > 50% arable land is interchanged with other farmers annually	- Where > 75% of the eligible agricultural area is permanent grassland, used for the production of grasses or other herbaceous forage or crops under water or a combination of these uses, provided the arable are not covered by these uses does not exceed 30 ha.		

Measure	EC proposal	EP position (April 2013)	Council position (April 2013)	Regulation 1307/2013 (December 2013)	Influence over outcome	
			- Where 75% eligible area is under equivalent practices under agri-envl agreement	- Where > 50% areas under arable land declared were not declared by the farmer in his aid application of the previous year and , where based on a comparison of the geo-spatial aid applications, all arable land is being cultivated with a different crop compared to that of the previous calendar year		
			- Where > 75% of arable land is used to produce grass, is fallow, cultivated with leguminous crops or a combination of these	- that are situated in areas north of 62nd parallel or certain adjacent areas. In these areas, where the arable land is >10 ha, 2 crops are required to be cultivated. Neither of these can cover more than 75% of the arable areas with the exception of when the main crop is grass or other herbaceous forage or land laying fallow		
			For arable areas 10-30 ha: maximum area to be sown to a single crop = 80%.	For arable areas 10-30 ha: maximum area to be sown to main crop = 75%	- Where the arable area is 10-30 ha (and not entirely cultivated with crops under water for a significant part of the year, at least two different crops must be grown and maximum area to be sown to main crop = 75%	Council
			For arable areas > 30 ha - Maximum to be sown to a single crop is 75% and two crops = 95%	For arable areas > 30 ha - Maximum to be sown to a single crop is 75% and two crops = 95%	- Where the arable area > 30ha at least three crops must be cultivated and Maximum to be sown to a single crop is 75% and two crops = 95%	
	None of the three crops shall cover less than 5 % of the arable land and the main one shall not exceed 70 % of the arable land					

Measure	EC proposal	EP position (April 2013)	Council position (April 2013)	Regulation 1307/2013 (December 2013)	Influence over outcome
Permanent grassland	Maintain 95 % of the area of permanent grassland on the holding as declared in 2014	Ratio of permanent grassland/pasture (in 2014) to total UAA (reference area) is maintained – to be applied at national, regional or sub-regional level	Farmers must maintain area of permanent grassland as declared in 2014	Two types of obligation apply under this measure:	EP / council
				- Farmers must not convert or plough permanent grassland in areas designated by Member States as being environmentally sensitive. Member States are required to designate permanent grassland, peatlands and wetlands deemed to be environmentally sensitive within Natura 2000 areas and have the option of designating further areas outside N2K areas, including permanent grassland on carbon rich soils	
		5% conversion of the reference area is permitted except carbon rich soils, wetlands and semi-natural grasslands and pastures	Member States can choose not to apply requirement if in 2012 the ratio of permanent grass: total UAA has not decreased or decreased < 5% in relation to reference ratio (as set under current regulations). If so, they must ensure ratio is maintained	- Member States have to ensure that the ratio of the land under permanent grassland does not decrease by more than 5% at national, regional or sub-regional level (to be decided by member states) compared to the situation in 2015.	EP for enabling the introduction of the voluntary protection of carbon rich grasslands
			If monitoring systems are in place for PG, an alternative system can be implemented, with different requirements on farmers depending on annual change in reference ratio.	If it does, Member States must require land to be converted back to permanent pasture through placing obligations on farmers to do so.	

Measure	EC proposal	EP position (April 2013)	Council position (April 2013)	Regulation 1307/2013 (December 2013)	Influence over outcome	
				The exception to this is where the decrease below the threshold results from afforestation, provided such afforestation is compatible with the environment and does not include plantations of short rotation coppice Christmas trees or fast growing trees for energy production.		
Ecological Focus Area	7 % of the holding (excluding permanent grassland) must be managed as ecological focus areas	'Ecological Focus Areas' (EFAs) to cover 3% (excluding permanent pasture and permanent crops) in 2014, rising to 5% from 2016 – further increases subject to review	'Ecological Focus Areas' (EFAs) to cover 5% (excluding permanent grassland) in 2015, rising to 7% from 2018 pending review	'Ecological Focus Areas' (EFAs) to cover 5% of the arable area from 2015, rising to 7% from 2018 if deemed necessary subject to a review in 2017	Council in general	
		Only applies to eligible areas > 10 ha	Up to half of EFA requirement may be met by pooling commitments among groups of farmers	Up to half of EFA requirement may be met at the regional level by pooling commitments among groups of farmers - Member States would need to designate the areas and the obligations for farmers participating. The aim of the designation and obligations shall be to underpin the implementation of Union policies on the environment, climate and biodiversity.	But EP won argument to remove permanent crops from eligible land.	
			Only applies to eligible areas > 15 ha			
				Applies to arable areas > 15 ha		
				The following farms are exempt:		
				- >75% eligible area is grassland , cultivated with crops under water or a combination;	The obligations do not apply to the following:	

Measure	EC proposal	EP position (April 2013)	Council position (April 2013)	Regulation 1307/2013 (December 2013)	Influence over outcome
			- > 75% of arable area is entirely used for grass or other herbaceous forage, land laying fallow, cultivated with leguminous crops, or subject to a combination of these uses;	- holdings where >75% of the eligible agricultural area is permanent grassland, used for the production of grasses or other herbaceous forage or cultivated with crops either under water for a significant part of the year or for a significant part of the crop cycle or a combination of those uses, provided the arable area not covered by these uses does not exceed 30 ha.	
			- Areas where ratio of forest to farmland is at least 3:1.	- holdings where >75% eligible area is entirely used for production of grass or other herbaceous forage, land laying fallow, cultivated with leguminous crops, or subject to a combination of these uses, provided the arable area not covered by these uses does not exceed 30 ha.	
				In addition, Member States where over 50% of the land area is covered by forests, may choose not to apply the greening measures in Areas of Natural Constraint as defined under the rules set out in rural development policy provided certain conditions are met in relation to the rate of forest land to agricultural land in the ANC unit.	
	The EFA can be made up of different elements, including: - Land left fallow	The EFA can comprise: - land left fallow - terraces - landscape features	The EFA can comprise (NB: weighting factors are proposed – to be developed):	The EFA can comprise (NB: weighting factors to be determined in delegated acts): - land laying fallow;	EP/Council

Measure	EC proposal	EP position (April 2013)	Council position (April 2013)	Regulation 1307/2013 (December 2013)	Influence over outcome
	<ul style="list-style-type: none"> - Terraces - Landscape features, eg hedges; ponds; ditches; trees in a line, in a group or isolated; field margins; - Buffer strips - with no production on them; - Areas afforested with funding from EAFRD 	<ul style="list-style-type: none"> including hedgerows, ditches, stonewalls, in field trees and ponds, - land planted with nitrogen-fixing crops, - buffer strips - areas afforested under EAFRD 	<ul style="list-style-type: none"> - land laying fallow - terraces - landscape features, including features situated in an area contiguous to an eligible parcel; - buffer strips without fertilisation and pesticides including buffer strips covered by permanent grassland which may be grazed and/or cut; - agro-forestry as defined within EAFRD - areas of permanent crops with more than 20 but less than 250 trees per hectare; - strips of eligible hectares along forest - areas under agri-environment agreements, established as equivalent practices - areas of permanent crops on slopes > 10% gradient - areas with short rotation coppice - areas afforested under EAFRD - areas with catch crops or green cover (subject to the application of weighting factors) - nitrogen fixing crops 	<ul style="list-style-type: none"> - terraces - landscape features, including those adjacent to eligible agricultural areas covered by arable land; - buffer strips including those covered by permanent grassland; - agro-forestry as supported under EAFRD; - strips of land along forest edges without cultivation; - short rotation coppice; - areas afforested under EAFRD; - areas with catch crops or green cover established by the planting and germination of seeds; - nitrogen fixing crops. 	
		Production is permitted but without use of fertilisers or pesticides			

ANNEX IV: CAP-RELATED ISSUES IN THE MFF⁶⁷

Issue	EP mandate	Council mandate	EP proposed landing zone	Outcome
National ceilings for direct payments (DP Recital 21 and Annex 2)	100% (rather than 90%) of the EU average used as the reference point, so that: In MS with a current level of direct payments per hectare that is below 70% of the EU average, that shortfall is reduced by 30%, In MS with a level of direct payments between 70% and 80% of the average, the shortfall should be reduced by 25%, In those MS where the level is more than	All MS with direct payments per hectare below 90% of the EU average close one third of the gap between their current direct payments level and 90% of the EU average, while all MS attain at least the level of €196/hectare in current prices by 2020. All MS with direct payments above the EU average to finance the redistribution proportionally to their distance from the EU average payment level, with the process of convergence phased over 6 years up until financial year 2020.	EP prepared to accept Council position in return for wider flexibility on the other EP priority issues	Council position adopted.
* Progressive reduction and capping of direct payments (DP Art. 11)	Agrees with COM proposal (four mandatory tranches: 20% between €150-200K, 40% between €200-250K, 70% between €250-300K and absolute cap over €300K, with exemption for cooperatives and deduction for contractors' charges	European Council original mandate was that capping of direct payments for large beneficiaries will be introduced by MS on voluntary basis. (Based on 25 June 2013 mandate) Mandatory degressivity reduction of 5% on amounts over €150K, with possible derogation for those using more than 5% of national ceiling for redistributive payments	Mandatory degressivity reduction of at least 15% on amounts over €150K and reduction of at least 25% over €300K, with possible derogation for those using more than 15% of national ceiling for redistributive payments. Wanted explicit recognition in the final text that these percentages are minima, with the option, on a voluntary basis, to apply higher percentage reductions, or additional	Direct payments reduced by at least 5% for the part of the amount exceeding €150,000, after subtracting salaries if MS wants. Where a MS uses more than 5 % of its national ceiling for the redistributive payment, it may decide not to apply this reduction.

⁶⁷ From Matthews (2014).

Issue	EP mandate	Council mandate	EP proposed landing zone	Outcome
Flexibility between Pillars (DP Article 14(2)) * Transfer from P2 to P1 Transfer from P1 to P2	Agreed with Commission proposal for Proposed up to 15% transfer possible from direct payment ceilings to rural development	15% transfer possible for those MS with lower than average per hectare direct payments and 15% for those with above average payments	tranches, up to 100% 15% transfer possible for those MS with lower than average per hectare direct payments (with special dispensation to go above this limit in duly justified cases) and 10% for those with above average payments.	MS can transfer up to 15% of their direct payments ceiling to rural development. MS can transfer up to 15%, or in the case of named MS with below average per hectare payments, up to 25%, of their rural development money to direct payments
* Cofinancing rates (RD Art 65 (COM) Art 59 (final))	85% for less developed regions, outermost regions and smaller Aegean islands	75% for less developed regions, outermost regions and smaller Aegean islands	85% for less developed regions, outermost regions and smaller Aegean islands	85% for less developed regions, outermost regions and smaller Aegean islands
		75% for all regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 but whose GDP per capita is above 75% of the GDP average of the EU-27	Acceptance of Council position (i.e. 75%)	75% for all regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 but whose GDP per capita is above 75% of the GDP average of the EU-27
		63% for the other transition regions	Acceptance of Council position (i.e. 63%)	63% for the other transition regions
	50% for other regions (as COM proposal)	53% for other regions	50% for other regions	53% for other regions
	80% for Art 15/28/36/20(1)a(i)	80% for Art 15/28/36/20(1)a(i)	Joint agreement on 80%	80% for Art 14/27/35/19(a)(i). May be increased to a maximum of 90 % for the programmes of less developed regions, outermost regions, the smaller Aegean islands and transition regions
	55% for agri-environment-climate measures under Art 29	75% for agri-environment-climate actions under Art 18/23/24/29/30/31(3)/31(4)/32/35	Acceptance of Council position (i.e. 75%)	75% for agri-environment-climate actions under Art 17/ 21(1)

Issue	EP mandate	Council mandate	EP proposed landing zone	Outcome
	50% (i.e. standard rate) for all funds transferred from Pillar 1, except for special 95% provision for MS under financial assistance for transfers under DP Art 14/1) flexibility	100% for all funds transferred from Pillar 1 (with other exemptions from national cofinancing requirements associated with discrete allocations for MS under financial assistance)	Acceptance of Council position (i.e. 100%)	a+b/28/29/30/31/34 100% for all funds transferred from Pillar 1 (with other exemptions from national co-financing requirements associated with discrete allocations for MS under financial assistance)
		Higher co-financing rate (by 10 percentage points) can be applied when MS receives financial assistance, subject to reassessment in 2016	Acceptance of Council position (i.e. higher co-financing rate for MS in receipt of financial assistance)	Higher co-financing rate (by 10 percentage points) can be applied when MS receives financial assistance, subject to reassessment in 2016
* Annual breakdown of EAFRD budget by member state (RD COM Article 64) (RD final Art 58)	80% for Art 15/28/36/20(1)a(i) 2013 allocations used as placeholder to demonstrate desire to have breakdowns included as an annex to Basic Act (instead of an implementing act)	Joint agreement on 80%Series of discrete allocations made to 16 different MS, justified on the basis of them "facing particular structural challenges in their agricultural sector" or from them having "invested heavily in an effective delivery framework for Pillar 2 expenditure"	80% for Art 14/27/35/19(a)(i). May be increased to a maximum of 90 % for the programmes of less developed regions, outermost regions, the smaller Aegean islands and transition regions EP offers to accept Council's allocations provided the breakdowns are contained in a delegated rather than implementing act, as well as wider commitment to degree of flexibility on the other EP priority issues	Resources and their distribution included as Annex 1 to the basic Regulation.
	75% for agri-environment-climate actions under Art 18/23/24/29/30/31(3)/31(4)/32/35 80% of the average it should be reduced by 10%. The level of the per hectare payment received in any MS would not be less than 75%	Acceptance of Council position (i.e. 75%)	75% for agri-environment-climate actions under Art 17/21(1) a+b/28/29/30/31/34	

Issue	EP mandate	Council mandate	EP proposed landing zone	Outcome
	of the EU average in 2019. Four-year convergence duration (as proposed by COM) with a linear reduction used to fund redistribution			
Crisis reserve and financial discipline (HZ Art 25 and 26)	100% for all funds transferred from Pillar 1 (with other exemptions from national cofinancing requirements associated with discrete allocations for MS under financial assistance) Accepted the original COM proposal on the crisis reserve being funded outside the MFF	Acceptance of Council position (i.e. 100%) Brought the crisis reserve within the budget for direct payments using financial discipline mechanism (equal annual instalments of €400 million (2011 prices) summing to a potential €2,800 million for the period 2014-2020 under Heading 2 of the MFF	100% for all funds transferred from Pillar 1 (with other exemptions from national co-financing requirements associated with discrete allocations for MS under financial assistance) EP prepared to accept Council position in return for wider flexibility on the other EP priority issues	Council position adopted
Pre-financing arrangements (HZ Art 34 COM, HZ Art 35 final)	Higher co-financing rate (by 10 percentage points) can be applied when MS receives financial assistance, subject to reassessment in 2016 Initial pre-financing amount increased from 4% in original COM proposal to 7% of the EAFRD contribution to the programme concerned.	Acceptance of Council position (i.e. higher co-financing rate for MS in receipt of financial assistance) Lower rate of pre-financing (1% of the amount of EAFRD support for the entire programming period to the programme) paid in instalments in each of the years 2014, 2015 and 2016, except where a MS has been receiving financial assistance since 2010, when the pre-financing rate is increased to 1.5% for the first two years.	Higher co-financing rate (by 10 percentage points) can be applied when MS receives financial assistance, subject to reassessment in 2016 EP prepared to accept Council position in return for wider flexibility on the other EP priority issues	Council position adopted
	Series of discrete allocations made to 16 different MS, justified on the basis of them "facing particular structural challenges in their agricultural sector" or from them having "invested heavily in an effective delivery framework for Pillar 2 expenditure"	EP offers to accept Council's allocations provided the breakdowns are contained in a delegated rather than implementing act, as well as wider commitment to degree of flexibility on the other EP priority issues	Resources and their distribution included as Annex 1 to the basic Regulation.	

ANNEX V: EXPERTISE AND RESOURCES PROVIDED BY THE POLICY DEPARTMENT B DURING CAP REFORM

POLICY DEPARTMENT B – Agriculture and Rural Development External and internal expertise on the CAP reform

1) Preparatory legislative phase (2010 to October 2011)

Workshops

- Workshop 2.6.2010: "*Price volatility and risk management tools: building a new framework for the globalized markets*".
- Workshop 11.10.2010: "*The impact of protein deficiency in Europe: what measures to guarantee a supply of feeding stuff within the EU?*".
- Workshop 30.11.2010: "*The situation of young farmers in the EU*".
- Workshop 7.2.2011 on the EC Communication of November 2010: "*The CAP towards 2020*".
- Workshop 15.3.2011 on the Quality package of December 2010, complementing CAP reform: "*The future of the quality policy in the light of the CAP post-2013*".

External studies

- INEA: *The EU fruit and vegetables sector: overview and post-2013 CAP perspective*, PE 460.043, April 2011 (English).
- CEIGRAM-UPM: *What market measures in the future CAP after 2013?*, PE 460.044, April 2011 (English (original), German, French and Polish).
- IEEP *et al*: *What tools for the European agriculture policy to encourage the provision of public goods?*, PE 460.053, May 2011 (English (original), German, French and Polish).
- INEA: "*The CAP in the EU budget: new objectives and financial principles for the review of the agricultural budget after 2013*", PE 460.054, May 2011 (English).

Internal studies PD B

- Published

- Policy Department B: *The CAP towards 2020: working paper on the EC communication of 18 November 2010*, PE 438.618, November 2010 (English) .
- Policy Department B: *The CAP towards 2020: possible scenarios for the reallocation of the budget for direct payments*, PE 460.032, March 2011 (English).
- Policy Department B: *The CAP in the Multiannual Financial Framework 2014/2020*, PE 460.067, October 2011 (English (original), German, French, Spanish, Italian, Polish and Portuguese).

- Not published

- Briefing note for the COMAGRI Chairman: *Commentaires sur les exceptions législatives en faveur du Conseil proposées par la Commission dans le cadre du processus d'alignement des actes agricoles de base au Traite de Lisbonne*, April 2011 (French) (25 pages).

- Briefing note for the COMAGRI Chairman: *Towards a budgetary reserve for severe agricultural crises*, April 2011 (English) (9 pages).

2) Negotiating phase (from publication of legislative proposals - October 2011 - to the publication of legal text - OJ December 2013)

Workshops

- Five workshops on legislative proposals: "*New direct payments scheme: targeting and redistribution in the future CAP*" (6.2.2012); "*Environmental public goods in the new CAP - Impact of greening proposals and possible alternatives*" (28.2.2012); "*Addressing market volatility: CMO mechanisms and risk management tools in the new CAP*" (29.2.2012); "EU competition framework: specific rules for the food chain in the new CAP" (19.3.2012); "*Rural development and territorial cohesion in the new CAP*" (27.3.2012). Publication of different papers.
- Workshop 17.9.2012: "*Future policy options for the EU sugar regime*".

External studies and briefing notes

- Guillem Carrau, J.: *EU competition framework policy and agricultural agreements: collation and comparative analysis of significant decisions at national level*, PE 474.547, May 2012 (English).
- Butault, Bureau, Witzke and Heckelei: *Comparative analysis of agricultural support within the major agricultural trading nations*, PE 474.544, March 2012 (English).
- INEA-INRA-CIRVE: *The liberalisation of planting rights in the EU wine sector*, PE 474.535, April 2012 (English (original) and French).
- Regidor, J.G.: *EU measures to encourage and support new entrants*, PE 495.830, September 2012.
- LEI-Wageningen UR: *Comparative analysis of EU standards in food safety, environment, animal welfare and other non-trade concerns with some selected countries*, PE 474.542, May 2012 (English).
- CCRI, IEEP et al: *How to improve the sustainable competitiveness and innovation of the EU agricultural sector*, PE 474.551, May 2012 (English (original) and French).
- University of Kent, CCRI et al: *Semi-subsistence farming: value and directions of development*, PE 495.861, April 2013 (English (original), French and Polish).
- ZALF et al: *The environmental role of protein crops in the new Common Agricultural Policy*, PE 495.856, May 2013 (English (original) and French).
- Swinnen, J. et al: *Possible effects on EU land markets of new CAP direct payments*, PE 495.866, June 2013 (English (original) and French).

Internal studies PD B

- Published

- Policy Department B: *European Council Conclusions on the Multiannual Financial Framework 2014/2020 and the CAP*, PE 495.846, July 2013 (English).

- Not published

- General presentation of legislative proposals to the COMAGRI MEPs (Strasbourg, 14.12.2011): *Legislative proposals for the CAP 2020 - Analysis of critical issues and possible options for revising the proposals* (63 slides) (English).

- Four lists of possible amendments on: DPR, HZR, RDR and CMO. Presented to rapporteurs, shadow-rapporteurs and political coordinators in camera (Strasbourg, 14.3.2012 - 65 slides - and Brussels, 29.3.2012 - 64 slides) (English).

3) Post-legislative phase (from publication of texts - OJ 20.12.2013 - to 2015). Selected works published by the PD B (external and internal papers by chronological order)

- Bureau, J-C. and Witzke, H-P.: *The single payment scheme after 2013: new approach - new targets*, PE 431.598, January 2010 (English (original), German and French).
- Munier, B. (MOMAGRI): *Commodity price volatility: causes and impact on the EU agricultural markets*, PE 438.594, Mayo 2010 (English).
- Capitano, F. (Naples University): *The increase in risk exposure for European farmers. A comparison between EU and Nord American tools looking at the CAP post 2013*, PE 438.594, May 2010 (English).
- Burgaz, F. (ENESA): *The Spanish Agricultural Insurance Scheme: national experiences and recommendations looking at the CAP post 2013*, PE 438.593, May 2010.
- Bock, B: *Personal and social development of women in rural areas of Europe*, PE 438.608, September 2010 (English).
- Shortall, S: *Women working on the farm: how to promote their contribution to the development of agriculture and rural areas in Europe?*, PE 438.609, September 2010.
- Policy Department B: *The CAP towards 2020: working paper on the EC communication of 18 November 2010*, PE 438.618, November 2010 (English).
- Shucksmith, M. (Newcastle University): *How to promote the role of youth in rural areas of Europe?*, PE 438.620, November 2010.
- Chatellier, V. (INRA): *Market policy and risk and crisis management instruments in the post-2013 CAP*, PE 438.627, January 2011 (French (original) and English).
- Policy Department B: *The CAP towards 2020: possible scenarios for the reallocation of the budget for direct payments*, PE 460.032, March 2011 (English).
- INEA: *The EU fruit and vegetables sector: overview and post-2013 CAP perspective*, PE 460.043, April 2011 (English).
- CEIGRAM-UPM: *What market measures in the future CAP after 2013?*, PE 460.044, April 2011 (English (original), German, French and Polish).
- IEEP et al: *What tools for the European agriculture policy to encourage the provision of public goods?*, PE 460.053, May 2011 (English (original), German, French and Polish).
- INEA: *"The CAP in the EU budget: new objectives and financial principles for the review of the agricultural budget after 2013"*, PE 460.054, May 2011 (English).
- Policy Department B, *The CAP in the Multiannual Financial Framework 2014/2020*, PE 460.067, October 2011 (English (original), German, French, Spanish, Italian, Polish and Portuguese).
- Swinbank, A. (Reading University), *New direct payments scheme: targeting and redistribution in the future CAP*, PE 474.528, February 2012 (English).
- Van Der Ploeg, J.D. (Wageningen University), *Rural development and territorial cohesion in the new CAP*, PE 474.529, February 2012 (English).

- Matthews, A. (Trinity College), *Environmental public goods in the new CAP: impact of greening proposals and possible alternatives*, PE 474.534, March 2012 (English).
- Gohin, A. (INRA), *The Mechanisms of the Single CMO and Risk Management Instruments under the New CAP*, PE 474.539, March 2012 (French (original), English and German).
- Butault, Bureau, Witzke and Heckelei: *Comparative analysis of agricultural support within the major agricultural trading nations*, PE 474.544, March 2012 (English).
- INEA-INRA-CIRVE: *The liberalisation of planting rights in the EU wine sector*, PE 474.535, April 2012 (English (original) and French).
- Del Cont, C., Bodiguel, L. et Iannarelli, A.: *EU competition framework: specific rules for the food chain in the new CAP*, PE 474.541, May 2012 (English).
- Guillem Carrau, J.: *EU competition framework policy and agricultural agreements: collation and comparative analysis of significant decisions at national level*, PE 474.547, May 2012 (English).
- LEI-Wageningen UR: *Comparative analysis of EU standards in food safety, environment, animal welfare and other non-trade concerns with some selected countries*, PE 474.542, May 2012 (English).
- CCRI, IEEP et al: *How to improve the sustainable competitiveness and innovation of the EU agricultural sector*, PE 474.551, May 2012 (English (original) and French).
- Bureau, J.C.: *Latest US Farm Bill developments*, PE 495.828, August 2012 (English (original) and French).
- Regidor, J.G.: *EU measures to encourage and support new entrants*, PE 495.830, September 2012.
- Noble, J.: *Policy scenarios for EU sugar market reform*, PE 495.823, September 2012.
- Smit / Helming: *Future policy options for EU beet production: quotas, yes or not?*, PE 495.824, September 2012.
- Policy Department B: *Research on: 'Biofuels'*, PE 495.839, January 2013 (English).
- University of Kent, CCRI et al: *Semi-subsistence farming: value and directions of development*, PE 495.861, April 2013 (English (original), French and Polish).
- ZALF et al: *The environmental role of protein crops in the new Common Agricultural Policy*, PE 495.856, May 2013 (English (original) and French).
- Swinnen, J. et al: *Possible effects on EU land markets of new CAP direct payments*, PE 495.866, June 2013 (English (original) and French).
- Capitanio, F. (Naples University): *G20 talks: latest developments on food security*, PE 513.966, July 2013 (English).
- Policy Department B: *European Council Conclusions on the Multiannual Financial Framework 2014/2020 and the CAP*, PE 495.846, July 2013 (English).
- Policy Department B: *Research on: 'Forests'*, PE 495.862, July 2013 (English).
- Policy Department B: *The EU seed and plant reproductive material market in perspective: a focus on companies and market shares*, PE 513.994, November 2013 (English).
- Policy Department B: *Research on: 'Regulating agricultural derivatives markets'*, PE 513.989, November 2013 (English).
- Various authors (Workshop): *Measures at farm level to reduce greenhouse gas emissions from EU agriculture*, PE 513.997, February 2014 (English).

- Davidova, S.: *Family farming in Europe: challenges and prospects*, PE 529.047, April 2014 (English).
- Hennessy, T. (TEAGASC): *CAP 2014-2020 tools to enhance family farming: opportunities and limits*, PE 529.051, April 2014 (English).
- UPV: *EU member states in agro food markets: current competitive position and perspectives*, PE 514.006, May 2014 (English).
- IFO et al: *The market opportunities for the EU agri-food sector in a possible EU - US trade agreement*, PE 514.007, May 2014 (English).
- SOMO: *Financial instruments and legal frameworks of derivatives markets in EU agriculture: current state of play and future perspectives*, PE 514.008, June 2014 (English).
- CEPS: *The first CAP reform under the ordinary legislative procedure: a political economy perspective*, PE 514.009, January 2015 (English).
- Cordier, J. (INRA): *Comparative analysis of risk management tools supported by the 2014 US Farm Bill and the CAP 2014-2020*, PE 540.343, January 2015 (English).

Upcoming:

- *Reforming EU rules concerning the fruit and vegetables sector* (Workshop), 22 January 2015.
- *Implementation of the first pillar of the CAP 2014-2020 in the EU Member States*, 2015.
- *Overview of the agricultural inputs sector in the EU*, 2015.
- *Comparison of farmers' incomes in EU Member States*, 2015.
- *Extent of farmland grabbing in the EU*, 2015.
- Policy Department B: *Practical Guides to the CAP 2014-2020* (4 volumes), 2015 (English).

For the **full list of the studies and briefing notes** produced by Policy Department B, go to:

<http://www.europarl.europa.eu/thinktank/en/documents.html?word=&documentType=STUDIES&id=&body=AGRI&dateStart=&dateEnd=&action=submit>

To access the **fact sheets prepared by Policy Department B on the CAP** (5.2.1 to 5.2.11), go to:

<http://www.europarl.europa.eu/aboutparliament/en/displayFtu.html?ftuId=theme5.html>

ANNEX VI: Article 43(3) TFEU– EVOLUTION OF PROPOSAL COM(2011)626 – SCMO (DANTIN REPORT)

SCMO issue for Art 43(3) TFEU	COM proposal	CY PRES proposal (14697/12) 12 /12/2012	EP mandate	COM compromise Proposal 27 May	EP red lines for Luxembourg trilogue 24-25/06/2013	IE Presidency landing zone 26/06/2013	Trilogue outcome 26/06/2013
COM proposals for Article 43(3) TFEU							
Aid for supply of school milk - Art 24(4)	Art 43(3)	Art 43(3)	No 43(3)	Keep Article 43(3)		43(3)	43(3)
Export refund fixation – Art 135(2)	Art 43(3)	Art 43(3)	No 43(3)	Keep Article 43(3)		43(3)	43(3)
Production refund in the sugar sector	Art 43(3)	Council deletes power	No 43(3)	Keep Article 43(3)		43(3)	43(3)
Additional Article 43(3) TFEU requests by Council							
Fixing of reference prices – Art 7	Art 43(2)	Art 43(3)	Art 43(2)	Art 43(3) is not acceptable	Art 43(3) is not acceptable	43(2) using the term "reference threshold"	43(2) using the term "reference threshold"
Fixing of intervention prices – Art 14	Art 43(2)	Art 43(3)	Art 43(2)	Art 43(3) is not acceptable		43(3)	43(3)
Fixed price intervention quantities – Art 13	Art 43(2)	Art 43(3)	Art 43(2)	Art 43(3) is not acceptable	Art 13(1) : Art 43(3) is not acceptable Art 13(2) Art. 43(3) could be accepted	43(3)	43(3)
Optional PSA aid – Art 17(3).	DA/IA	Art 43(3)	DA/IA	Art 43(3) is not acceptable	Art 14(1)(a) : Art 43(3) is not acceptable	43(3)	43(3)

					Art 14(1)(b) Art. 43(3) could be accepted for prices fixed by tendering			
Intervention price increases/reductions – Art 14	DA	Art 43(3)	DA	Art 43(3) is acceptable		43(3)	43(3)	
Quantitative limit on EU aid for school milk	Art 43(2)	Art 43(3)	Art 43(2)	Art 43(3) is acceptable		43(3)	43(3)	
Limitation on the aid for the school fruit scheme and minimum allocation per MS. Art 21(4) = scheme budget	Art 43(2)	Art 43(3)	Art 43(2)	Art 43(3) is not acceptable for total budget EU, nor on rules of supply costs; acceptable for all other issues.	Art 43(3) is not acceptable	43(3)	43(3)	
Sugar (until the end of quotas)								
Minimum price for sugar beet	[Not part of COM proposal.]	Art 43(3)	Art 43(2)	Art 43(3) is acceptable		43(3)	43(3)	
Beet price increases/decreases for quality.	[Not part of COM proposal.]	Art 43(3)	DA	Art 43(3) is acceptable		43(3)	43(3)	
Sugar production charge	[Not part of COM proposal.]	Art 43(3)	Art 43(2)	Art 43(3) is acceptable		43(3)	43(3)	
Fixing of sugar quotas (new Annex IIIb)	[Not part of COM proposal.]	Art 43(3)	Art 43(2)	Art 43(3) is not acceptable	Art 43(3) is not acceptable	43(2)	43(2)	
Fixing of sugar surplus levy	[Not part of COM proposal.]	Art 43(3)	EP proposes implementing acts for surplus levy amount.	Art 43(3) is not acceptable		43(3)	43(3)	

Source: EP services

DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT **B** STRUCTURAL AND COHESION POLICIES

Role

The Policy Departments are research units that provide specialised advice to committees, inter-parliamentary delegations and other parliamentary bodies.

Policy Areas

- Agriculture and Rural Development
- Culture and Education
- Fisheries
- Regional Development
- Transport and Tourism

Documents

Visit the European Parliament website:
<http://www.europarl.europa.eu/studies>

PHOTO CREDIT: iStock International Inc., Photodisk, Phovoir



ISBN 978-92-823-5992-1
doi: 10.2861/69283