Regulation (EU) No 652/2014 of the European Parliament and of the Council of 15 May 2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material, amending Council Directives 98/56/EC, 2000/29/EC and 2008/90/EC, Regulations (EC) No 178/2002, (EC) No 882/2004 and (EC) No 396/2005 of the European Parliament and of the Council, Directive 2009/128/EC of the European Parliament and of the Council and Regulation (EC) No 1107/2009 of the European Parliament and of the Council and repealing Council Decisions 66/399/EEC, 76/894/EEC and 2009/470/EC

REGULATION (EU) No 652/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 15 May 2014

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 43(2) and Article 168(4)(b) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee[(1)],

Having consulted the Committee of the Regions

Acting in accordance with the ordinary legislative procedure[(2)],

Whereas:

(1) Union law provides for requirements regarding food and food safety and feed and feed safety, at all stages of production, including rules that aim to guarantee fair practices in trade and the provision of information to consumers. It also lays down requirements regarding the prevention and control of transmissible diseases in animals and zoonoses, as well as requirements regarding animal welfare, animal by-products, plant health and plant reproductive material, the protection of plant varieties, genetically modified organisms, the placing on the market and use of plant protection products and the sustainable use of pesticides. Union law also provides for official controls and other

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official activities aimed at ensuring the effective implementation of and the compliance with those requirements.

(2) The general objective of Union law in those areas is to contribute to a high level of health for humans, animals and plants along the food chain, a high level of protection and information for consumers and a high level of protection of the environment, while favouring competitiveness and creation of jobs.

(3) The pursuit of that general objective requires appropriate financial resources. It is therefore necessary for the Union to contribute to the funding of measures undertaken in the different areas relating to that general objective. In addition, in order to efficiently target the use of the expenditure, specific objectives should be laid down and indicators should be set to assess the achievement of those objectives.

(4) Union financing for expenditure relating to food and feed has, in the past, taken the form of grants, procurement and payments to international organisations active in the field. It is appropriate to continue such financing in the same manner.

(5) Union financing may also be used by Member States to support them in actions on plant or animal health for the control, prevention or eradication of pests or animal diseases to be carried out by organisations active in those fields.

(6) For reasons of budgetary discipline, it is necessary to lay down in this Regulation the list of eligible measures which may benefit from a Union contribution as well as the eligible costs and applicable rates.

(7) Taking into account Council Regulation (EU, Euratom) No 1311/2013[(3)], the maximum amount for expenditure in relation to food and feed during the whole period 2014 to 2020 is to be EUR 1 891 936 000.

(8) Furthermore, Union-level funding should be provided in order to cope with exceptional circumstances such as emergency situations related to animal and plant health, when the appropriations under budget heading 3 are insufficient but emergency measures are necessary. Funding in order to cope with such crises should be mobilised by, for example, drawing on the flexibility instrument, in accordance with the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management[(4)].

(9) The law currently provides that some of the eligible costs are to be reimbursed at fixed rates. In relation to other costs, the law does not provide for limits on reimbursement. In order to rationalise and simplify the system, a fixed maximum rate for reimbursement should be set. It is appropriate to set that rate at the level which is usually applied to grants. It is also necessary to provide the possibility to raise that maximum rate in certain circumstances.

(10) Due to the importance of achieving the objectives of this Regulation, it is appropriate to finance 100 % of the eligible costs for certain actions, provided that the implementation of those actions also implies incurring costs which are not eligible.

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(11) The Union is responsible for ensuring that funds are properly spent and for taking measures that respond to the need to simplify its spending programmes in order to reduce the administrative burden and the costs for the beneficiaries of funds and for all actors involved, in line with the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 8 October 2010 entitled Smart Regulation in the European Union.

(12) Union law requires Member States to implement certain measures when certain animal diseases or zoonoses occur or develop. Therefore, the Union should make a financial contribution to such emergency measures.

(13) It is also necessary to reduce, by appropriate eradication, control and monitoring measures, the number of outbreaks of animal diseases and zoonoses which pose a risk to human and animal health, as well as to prevent the occurrence of such outbreaks. National programmes for the eradication, control and monitoring of those diseases and zoonoses should therefore benefit from Union funding.

(14) For organisational and efficiency reasons in respect of the handling of funding in the animal and plant health areas, it is appropriate to lay down rules on content, submission, evaluation and approval of national programmes, including those implemented in the outermost regions of the Union referred to in Article 349 of the Treaty on the Functioning of the European Union ('TFEU'). For the same reasons, deadlines for reporting and filing of payment requests should also be laid down.

(15) Council Directive 2000/29/EC[(5)] requires Member States to take certain emergency measures for the eradication of organisms harmful to plants or plant products ('pests'). The Union should make a financial contribution towards the eradication of those pests. A Union financial contribution should also be available, subject to certain conditions, for emergency measures aimed at containing the pests which have the most severe impact on the Union and which cannot be eradicated in certain zones and for prevention measures concerning those pests.

(16) Emergency measures taken against pests should be eligible for Union co-financing provided that they lead to added value for the Union as a whole. For this reason, a Union financial contribution should be made available for pests listed in Section I of Part A of Annex I and Section I of Part A of Annex II to Directive 2000/29/EC under the heading 'Harmful organisms not known to occur in any part of the Union and relevant for the entire Union'. Where pests are known to occur in the Union, only measures relating to those of them which have the most severe impact on the Union should be eligible for a Union financial contribution. Such pests include in particular those subject to the measures under Council Directive 69/464/EEC[(6)], 93/85/EEC[(7)], 98/57/EC[(8)] or 2007/33/EC[(9)]. A Union financial contribution should also be made available for those pests which are not listed in Annex I or Annex II to Directive 2000/29/EC which are subject to national measures and which provisionally qualify for listing in Section I of Part A of Annex I to Directive 2000/29/EC or Section I of Part A of Annex II thereto. Measures relating to pests subject to Union emergency measures that aim to eradicate them should also be eligible for a Union financial contribution.

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(17) It is necessary to detect in a timely manner the presence of certain pests. Surveys of such presence carried out by Member States are essential to ensure the immediate eradication of outbreaks of those pests. The surveys carried out by individual Member States are essential to protecting the territory of all other Member States. The Union may contribute to the financing of those surveys in general, on condition that their scope includes at least one of the two critical categories of pests, namely the pests which are not known to occur in the Union and the pests which are subject to Union emergency measures.

(18) Union financing for measures in the field of animal and plant health should cover specific eligible costs. In exceptional and duly justified cases, it should also cover the costs incurred by the Member States in carrying out other necessary measures. Such measures may include the implementation of enhanced biosecurity measures in case of outbreak of disease or presence of pests, the destruction and transport of carcasses during eradication programmes, and the costs of compensation to owners resulting from emergency vaccination campaigns.

(19) The outermost regions of Member States experience difficulties caused by their remoteness and by their dependence on a limited number of products. It is appropriate for the Union to grant a financial contribution to Member States for programmes that they carry out for the control of pests in those outermost regions in line with the objectives of Regulation (EU) No 228/2013 of the European Parliament and of the Council[(10)]. Since certain outermost regions are subject to national rules specific for those regions instead of the Union rules laid down in Directive 2000/29/EC, that Union financial contribution should apply to the rules in force in those regions, regardless of whether they are Union rules or national rules.

(20) Official controls carried out by the Member States are an essential tool for verifying and monitoring that relevant Union requirements are being implemented, complied with and enforced. The effectiveness and efficiency of official control systems is vital for maintaining a high level of safety for humans, animals and plants along the food chain whilst ensuring a high level of protection of the environment. Union financial support should be made available for such control measures. In particular, a financial contribution should be available to Union reference laboratories in order to help them bear the costs arising from the implementation of work programmes approved by the Commission. Moreover, since the effectiveness of official controls also depends on the availability to the control authorities of well trained staff with an appropriate knowledge of Union law, the Union should be able to contribute to their training and relevant exchange programmes organised by competent authorities.

(21) The efficient management of official controls depends on a rapid exchange of data and information related to those controls. In addition, the proper and harmonised implementation of the relevant rules depends on the setting up of efficient systems involving Member State competent authorities. Therefore the establishment and operation of databases and computerised information management systems for those purposes should also be eligible for financial contributions.

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(22) The Union should make funding available for the technical, scientific, coordination and communication activities necessary to ensure the correct implementation of Union law and to ensure the adaptation of the law to scientific, technological and societal developments. Funding should also be made available for projects that aim to improve the effectiveness and efficiency of official controls.

(23) Pursuant to Article 3 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council[(11)], any proposal submitted to the legislative authority containing derogations from the provisions of that Regulation is required to clearly indicate such derogations and to state the specific reasons justifying them. Therefore, given the specific nature of some of the objectives covered by this Regulation and since the respective competent authorities of the Member States are best placed to implement the activities associated with those objectives, those authorities should be considered to be identified beneficiaries for the purposes of Article 128(1) of Regulation (EU, Euratom) No 966/2012. It should therefore be possible to award grants to such authorities without prior publication of calls for proposals.

(24) By way of derogation from Article 86 of Regulation (EU, Euratom) No 966/2012, and as an exception to the principle of non-retroactivity provided for in Article 130 thereof, the costs for the emergency measures covered by Articles 7 and 17 of this Regulation should be eligible from the date of notification of the occurrence of a disease or the presence of a pest by the Member State to the Commission due to the urgent and unforeseeable nature of those measures. The corresponding budgetary commitments and the payment of eligible expenditure should be made by the Commission, after assessment of the payment applications submitted by the Member States.

(25) It is of the utmost importance that such emergency measures are implemented immediately. It would therefore be counterproductive to exclude, from funding, those costs incurred prior to the submission of the grant application, as this would encourage Member States to focus their immediate efforts on the preparation of a grant application, instead of on the implementation of emergency measures.

(26) Given the extent of the Union law in force concerning the implementation of eradication and surveillance measures and the technical limitations as regards other expertise available, the implementation of the measures covered by this Regulation needs to be carried out principally by the competent authorities of the Member States. It is therefore necessary, in certain cases, to co-finance the salary costs of the personnel of national administrations.

(27) Programming allows coordination and prioritisation and thus contributes to the effective use of Union financial resources. In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission with regard to the adoption of work programmes for the implementation of certain measures provided for in this Regulation.

(28) To ensure responsible and effective use of Union financial resources, the Commission should be allowed to check that Union funding is effectively used for the