

Draft paper on feed and food expenditure

- General context

On 29 June 2011, the European Commission presented its proposal for a multi-annual budget for 2014-2020 which will start in 2014. The Communication 'A Budget for Europe 2020' focuses on priority funding at the EU level that provides added value. This general objective can be achieved through sectorial instruments and programmes. EU added value should be prominent in areas of spending linked to the EU core competences, including agriculture. The Communication allocated EUR 2.465bn in 2011 prices for the food safety financial framework.

The Commission has been working on the review of EU policy for official controls, animal health and plant health, and plant reproductive material to ensure an effective implementation of these policies. This overall review is intended to drive EU policy more strategically, making it more coherent and flexible to new changes. The objective of this Regulation is to modernise the financial framework for these policies, in order to support their goals.

This proposal is part of the 'Healthier Animals and Plants for a Safer Food Chain Package' which also includes proposals for:

- the animal health policy, which aims to protect and raise the health status and condition of animal in the EU, in particular food-producing animals, whilst permitting intra-EU trade and imports of animals and animal products in accordance with the appropriate health standards and international obligations;
- the plant health regime, whose objective is to protect EU agriculture and forestry by preventing the entry and spread of non-native plant pests);
- the marketing of seed and propagating material of agricultural, vegetable, forest, fruit and ornamental species and vines (plant reproductive material), which ensures that EU criteria for health and quality are met;
- a legislative framework for the organisation of official controls concerning food and feed safety, animal health and welfare, plant health and plant reproductive material, established to ensure that the sectorial rules are enforced by the Member States across the EU in a harmonised manner.

The main current financial legal framework used for funding these areas is Council Decision 2009/470/EC for veterinary eradication programmes and veterinary emergency measures, Council Directive 2000/29/EC for plant health measures and Regulation (EC) No 882/2004 of the European Parliament and of the Council for funding measures regarding official controls. This framework is not in line with some provisions of the Financial Regulation and is quite complex. It has evolved over time and it needs to be rationalised.

The current proposals of the Package will make certain changes to animal health, plant health, plant reproductive material and official control legislation to which the current financial framework is not aligned.

This is an opportunity to replace the current multiple legal bases by a simple, clear and modern legal framework which optimises the implementation and the functioning of financial management instruments. In particular, the financial management structures will be simplified, including a time-limited framework. Clear objectives and indicators will be set. Funding rates will be clear and simplified.

- Focus of actions/Expenditure

The veterinary eradication programmes are essential to progressively eliminate a number of listed animal diseases which are endemic in certain areas of the Union, by means of a wide range of measures including vaccination, testing of animals and compensation for slaughtering and culling. EU funding to support these measures gives priority to diseases of public health importance and those which have major economic impacts, due to trade implications and income losses for farmers, for the wider livestock industry, as well as adjacent sectors.

The EU plant health regime and plant reproductive material regime give priority to the protection of EU agriculture and forestry by preventing the entry and spread of non-native pests of plants and to the availability and use of healthy plant material at the beginning of the chain of plant production.

Expenditure for official controls focuses on Better Training for Safer Food, promoting a harmonised approach to the operation of Union and national control systems; it also focuses on the network of EU Reference Laboratories, providing scientific and technical expertise within the areas of animal health, public health and zootechnics.

This Regulation provides for the scope and objectives for food and feed expenditure up to a maximum ceiling of 2,465,000,000.00. The objectives are a high level of safety of food and food production systems, a higher animal health status and animal welfare, the detection and eradication of pests, to ensure an effective implementation of official controls. These objectives are accompanied with their indicators.

This Regulation also sets eligible measures and costs.

The funding rates for grants are rationalised. A standard funding rate is set at 60% of the eligible costs. This rate can be raised under certain conditions up to 75% and 100%. In order to avoid the administrative burden of the management of micro-programmes, this Regulation sets a minimal amount for grants of EUR 25,000.

This Regulation also provides for the access to the Reserve for crises in the agricultural sector in certain circumstances.

Regarding plant health, in order to protect the EU against pests linked *inter alia* to climate change and trade globalisation, new emergency measures are provided for and survey programmes will be funded.

This Regulation provides for the possibility to support Union reference laboratories and the accreditation of national reference laboratories for plant health. In particular, upgrades in the infrastructure may be financed if necessary to carry out official controls and projects aimed at improving the efficacy of official controls will be funded.

For the sake of clarity and transparency, this Regulation sets the procedures of submission and evaluation of annual and multiannual control programmes and the procedure for setting or updating the list of animal diseases or plant pests eligible for co-funding.

The procedures for financing these areas are simplified. In particular the number of decisions the Commission will have to adopt will decrease significantly. For example the reimbursement decisions will not be taken by the Commission any more.

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REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

laying down general provisions for the management of expenditure in the field of food chain, animal health and welfare, and on plant health and plant reproductive material ("food and feed expenditure")

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,
HAVE ADOPTED THIS REGULATION:

TITLE I COMMON PROVISIONS

CHAPTER I SCOPE AND OBJECTIVES

Article 1 Scope

This Regulation establishes general provisions for the management of expenditure in the fields covered by Union rules:

- (a) governing food and food safety, at any stage of production, processing, distribution and disposal of food, including rules aimed at guaranteeing fair practices in trade and protecting consumer interests and information, the manufacture and use of materials and articles intended to come into contact with food;
- (b) governing feed and feed safety, at all stages of production, processing, distribution and disposal of feed and the use of feed, including rules aimed at guaranteeing fair practices in trade and protecting consumer interests and information;
- (c) laying down animal health requirements;
- (d) laying down welfare requirements for animals;
- (e) on protective measures against harmful organisms to plants as referred to in Council Directive 2000/29/EC (hereinafter: 'pests');
- (f) on the production, with a view to placing on the market, and placing on the market of plant reproductive material;
- (g) laying down the requirements for placing on the market of plant protection products and the sustainable use of pesticides;

- (h) aiming at preventing and minimising risks to public and animal health arising from animal by-products and derived products;
- (i) governing the deliberate release into the environment of genetically modified organisms;
- (j) on intellectual protection of plant varieties and conservation and exchange of plant genetic resources;

together referred to as 'food and feed expenditure'.

Article 2 *General objective*

Expenditure covered by this Regulation shall aim to ensure a high level of health for humans, animals and plants along the food chain and in related areas and a high level of protection for consumers and the environment while enabling the EU food industry to operate in an environment favouring competitiveness and the creation of jobs.

Article 3 *Specific objectives and indicators*

1. The general objective referred to in Article 2 shall be pursued inter alia through the following specific objectives:
 - (i) to ensure a high level of safety of food and other products and of food production systems which may affect safety of food while improving the sustainability of food production;

Indicator: reduction of EU human cases of diseases linked to food safety or zoonotic diseases.
 - (ii) to ensure a higher animal health status in the Union and to increase the level of protection of animals;

Indicator: increase of Member States or region thereof free from the animal diseases for which financial contribution is granted over time, by assessing the trend of disease parameters and infection occurrence, such as incidence, prevalence, number of outbreaks.
 - (iii) to ensure timely detection of pests of and their eradication where these have entered into the Union;

Indicator: absence of pests in the Union and in case of findings, time and success rate for eradication or containment.
 - (iv) to ensure that official controls and other activities carried out in view of the effective implementation of and compliance with the rules referred to in Article 1 are effective, efficient and reliable;

Indicators: favourable trend of the outcome of controls in particular areas of concern carried out and reported by Commission experts in the Member States, level of dissemination of the training programmes for control staff organised by the Commission, level of delivery of the work programmes agreed between the Commission and the Union reference laboratories.

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 38 to amend the indicators referred to in paragraph 1.

Article 4 *Budget*

1. Without prejudice to Article 5, the ceiling for food and feed expenditure for the period from 1 January 2014 to 31 December 2020 shall be constituted by a maximum amount of EUR 2,465,000,000.00 [in current prices].
2. The ceiling referred to in paragraph 1 may also cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities which are required for the management of the food and feed expenditure and the achievement of their objectives, in particular studies, meetings of experts, expenses linked to IT networks focusing on information processing and exchange, as well as all other technical and administrative assistance expenses incurred by the Commission for the management of the food and feed expenditure.
3. The ceiling may also cover the technical and administrative assistance expenses necessary to ensure the transition between actions adopted before and after entry into force of this Regulation. If necessary, appropriation may be entered in the budget beyond 2020 to cover similar expenses, in order to enable the management of actions not yet completed by 31 December 2020.

Article 5 *Use of the reserve*

In case of exceptional circumstances and when appropriation is insufficient within heading 3 of the Multiannual Financial Framework, funds transferred from the Reserve for crises in the agricultural sector under the conditions and procedure referred to in paragraph 14 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management¹ shall be made available for emergency situations referred to in Section 1 of Chapter I and in Section 1 of Chapter II of Title II of the present Regulation.

¹ OJ L , , p. .

CHAPTER II

FORMS OF FINANCING AND FINANCIAL PROVISIONS

Article 6 *Forms of financial aid*

1. Financial aid shall be implemented by one or several of the forms as provided for by Regulation (EU) No XXX/2012 [New Financial Regulation], in particular grants and procurements.
2. In addition to the forms provided by paragraph 1, financial aid may take the form of payment to international organisations active in the areas mentioned in Article 1 of which the Union is member and/or in whose work it participates.

Article 7 *Funding rates and minimum amounts*

1. Where Union financial aid takes the form of a grant, the amount of the Union financial contribution may be up to 60% of the eligible costs.
2. The maximum funding rate referred to in paragraph 1 may be increased to 75% for eligible costs for cross-border activities coordinated by two or more Member States in order to control or eradicate diseases or pests, or for Member States whose 2011 gross national income per inhabitant is less than 90% of the Union average.
3. Where the control of serious health risks for the Union is involved or when the beneficiaries carry out specific tasks at the request of the Commission or when the activities funded are implemented in third countries, the grant may cover up to 100% of eligible costs.
4. By way of derogation to the rates mentioned in the above paragraphs, where this is suited to the nature of the activities concerned, grants may be paid in the form of lump sums or flat rate financing to cover one or more different categories of eligible costs.
5. No grant of less than EUR 25,000 may be awarded.

TITLE II

FINANCIAL PROVISIONS

CHAPTER I

ANIMAL HEALTH

SECTION 1

EMERGENCY MEASURES

Article 8
Eligible measures

1. Grant shall be awarded to Member States at the maximum funding rates set in Article 7 paragraphs 1, 2 and 3 for the measures applied in the event of the confirmation of the occurrence of one of the animal diseases listed pursuant to Article 9 provided that the measures applied immediately comprise at least the control measures laid down by relevant EU legislation. From the entry into force of Regulation (EU) No XXX [Animal Health Law] those control measures shall comply with Chapters I or II of Title II of Part III of that Regulation.
2. Grants shall also be awarded to Member States where, on the confirmation of the occurrence of one of the animal diseases listed pursuant to Article 9, two or more Member States collaborate closely to control the epidemic, particularly in carrying out an epidemiological survey and disease surveillance measures.
3. Grants may also be awarded to Member States for protection measures applied in the case of direct threat by the occurrence or the development, in the territory of a third country or a Member State, of one of the animal diseases listed pursuant to Article 9 or pursuant to Article 12. Those measures may include, in particular, the establishment of a vaccination buffer zone.
4. The Member State concerned shall, without delay, inform the Commission and the other Member States of the measures covered by paragraphs 1, 2 or 3.
5. Grants may also be awarded to Member States where the Union decides, at the request of a Member State, that they must establish stocks of biological products intended for the control of the animal diseases listed pursuant to Article 9.

The corresponding costs may be eligible provided that those stocks are chosen, produced, stored, transported and used in accordance with the conditions set out by the Commission.

6. If the occurrence or the development in a third country of one of the animal diseases listed pursuant to Article 9 may constitute a danger to the Union, the Union may also give its support to Member States or third countries for control measures against that

disease in particular by supplying a vaccine or by awarding grants for the acquisition of vaccine.

Article 9
List of animal diseases

1. The Commission shall establish and update, by means of implementing acts, a list of animal diseases which are qualified for funding under emergency measures referred to in Article 8. This list of animal diseases shall be established according to the criteria listed in Article 6 of Regulation XXX [Animal Health Law]. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 37(2).
2. Pending the establishment of the list referred to in paragraph 1, the animal diseases that qualify for funding under emergency measures referred to in Article 8 are those set out in Section 2 and in Section 3 of Chapter II of Council Decision 2009/470/EC.
3. Pending the entry into force of Regulation XXX [Animal Health Law], the Commission shall be empowered to amend by means of implementing acts the lists of animal diseases set out in Section 2 and in Section 3 of Chapter II of Council Decision 2009/470/EC. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 37(2). When amending the referred lists the Commission shall take into account the animal diseases which must be notified in accordance with Directive 82/894/EEC and the diseases which are likely to constitute a new danger for the Union due to their significant impact on:
 - human health, or
 - animal health or animal welfare, or
 - the agricultural or aquaculture production or related sectors of the economy.

Article 10
Eligible costs

1. The following costs incurred by the Member States shall be eligible for the measures referred to in Article 8(1):
 - (a) costs of swift and adequate compensation of owner for the slaughter, killing and destruction of animals and/or, where appropriate, their products;
 - (b) costs of cleaning, desinsectisation and disinfection of holding and equipment;
 - (c) costs for the destruction of the contaminated feedingstuffs and, where it can not be disinfected, contaminated equipment;
 - (d) cost of purchase and administration of vaccines if decided or authorised by the Union;
 - (e) costs of transport of carcasses to processing plants where applicable;

- (f) in exceptional circumstances any other costs essential for the eradication of the outbreak of the disease if decided by the Commission in the financing decision referred to in Article 33(5).
2. The Commission shall be empowered to adopt delegated acts in accordance with Article 38 to amend or to supplement the list of eligible costs in paragraph 1.

SECTION 2

PROGRAMMES FOR THE ERADICATION, CONTROL AND SURVEILLANCE OF ANIMAL DISEASES AND ZOOSES

Article 11 *Eligible measures*

Grants may be awarded to Member States national programmes for the eradication, control and surveillance of the animal diseases and zoonoses listed pursuant to Article 12 (hereinafter referred to as "programmes").

Article 12 *List of animal diseases and zoonoses*

1. The Commission shall establish and update, by means of implementing acts, a list of animal diseases and zoonoses which are qualified for funding under Article 11. This list of animal diseases and zoonoses shall be established according to the criteria listed in Article 6 of Regulation XXX [Animal Health Law]. These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 37(2).
2. Pending the establishment of the list referred to in paragraph 1, the animal diseases that qualify for funding under Article 11 are those listed in Annex of Council Decision 2009/470/EC.
3. Pending the entry into force of Regulation XXX [Animal Health Law], the Commission shall be empowered to amend by means of implementing acts the list of animal diseases listed in Annex of Council Decision 2009/470/EC. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 37(2). When amending the referred list the Commission shall take into account the situation of animal diseases that have a significant impact on:
 - livestock production or
 - trade or
 - zoonoses which pose a threat to humans or
 - new scientific or epidemiological development.

Article 13
Eligible costs

1. The following costs incurred by the Member States may be eligible:
 - (a) – costs of sampling animals;
– costs of laboratory tests shall be limited to:
 - (i)
 - costs of test kits, reagents, and all consumables identifiable and specially used for carrying out the laboratory tests;
 - costs of personnel whatever its status, specially used for carrying out the laboratory tests in the premises of the laboratory.
 - (ii) overhead costs equal to 7% of the costs referred to (i);
 - (b) costs of compensation to owners for the value of their animals slaughtered or culled in the framework of the programme, within the limit of the animals' market value immediately before they were slaughtered or culled;

The salvage value, if any, shall be deducted from the compensation.
 - (c) costs of compensation to owners for the value of their destroyed products of animal origin, within the limit of those products' market value immediately before their destruction.

The salvage value for heat treated non incubated eggs shall be deducted from the compensation.
 - (d) costs of purchase and storage of vaccine doses and or vaccine plus baits for domestic and wild animals;
 - (e) costs of inoculation of vaccine doses to domestic animals;
 - (f) cost of distribution of vaccines plus baits for wild animals;
 - (g) cost of cleaning, disinfection, desinsectisation of holding and equipment if appropriate and based on the epidemiology and characteristics of the pathogen;
 - (h) any other costs limited to necessary measures as determined in the financing decision referred to in Article 33(3) approving the programme.
2. The Commission shall be empowered to adopt delegated acts in accordance with Article 38 to amend or to supplement the list of eligible costs in paragraph 1.

Article 14
Submission and evaluation procedure

1. Each year, by 31 May at the latest, Member States shall submit to the Commission the annual or multiannual programmes starting in the following year and for which they apply for a grant.

Programmes submitted after 31 May shall not be eligible for financing the following year.

2. The programmes submitted by the Member States shall contain at least the following:
 - (a) a description of the epidemiological situation of the animal disease or zoonose before the date of the beginning of the programme;
 - (b) a description and demarcation of the geographical and administrative areas in which the programme is to be applied;
 - (c) the likely duration of the programme set in years for the estimated reasonable time required to reach its objective;
 - (d) the measures to be applied and the objective to be attained by the completion date of the programme;
 - (e) an analysis of the estimated costs and the anticipated benefits of the programme;
 - (f) appropriate indicators to measure the achievement of the programme;
 - (g) the yearly targets of the programme on the basis of indicators set in point (f).

In each multiannual programme submitted by a Member State, the information required in accordance with the criteria referred to in this paragraph shall be provided for each year of duration of the programme.

3. If the occurrence or the development of one of the animal diseases or zoonoses listed pursuant to Article 12 may constitute a danger to the Union and in order to protect the Union from the introduction of one of those diseases and zoonoses, Member States may include in their programmes activities to be implemented in territories of neighbouring third countries in cooperation with the authorities of those countries.
4. The Commission shall evaluate and approve in accordance with Article 33(3) the programmes submitted by the Member States, taking into account where appropriate the annual or multiannual indicative programming documents referred to in paragraph 5.
5. The Commission may adopt, by means of implementing acts, annual or multiannual indicative programming documents outlining the priorities and selection criteria. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 37(2).

Article 15
Reporting

For each approved programme, the Member States shall submit the following reports to the Commission:

- (a) by 31 July each year, except for multiannual programmes, intermediate technical and financial reports, in accordance with the decision approving the programme according to Article 33(3);
- (b) by 31 March each year at the latest, an annual detailed technical and financial report covering the previous year including the assessment of the results achieved and a detailed account of eligible costs incurred.

Article 16
Payments

The payment request in respect of a given programme shall be submitted by the Member State to the Commission by 31 March of the following year at the latest.

The Commission shall pay the eligible amount following appropriate verification including the proper technical implementation of the measures by the Member State and subject to budgetary availabilities.

Article 17
Eradication of the diseases in aquaculture animals

1. Member States may allocate funds within the operational programmes drawn up in accordance with Article 56 of Regulation (EC) No XXXX/XXXX of the European Parliament and of the Council on the European Maritime and Fisheries Fund (COM(2011)804 final) for the eradication of the diseases in aquaculture animals.

The eradication shall be carried out in accordance with Article 38(1) of Directive 2006/88/EC, or under an eradication programme.

2. Eradication programmes submitted by Member States will be evaluated according to Article 14.

CHAPTER II PLANT HEALTH

SECTION 1 MEASURES AGAINST THE PRESENCE OF PESTS

Article 18 Eligible measures

1. Grants may be awarded to Member States for the following measures against the pests referred to in Article 19:
 - (a) measures to eradicate a pest from an infested area, taken by the competent authorities pursuant to Articles 16(1) and 16(2) of Directive 2000/29/EC or pursuant to the Union measures adopted in accordance with Article 16(3) of Directive 2000/29/EC;
 - (b) measures to contain a pest, against which Union containment measures have been adopted pursuant to Article 16(3) of Directive 2000/29/EC, in an infested area from which that pest cannot be eradicated, where those measures are essential to protect the Union against further spread of that pest. Those measures shall concern the eradication of that pest from the buffer zone surrounding that infested area;
 - (c) additional protective measures taken against the spread of a pest, against which Union measures have been adopted pursuant to Article 16(3) of Directive 2000/29/EC, other than the eradication measures referred to in point (a) and the containment measures referred to in point (b), where those measures are essential to protect the Union against further spread of that pest.
2. The grants referred to in paragraph 1 may also be awarded to a Member State in whose territory the pests referred to in paragraph 1 are not present, where measures have been taken against the entry of those pests into the territory of that Member State because of their presence in a neighbouring Member State or third country, immediately adjacent to its border.
3. From the entry into force of Regulation [Plant Health], points (b) and (c) of paragraph 1 shall only apply for measures taken against priority pests, listed pursuant to Article 4(2) of that Regulation.

Article 19 Eligible pests

For the purposes of Union financial support, the measures referred to Article 18 and the survey programmes referred to Article 22 shall be restricted to one or more of the following categories of pests:

- (a) pests listed in Annex I, Part A, Section I and Annex II, Part A, Section I to Directive 2000/29/EC;
 - (b) pests listed in Annex I, Part B and Annex II, Part B to Directive 2000/29/EC, within the respective protected zones designated for those pests;
 - (c) pests subject to Union measures against their presence in the Union, adopted pursuant to Article 16(3) of Directive 2000/29/EC, for the duration set by those measures;
- and, from the entry into force of Regulation [Plant Health].
- (d) Priority pests listed pursuant to Article 4(2) of that Regulation.

Article 20
Eligible costs

1. The following costs incurred by Member States may be eligible for the measures referred to in Article 18:
 - (a) costs of staff, renting of equipment, consumables, treatment products, laboratory tests;
 - (b) costs of service contracts with third parties to execute the measures; and
 - (c) costs of compensation to the operators concerned for the destruction and subsequent removal of plants, plant products and other objects, and the cleaning and disinfection of premises, land, water, soil, growing media, facilities, machinery and equipment.
2. From the entry into force of Regulation [Plant Health], the costs incurred by Member States for compensation of the operations referred to in Article 2(g)(i-iii) of Regulation [Plant Health] for the value of the destroyed plants, plant products or other objects subject to the measures referred to in Article 18 shall also be eligible.

That compensation shall not exceed the market value of those plants, plant products or other objects immediately before they were destroyed. The salvage value, if any, shall be deducted from the compensation.
3. The Commission shall be empowered to adopt delegated acts in accordance with Article 38 to amend or to supplement the list of eligible costs in paragraph 1.

Article 21
Conditions of eligibility of measures

1. The costs of the measures referred to in Article 18 shall be eligible for Union financial aid only if the following conditions are fulfilled:
 - (a) the relevant provisions of Directive 2000/29/EC, Council Directive 69/464/EEC, Council Directive 93/85/EEC, Council Directive 98/57/EC, Council Directive 2007/33/EC, and acts replacing or adopted under those Directives, as applicable, have been complied with;

- (b) the measures referred to in Article 18 have been necessary, appropriate and correctly implemented.
2. The costs of compensation to operators referred to in Article 20(2) shall be eligible for Union financial aid only if the operator concerned has complied with the provisions as regards those operators in Regulation [Plant Health].

SECTION 2

SURVEY PROGRAMMES CONCERNING THE PRESENCE OF PESTS

Article 22

Eligible measures

Grants may be awarded to Member States for national survey programmes that they carry out concerning the presence of the pests referred to in Article 19.

For the pests referred to in point (a) of Article 19, those survey programmes shall be based on an assessment of the risk of the entry, establishment and spread of those pests in the territory of the Member State concerned and shall as a minimum target the pests that pose the main risks and the main plant species that are subject to those risks.

Article 23

Eligible costs

1. The following costs incurred by the Member States for the national survey programmes referred to in Article 22 may be eligible for Union financial aid:
- (a) the costs for sampling and laboratory testing of samples limited to:
 - (i) costs of test kits, reagents, and all consumables identifiable and specially used for carrying out the laboratory tests;
 - (ii) costs of personnel, whatever its status, specially used for collecting the samples and carrying out the laboratory tests;
 - (iii) indirect costs: overhead costs equal to 7% of the costs referred to points (i) and (ii);
 - (b) any other costs limited to necessary measures as determined in the financing decision referred to in Article 33(3) approving the programme.
2. The Commission shall be empowered to adopt delegated acts in accordance with Article 38 to amend or to supplement the list of eligible costs in paragraph 1.

Article 24

Evaluation and approval

1. Each year on 31 March at the latest Member States shall submit to the Commission the annual or multiannual programmes starting in the following year for which they

apply for a grant. Programmes submitted after 31 March shall not be eligible for financing the following year.

2. The Commission shall evaluate and approve in accordance with Article 34(3) the programmes submitted by the Member States, taking into account the annual or multiannual indicative programming documents referred to in paragraph 3.

The Member States shall communicate to the Commission by 1 September relevant additional information the latter requires for its evaluation of the programme.

3. The Commission may adopt annual or multiannual indicative programming documents outlining the priorities and selection criteria by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 38(2).

CHAPTER III

FINANCIAL SUPPORT TO OFFICIAL CONTROLS AND OTHER ACTIVITIES

SECTION 1

SUPPORT TO CONTROL ACTIVITIES

Article 25

Upgrade of border control posts

1. Upon request by the concerned Member State, a grant may be awarded for the costs incurred by that Member State to upgrade the infrastructure at border control posts designated in accordance with applicable Union legislation, provided that:
 - (a) the upgrade has become necessary to respond to unforeseeable developments in the food and feed safety, animal health or plant health status of products entering the Union through that border control post or in third countries' regions neighbouring it;
 - (b) there is a demonstrated interest for the Union as a whole.
2. The following costs incurred by the Member States may be eligible:
 - (a) cost of the special equipment required to carry out official control tasks;
 - (b) cost of upgrading border control post facilities.

Article 26
Support to European Union Reference Laboratories and Centres

1. Grants may be awarded to:
 - (a) the European Union reference laboratories referred to in Article 32 of Regulation (EC) No 882/2004;

and, from the entry into force of Regulation (EU) No XXX [new 882/2004]:
 - (b) the European Union reference centres in the field of production and marketing of plant reproductive material referred to in Article 55(1) of that Regulation;
 - (c) the European Union animal welfare reference centres referred to in Article 55(2) of that Regulationfor the costs they incur to implement the work programmes approved by the Commission.
2. The following costs may be eligible:
 - (a) costs of staff dedicated to the European Union activities of the laboratories and centres;
 - (b) costs of capital equipment;
 - (c) cost of consumables;
 - (d) other costs such as shipment of samples, missions, meetings, training activities and overhead costs.

Article 27
Accreditation of national reference laboratories for plant health

1. From the entry into force of Regulation (EU) No XXX [Plant Health], grants may be awarded to the national reference laboratories referred to in Article 57 of that Regulation for the cost incurred to obtain the accreditation according to the standard ISO 17025 for diagnosis and analysis of samples.
2. Grants may be awarded for a single national reference laboratory for each Member State for each European Union reference laboratory for plant health, up to three years after the designation of that European Union reference laboratory.

Article 28
Training and exchange of control staff

1. The Commission may finance the training of control staff referred to in Article 51 of Regulation (EC) No 882/2004 and exchange of staff between the relevant competent authorities.

2. The following costs may be eligible:
 - (a) cost of organisation of the training or exchange activities;
 - (b) costs of travel and accomodation.

Article 29
Experts from the Member States

Financial aid may also be granted for the travel and subsistence expenses incurred by Member States' experts as a result of the Commission appointing them to assist its experts as provided for in Articles 45(1) and 47(1) of Regulation (EC) No 882/2004.

Article 30
Coordinated control programmes and data collection

1. Grants may be awarded to Member States for the costs incurred for the implementation of the coordinated control plans referred to in Article 53 of Regulation (EC) No 882/2004 and for data collection.
2. The following costs may be eligible:
 - (a) costs of laboratory tests,
 - (b) cost of equipment necessary to perform the official control and data collection tasks.

SECTION 2
OTHER MEASURES

Article 31
Information systems

1. The Union shall finance the establishment and operation of data bases and computerised information management systems necessary for the effective and efficient implementation of the rules referred to in Article 1 and managed by the Commission.
2. Financial aid may be granted for the establishment of data bases and computerised information management systems set up and/or managed by third parties, including international organisations, provided that such tools:
 - (a) have a demonstrated added value for the Union as a whole and are available across the Union to all interested users,
 - (b) are necessary for the effective and efficient implementation of the rules referred to in Article 1.

Article 32

Support to the implementation and adaptation of the rules

1. The Union may finance technical and scientific work, including studies and coordination activities, necessary to ensure the correct implementation of the rules referred to in Article 1 and the adaptation of those rules to scientific, technological and societal developments.

Financial aid may also be granted to the Member States or international organisations operating in the areas referred to in Article 1 to undertake this work.

2. Grants may be awarded to projects organised by one or more Member States with the aim of improving through the use of innovative techniques and protocols the efficient performance of official controls.
3. Financial aid may also be granted to support information and awareness raising initiatives directed at ensuring improved, compliant and sustainable behaviour in the implementation of the rules referred to in Article 1.

TITLE III

PROGRAMMING, IMPLEMENTATION AND CONTROL

Article 33 *Implementation*

1. The Commission shall, by means of implementing acts, adopt common or separate annual work programmes for the implementation of the specific measures referred to in Sections 1 and 2 of Chapter III of Title II. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 37(2).
2. The annual work programmes referred to in paragraph 1 shall set out the objectives pursued, the expected results, the method of implementation and their total amount. They shall also contain a description of the measures to be financed, an indication of the amount allocated to each measure and an indicative implementation timetable. They shall include for grants the priorities, the essential evaluation criteria and the funding rate.
3. For the implementation of the specific measures referred to in Section 2 of Chapter I of Title II and Section 2 of Chapter II of Title II, the Commission shall, by 30 January each year and following evaluation of the programmes submitted approve the programmes subject to any conditions where appropriate and decide on the amount of the grant.

This decision shall constitute the financing decision within the meaning of Article [75(2) of the Financial Regulation] and the grant decision to be notified to the Member State concerned.

4. In the case of approval of multiannual programmes in accordance with paragraph 3, budgetary commitments may be divided into annual instalments. If so, each year the Commission shall commit the annual instalments taking into account the progress of the programmes, the estimated needs and the budget available.
5. For the implementation of the specific measures referred to in Section 1 of Chapter I of Title II and Section 1 of Chapter II of Title II, or where it is necessary to respond to unforeseeable developments, the Commission shall adopt *ad hoc* financing decisions in accordance with Article [75(2) of the Financial Regulation].
6. The Commission shall set out, by means of implementing acts, the procedures for submission by Member States of applications, reports and requests for payment and the evaluation procedure for the grants referred to in Sections 1 and 2 of Chapter I and Sections 1 and 2 of Chapter II of Title II. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 37(2).
7. Where Union financial aid takes the form of a grant awarded to Member States Authorities, the Commission may derogate when appropriate from Articles 110, 111, 112, 114, 115 and 116 of Title VI of the Financial Regulation.

Article 34
On-the-spot checks by the Commission

The Commission may organise on-the-spot checks in Member States and beneficiaries with a view to verifying in particular:

- (a) the effective implementation of the technical measures covered by the Union financial aid;
- (b) the compliance of administrative practices with Union rules;
- (c) the existence of the requisite supporting documents and their correlation with the measures financed by the Union.

Article 35
Access to information

Member States and beneficiaries shall make available to the Commission all information necessary for verifying implementation of the actions and shall take all appropriate measures to facilitate the checks which the Commission deems appropriate in connection with the management of Union financing, including on-the-spot checks.

Article 36
Protection of the Union's financial interests

1. The Commission shall take appropriate measures ensuring that, when measures financed under this Regulation are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, if irregularities are detected, by the recovery of the amounts wrongly paid and, where appropriate, by effective, proportionate and deterrent penalties.
2. The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of documents and on-the-spot, over all grant beneficiaries, implementing bodies, contractors and subcontractors who have received Union funds.
3. The European Anti-Fraud Office (OLAF) shall be authorised to carry out on-the-spot checks and inspections on economic operators concerned directly or indirectly by such funding in accordance with the procedures laid down in Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities² with a view to establishing that there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with a grant agreement or decision or a contract concerning Union funding.

² OJ L 292, 15.11.1996, p. 2.

4. Without prejudice to the previous paragraphs, cooperation agreements with third countries and international organisations and grant agreements and decisions and contracts resulting from the implementation of this Regulation shall expressly entitle the Commission, the Court of Auditors and OLAF to conduct such audits, on-the-spot checks and inspections.

TITLE IV

GENERAL AND FINAL PROVISIONS

Article 37 *Committee procedure*

1. The Commission shall be assisted by the Standing Committee on the Food Chain, Animal Health established by Article 58 of Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety³; the Standing Committee on Plant Health established by Council Decision 76/894/EEC⁴, the Standing Committee on Seeds and Propagating Material for Agriculture, Horticulture, Forestry and Vine established by Council Decision 66/399/EEC⁵, the Standing Committee on Propagating Material and Plants on Fruit Genera and Species established by Article 19 of Council Directive 2008/90/EC on the marketing of fruit plant propagating material and fruit plants intended for fruit production⁶ and the Standing Committee on Propagating Material of Ornamental Plants established by Article 17 of Council Directive 98/56/EC on the marketing of propagating material of ornamental plants⁷. Those committees shall be committees within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
3. Where the opinion of the committee is to be obtained by written procedure, that procedure shall be terminated without result when, within the time-limit for delivery of the opinion, the chair of the committee so decides or a simple majority of committee members so request.

Article 38 *Exercise of the delegation*

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The delegation of power referred to in Articles 3(2), 10(2), 13(2), 20(3) and 23(2) shall be conferred on the Commission for an indeterminate period of time from the date of entry into force of this Regulation.
3. The delegation of power referred to in Articles 3(2), 10(2), 13(2), 20(3) and 23(2) may be revoked at any time by the European Parliament or by the Council. A

³ OJ L 31, 1.2.2002, p. 1.

⁴ OJ L 340, 9.12.1976, p. 25.

⁵ OJ L 125, 11.7.1966, p. 2289.

⁶ OJ L 267, 8.10.2008, p. 8.

⁷ OJ L 226, 13.8.1998, p. 16.

decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
5. A delegated act adopted pursuant to Articles 3(2), 10(2), 13(2), 20(3) and 23(2) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 39 *Evaluation*

1. By the end of 2018, an evaluation report shall be established by the Commission on the achievement of the objectives of the measures (at the level of results and impacts), the efficiency of the use of resources and its European added value, in view of a decision on the renewal, modification or suspension of the measures. The evaluation shall additionally address the scope for simplification, the continued relevance of all objectives, as well as the contribution of the measures to the Union priorities of smart, sustainable and inclusive growth. It shall take into account evaluation results on the long-term impact of the predecessor measures.
2. No later than mid 2022 the Commission shall carry out an ex-post evaluation in close cooperation with the Member States and beneficiaries. The ex-post evaluation shall examine the effectiveness and efficiency of feed and food expenditure and its impact.
3. The evaluations referred to in paragraphs 1 and 2 shall take account of progress against indicators as referred to in Article 3.
4. The Commission shall communicate the conclusions of these evaluations to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

Article 40 *Transitional provisions*

For programmes for the eradication/control and surveillance of animal diseases and zoonoses for the year 2013 Article 27(7) and (8) of Council Decision No 2009/470/EC will continue to apply.

Article 41

Repeal

Council Decision 2009/470/EC, Articles 13c(5), 22, 23, 24 and 25 of Council Directive 2000/29/EC, Article 20(4) and (5) of Council Directive 66/401/EEC, Article 20(4) and (5) of Council Directive 66/402/EEC, Article 16(4) and (5) of Council Directive 68/193/EEC, Article 14(5) and (6) of Council Directive 98/56/EC, Article 26(4) and (5) of Council Directive 2002/54/EC, Article 43(4) and (5) of Council Directive 2002/55/EC, Article 20(4) and (5) of Council Directive 2002/56/EC, Article 23(4) and (5) of Council Directive 2002/57/EC, Article 20(5) and (6) of Council Directive 2008/72/EC, Article 14(5) and (6) of Council Directive 2008/90/EC and Article 66 of Regulation (EC) No 882/2004 are repealed.

Article 42

Entry into force

This Regulation shall enter into force on the 20th day following the publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014.

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