



Reports of Cases

Judgment of the General Court (Second Chamber) of 12 March 2019 – France v Commission

(Case T-26/18)

(EAGF and EAFRD — Expenditure excluded from financing — Expenditure incurred by France — One-off and flat-rate financial corrections — Area-related aid scheme — Land Parcel Identification System — Determination of eligible areas — Maintenance of agricultural land in good agricultural and environmental condition — Landscape features — Grazable heathland — National monitoring system based on a non-compliant definition of eligible areas — Proportionality — Obligation to state reasons — Conformity Clearance — Most likely error — Error of law)

1. *Agriculture — Common agricultural policy — Direct support schemes — Common rules — Minimum requirements for good agricultural and environmental conditions — Definition of those requirements by the Member States — Obligation — Scope*

(Council Regulation No 73/2009, Art. 6(1) and Annex III; Commission Regulation No 1122/2009, Art. 34(3))

(see paras 65-74)

2. *Agriculture — EAGF and EAFRD financing — Clearance of accounts — Disallowance of expenses arising from irregularities in applying EU rules — Challenge by the Member State concerned — Burden of proof — Shared by the Commission and the Member State*

(Commission Regulation No 908/2014, Art. 34)

(see paras 82-85, 98, 111)

3. *Agriculture — EAGF and EAFRD financing — Clearance of accounts — Disallowance of expenses arising from irregularities in applying EU rules — Assessment of the losses incurred by the EAGGF — Irregular expenses not capable of being determined with sufficient precision — Assessment based on flat-rate corrections — Lawfulness — No breach of principle of proportionality*

(Commission Regulation No 907/2014, Art. 12(6))

(see paras 86-88, 102, 104, 105, 114)

4. *Agriculture — EAGF and EAFRD financing — Clearance of accounts — Definitive refusal to accept responsibility for certain expenses — Need for prior inter partes procedure*

(Commission Regulation No 908/2014, Art. 34)

(see paras 144, 145)

5. *Agriculture — EAGF and EAFRD financing — Clearance of accounts — Elaboration of decisions — Written communication by the Commission to Member States of the results of its checks — Content — Effects of non-compliance*

(European Parliament and Council Regulation No 1306/2013, Art. 52; Commission Regulation No 908/2014, Art. 34(2), first para.)

(see paras 146-149)

6. *Acts of the institutions — Statement of reasons — Obligation — Scope — Account-clearing decision for expenses financed by EAGGF and EAFRD*

(Art. 296 TFEU)

(see paras 158, 159)

Re:

Application pursuant to Article 263 TFEU seeking the partial annulment of Commission Implementing Decision (EU) 2017/2014 of 8 November 2017 excluding from European Union financing certain expenditure incurred by the Member States under the European Agricultural Guarantee Fund (EAGF) and under the European Agricultural Fund for Rural Development (EAFRD) (OJ 2017 L 292, p. 61).

Operative part

The Court:

1. Dismisses the action;
2. Orders the French Republic to pay the costs.