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**NOTE**

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From:	General Secretariat of the Council
To:	Special Committee on Agriculture
No. prev. doc.:	8732/2/20 REV2
No. Cion doc.:	13643/19 + ADD1
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL laying down certain transitional provisions for the support by the European Agricultural Fund for Rural Development (EAFRD) and by the European Agricultural Guarantee Fund (EAGF) in the year 2021 and amending Regulations (EU) No 228/2013, (EU) No 229/2013 and (EU) No 1308/2013 as regards resources and their distribution in respect of the year 2021 and amending Regulations (EU) No 1305/2013, (EU) No 1306/2013 and (EU) No 1307/2013 as regards their resources and application in the year 2021 <i>- Progress report</i> <i>- Confirmation of the common understanding</i>

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**I. INTRODUCTION**

1. The Commission submitted the above-mentioned proposal to the Council and the European Parliament on 31 October 2019. The overall aim of this proposal is to ensure continuity of the Common Agricultural Policy (CAP) support to farmers and other beneficiaries in 2021, since it is clear from the current state of play of the CAP reform and the Multiannual Financial Framework (2021-2027) (MFF) negotiations that the new CAP Strategic Plans will not apply from 1 January 2021. The proposal extends the applicability of the existing legal framework to the year 2021. At the same time, the proposal aims to ensure a smooth transition from the current to the next CAP period.

The proposal amends the four CAP basic regulations (1305/2013, 1306/2013, 1307/2013 and 1308/2013), as well as Regulations 228/2013 (specific measures for outermost regions) and 229/2013 (specific measures for the smaller Aegean islands).

2. The Special Committee on Agriculture gave to the Presidency a partial<sup>1</sup> mandate on 6 April 2020, which constitutes the Council's mandate for negotiations with the European Parliament in the context of the ordinary legislative procedure.
3. The European Parliament's AGRI Committee voted on its draft report on 28 April 2020. The European Parliament voted on 15 May 2020 in plenary on its report containing 122 amendments and agreed to enter into negotiations with the Council.
4. The Economic and Social Committee adopted its opinion on the proposal on 7 May 2020.
5. The trilogue meetings took place on 20 May, 16 June and 30 June 2020. Several technical meetings took place (on 27 May and 3, 10, 12, 19, 24 and 26 June 2020) where clarifications were provided on the positions of the co-legislators and the wording of less political provisions was discussed.
6. Since the proposed Regulation is one of the package of proposals linked to the Multiannual Financial Framework (MFF), all provisions with budgetary implications or of horizontal nature have been set aside - and thus excluded from the partial mandate - pending further progress on the MFF.

## **II. STATE OF PLAY**

7. The document presented in Annexes I and II reflects the state of play of negotiations reached at the third trilogue on the proposal for CAP Transitional Regulation. While this reflects a common understanding between the European Parliament and the Presidency on the progress of negotiations, it is without prejudice to the final outcome of the negotiations on the full text.

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<sup>1</sup> All reference amounts are pending the conclusion of negotiations regarding the Multiannual Financial Framework (2021-2027).

8. It is understood that elements in brackets in the text were left outside of the scope of the negotiations at this stage, as they require the completion of negotiations on the Multiannual Financial Framework 2021-2027 for the Council to be able to establish its position.
9. The relevant provisions, which appear between square brackets in the text, are the following:
  - Article 9(1) - the amount of the reserve;
  - Article 10 - various dates that need to be adjusted depending on the likely time for adoption of this regulation;
  - Article 10(13) - the amount of the crop-specific payment for cotton;
  - Article 11(0) - date for notification and corresponding recital 25;
  - Article 11(1) - Union financing for the work programmes;
  - Article 11(2) - Union financing for the aid to producer organisations;
  - Article 12(2) and (3) - annual sums and amounts;
  - Article 13 - amounts;
  - Annexes I, II and III - amounts.
10. In addition, references to other pending legal acts such as the new Common Provisions Regulation are subject to the outcome of negotiations on those acts.
11. Work will resume with the European Parliament once the Council has a mandate on all elements of the proposal.
12. For ease of reference, the changes introduced at the trilogue, as compared to the Commission's proposal are marked in the text in **bold underline** and ~~striketrough~~.

### III. CONCLUSION

13. In light of the above, the Special Committee on Agriculture is invited to take note of the current progress report and to confirm the common understanding reached at the trilogue as set out in Annexes I and II to this note.
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**Proposal for a**

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**laying down certain transitional provisions for the support by the European Agricultural Fund for Rural Development (EAFRD) and by the European Agricultural Guarantee Fund (EAGF) in the years 2021 and 2022 and amending Regulations (EU) No 228/2013, (EU) No 229/2013 and (EU) No 1308/2013 as regards resources and their distribution in respect of the years 2021 and 2022 and amending Regulations (EU) No 1305/2013, (EU) No 1306/2013 and (EU) No 1307/2013 as regards their resources and application in the years 2021 and 2022**

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 349 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<sup>1</sup>,

**After consulting** ~~Having regard to the opinion of the Committee of the Regions<sup>2</sup>,~~

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<sup>1</sup> ~~OJ C , , p. .~~ **Opinion adopted on 7 May 2020 (not yet published in the Official Journal).**

<sup>2</sup> ~~OJ C , , p. .~~

Having regard to the opinion of the Court of Auditors<sup>3</sup>,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The Commission's legislative proposals<sup>4</sup> on the common agricultural policy (CAP) beyond 2020 ~~aimed to make the CAP more responsive to current and future challenges such as climate change or generational renewal, while continuing to support farmers in the Union for a sustainable and competitive agricultural sector. Those proposals are closely linked to the multiannual financial framework (MFF) of the Union for the years 2021 to 2027.~~ **sought to establish the strong Union framework essential to ensure that the CAP remains a common policy with a level playing field while also giving Member States greater responsibility as regards how they meet the objectives and achieve the targets set. Accordingly, Member States were to draw up CAP Strategic Plans and to implement them after their approval by the Commission.**

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<sup>3</sup> **Opinion adopted on 13 March 2020 (not yet published in the Official Journal).**

<sup>4</sup> Proposal for a Regulation of the European Parliament and of the Council establishing rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council, COM(2018)392 final - 2018/0216 (COD); Proposal for a Regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013, COM(2018)393 final - 2018/0217 (COD); Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products, (EU) No 228/2013 laying down specific measures for agriculture in the outermost regions of the Union and (EU) No 229/2013 laying down specific measures for agriculture in favour of the smaller Aegean islands, COM(2018)394 final/2.

- (2) The Commission proposed to link the CAP to the delivery of performance ('delivery model'). Under the new legal framework, the Union is to set the basic policy parameters, such as objectives of the CAP and basic requirements, while Member States are to bear greater responsibility as to how they meet the objectives and achieve targets. Accordingly, Member States are to draw up CAP Strategic Plans, which are to be approved by the Commission and implemented by Member States. **However, the legislative procedure was not concluded in time for Member States and the Commission to prepare all elements necessary to apply the new legal framework and the CAP Strategic Plans as of 1 January 2021, as initially proposed by the Commission. That delay creates uncertainty and risks for farmers and the entire agriculture sector. In order to alleviate that uncertainty, this Regulation should provide for the continued application of the current rules and uninterrupted payments to farmers and other beneficiaries, and thus provide predictability and stability during the transitional period until the date of application of the new legal framework so as to maintain the vitality of rural areas and regions and contribute to environmental sustainability.**
- (3) **Since** ~~the~~ legislative procedure **needs still to be** ~~was not~~ concluded **and the CAP Strategic Plans to be developed by** ~~in time to allow Member States,~~ and the Commission to prepare all elements necessary to apply the new legal framework and the CAP Strategic Plans as of 1 January 2021, as initially proposed by the Commission **with the need to consult stakeholders, the period for the continuation of the current CAP framework should be two years. This period could facilitate a smooth transition for beneficiaries to a new programming period and the possibility to take into account the Commission Communication on the European Green Deal.**

- (4) Therefore, in order to ensure that support can be granted to farmers and other beneficiaries from the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) in 2021 **and in 2022**, the Union should continue to grant such support for ~~one~~ **two** more years under the conditions of the existing legal framework, which covers the period 2014 to 2020. The existing legal framework is laid down in particular in Regulations (EU) No 1303/2013<sup>5</sup>, (EU) No 1305/2013<sup>6</sup>, (EU) No 1306/2013<sup>7</sup>, (EU) No 1307/2013<sup>8</sup>, (EU) No 1308/2013<sup>9</sup>, (EU) No 228/2013<sup>10</sup> and (EU) No 229/2013<sup>11</sup> of the European Parliament and of the Council. In addition, to facilitate the transition from existing support schemes to the new legal framework which covers the period starting on 1 January ~~2022~~ **2023**, rules should be laid down to regulate how certain support granted on a multiannual basis will be integrated into the new legal framework.

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<sup>5</sup> Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320).

<sup>6</sup> Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 (OJ L 347, 20.12.2013, p. 487).

<sup>7</sup> Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 (OJ L 347, 20.12.2013, p. 549).

<sup>8</sup> Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 (OJ L 347, 20.12.2013, p. 608).

<sup>9</sup> Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (OJ L 347, 20.12.2013, p. 671).

<sup>10</sup> Regulation (EU) No 228/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in the outermost regions of the Union and repealing Council Regulation (EC) No 247/2006 (OJ L 78, 20.3.2013, p. 23).

<sup>11</sup> Regulation (EU) No 229/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in favour of the smaller Aegean islands and repealing Council Regulation (EC) No 1405/2006 (OJ L 78, 20.3.2013, p. 41).



- (4a) This Regulation should provide the Member States with sufficient time to prepare their respective CAP national strategic plans, as well as facilitate the creation of administrative structures necessary for successful implementation of the new legal framework, notably by allowing for an increase in the technical assistance. All CAP strategic plans should be ready to enter into force once the transitional period ends. This would provide much-needed stability and certainty for the farming sector.**
- (5) In light of the fact that the Union should continue to support rural development **throughout the transitional period** in 2021, Member States, ~~that demonstrate the risk to run out of funds and not to be able to undertake new legal commitments in accordance with Regulation (EU) No 1305/2013,~~ should have the possibility to ~~extend~~ **finance** their **extended** rural development programmes or certain of their regional rural development programmes supported by the EAFRD to 31 December 2021 and to finance those ~~extended programmes~~ from the corresponding budget allocation for the years 2021 **and 2022**. The extended programmes should aim at maintaining at least the same overall ~~level of environment and climate ambition~~ **share of the EAFRD contribution reserved for the measures referred to in Article 59(6) of that Regulation, in line with the new ambitions set out in the Commission’s Communication of 11 December 2019 on the European Green Deal.**

- (6) ~~Since certain Member States may still have funds provided by the Union in previous years, Member States should also have the possibility not to extend their rural development programmes or not to extend certain of their regional rural development programmes. Those Member States should have the possibility to transfer the EAFRD budget allocation for 2021 or the part of the EAFRD budget allocation corresponding to the regional rural development programmes that have not been extended, to the financial allocations for the years 2022 to 2025, in accordance with the Council Regulation (EU) .../...[Regulation laying down the multiannual financial framework for the years 2021 to 2027]<sup>12</sup>.~~
- (7) ~~In order to allow the Commission to provide the necessary financial planning and the corresponding adjustments of the annual breakdowns of the Union support set out in the Annex to Regulation (EU) No 1305/2013, Member States should inform the Commission soon after the entry into force of this Regulation whether they decide to extend their rural development programmes and, in case of regional rural development programmes, which of those programmes they decide to extend, and consequently which corresponding amount of the budget allocation for 2021 is not to be transferred to the following years.~~
- (8) ~~Regulation (EU) No 1303/2013 lays down common rules applicable to the EAFRD and some other Funds, which operate under a common framework. That Regulation should continue to apply to programmes supported by the EAFRD for the 2014–2020 programming period as well as to those programmes supported by the EAFRD. for which Member States decide to extend that period to 31 December 2021. For those Member States, the Partnership Agreement drawn up for the period from 1 January 2014 to 31 December 2020 in accordance with Regulation (EU) No 1303/2013 should continue to be used as a strategic document by Member States and the Commission with regard to the implementation of support granted by the EAFRD for the programming year 2021.~~

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<sup>12</sup> Regulation MFF OJ L , , p. .

- (9) Certain deadlines laid down in Regulation (EU) No 1303/2013 in respect of implementation reports, annual review meetings, ex-post evaluations and synthesis reports, eligibility of expenditure and decommitment as well as budget commitments are limited to the 2014-2020 programming period. Those deadlines should be adapted to take account of the extended duration of the period during which programmes relating to support from the EAFRD may<sup>13</sup> be implemented.
- (10) Regulation (EU) No 1310/2013 of the European Parliament and of the Council<sup>14</sup> and Commission Delegated Regulation (EU) No 807/2014<sup>15</sup> provide that expenditure for certain long-term commitments undertaken pursuant to certain regulations that granted support for rural development before Regulation (EU) No 1305/2013 should continue to be paid by the EAFRD in the 2014-2020 programming period under certain conditions. That expenditure should also continue to be eligible for the duration of their respective legal commitment under the same conditions in the programming year 2021 **and in the programming year 2022**. For reasons of legal clarity and certainty, it also should be clarified that the legal commitments undertaken under measures that correspond to measures of Regulation (EU) No 1305/2013 to which the integrated administration and control system applies, should be subject to this integrated administration and control system and that payments related to these legal commitments have to be made within the period from 1 December to 30 June of the following calendar year.

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<sup>13</sup> To be reworded. In case of 2 year transitional period there is no optional extension of Rural Development Programmes

<sup>14</sup> Regulation (EU) No 1310/2013 of the European Parliament and of the Council of 17 December 2013 laying down certain transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), amending Regulation (EU) No 1305/2013 of the European Parliament and of the Council as regards resources and their distribution in respect of the year 2014 and amending Council Regulation (EC) No 73/2009 and Regulations (EU) No 1307/2013, (EU) No 1306/2013 and (EU) No 1308/2013 of the European Parliament and of the Council as regards their application in the year 2014 (OJ L 347, 20.12.2013, p. 865).

<sup>15</sup> Commission Delegated Regulation (EU) No 807/2014 of 11 March 2014 supplementing Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions (OJ L 227, 31.7.2014, p. 1).

- (11) For reasons of coherence with the other Funds regulated by Regulation (EU) XXXX/XXXX [New CPR<sup>16</sup> of the European Parliament and of the Council]<sup>17</sup>. **and to ensure timely implementation of the community-led local strategies regulated by (EU) XXXX/XXXX [SPR of the European Parliament and of the Council]**, the EAFRD should be able to support Community-led local development set up in accordance with the new rules laid down in ~~that Regulation~~ **(EU) XXXX/XXXX [New CPR of the European Parliament and of the Council] and capacity building and preparatory actions supporting the design and the future implementation of the community-led local strategies set up in accordance with the new rules laid down in (EU) XXXX/XXXX [SPR of the European Parliament and of the Council]**.
- (12) In the allocation of payment entitlements (or recalculation for Member States keeping existing entitlements) in 2015 under Regulation (EU) No 1307/2013, some Member States made errors in the establishment of the number or value of payment entitlements. Many of those errors, even when occurred for a single farmer, influence the value of the payment entitlements for all farmers and for all years. Some Member States made errors also after 2015, when allocating entitlements from the reserve (e.g. in the calculation of the average value). These non-compliances are normally subject to financial correction until corrective measures are taken by the Member State concerned. In the light of the time that has elapsed since the first allocation, the efforts made by Member States to establish, and where relevant, correct entitlements, and also in the interest of legal certainty, the number and value of payment entitlements should be considered legal and regular with effect from a certain date.

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<sup>16</sup> **This recital might need to be reworded or deleted if the new CPR Regulation will not be adopted before this Regulation.**

<sup>17</sup> Regulation (EU) .../... of the European Parliament and of the Council [*full title*] (OJ L ..., ..., p. ...).

**(12a) Under Article 24(6) of Regulation (EU) N. 1307/2013 Member States have been given the option to apply for the allocation of payment entitlements a reduction coefficient to eligible hectares consisting of permanent grassland located in areas with difficult climate conditions. Alpine pastures are often managed collectively and therefore areas are assigned on a yearly basis, thus creating a distinct degree of uncertainty amongst farmers in the Member States concerned. The implementation of this system has proven to be particularly complex primarily with regard to the exact definition of the areas concerned. These uncertainties subsequently affect all farmers in the Member States concerned, as the value of payment entitlements in areas where the reduction coefficient is not applied depends on the sum of the payment entitlements in the designated areas. In order to stabilise the system currently applied in those Member States, and with a view to ensuring legal security for all farmers in the Member States concerned at the earliest possible time, the possibility should be granted to the Member States in question to consider legal and regular the value and number of all entitlements allocated to all farmers before 1 January 2020. The value of those entitlements should be that for calendar year 2019 valid on 31 December 2019. This, however, should be without prejudice to legal remedies open to individual beneficiaries.**

(13) However, the confirmation of payment entitlements does not represent an exemption from the Member States' responsibility under the shared management of the EAGF to ensure the protection of the Union budget from irregular expenditure. Hence, the confirmation of the payment entitlements allocated to farmers before 1 January 2020, as from 1 January 2021, should not prejudice the Commission's power to take decisions referred to in Article 52 of Regulation (EU) No 1306/2013 in relation to irregular payments granted in respect of any calendar year up to 2020 included, resulting from errors in the number or value of those payment entitlements.

- (14) In light of the fact that the CAP Strategic Plans to be prepared by Member States in accordance with the new legal framework are to be applicable as of 1 January **2023**, transitional ~~rules arrangements~~ should be laid down to regulate the transition from existing support schemes to the new legal framework, ~~in particular Regulation (EU) .../... of the European Parliament and of the Council~~<sup>18</sup> [~~CAP Strategic Plan Regulation~~].
- (15) ~~Certain expenditure for certain long-term commitments undertaken pursuant to Regulations that granted support for rural development before Regulation (EU) 1305/2013 were still eligible in the programming period 2014-2020. With the exception of cases where the duration of these long-term commitments has elapsed, this expenditure should continue to be eligible during the period covered by the CAP Strategic Plan for the duration of the respective legal commitments subject to the contribution rate applicable in that period and provided that it is inserted in the CAP Strategic Plan and that the expenditure is paid in line with Regulation (EU) [HzR]. The same should apply to certain long-term commitments that have been taken under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013. In this context it should be clarified that the legal commitments undertaken under measures that correspond to area- and animal-based types of interventions determined in the CAP Strategic Plan should be subject to the integrated administration and control system and that payments related to those legal commitments have to be made within the period from 1 December to 30 June of the following calendar year.~~

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<sup>18</sup> Regulation (EU) .../... of the European Parliament and of the Council [*CAP Strategic Plan*] (OJ L ..., ..., p. ...).

- (16) ~~Regulation (EU) No 1308/2013 lays down rules for the common organisation of agricultural markets and includes certain aid schemes in Articles 29 to 60. Those aid schemes should be integrated in the future CAP Strategic Plans of the Member States as sectoral interventions referred to in points (a) to (e) of Article 39 of Regulation (EU) .../... [CAP Strategic Plan Regulation]. To ensure coherence, continuity and a smooth transition between those aid schemes of Regulation (EU) No 1308/2013 and the sectoral types of interventions of Regulation (EU) .../... [CAP Strategic Plan Regulation], rules should be laid down regarding the duration of each of those aid schemes with respect to the date from which the future CAP Strategic Plans of the Member States have legal effects.~~
- (17) ~~As regards the aid scheme in the olive oil and table olives sector, the existing work programmes drawn up for the period running from 1 April 2018 until 31 March 2021 should be extended until 31 December 2021. For aid schemes in the fruit and vegetables sector rules should be laid down regarding the modification or replacement of operational programmes.~~
- (18) ~~With the view to ensuring continuity as regards the aid schemes in the wine sector and the apiculture sector, rules need to be laid down that allow those aid schemes to continue to be implemented until the end of their respective programming periods. For this period certain provisions of Regulation (EU) No 1306/2013 should therefore continue to apply in relation to expenditure incurred and payments made for operations implemented pursuant to Regulation (EU) No 1308/2013 after 31 December 2021 and until the end of those aid schemes.~~
- (19) In order to limit a significant carry-over of commitments from the current programming period for rural development to the CAP Strategic Plans, the duration of new multiannual commitments in relation to agri-environment-climate, organic farming and ~~forest-environment~~ **animal welfare** should, **as a general rule**, be limited to a period of maximum 3 years. The extension of existing commitments should be limited to one year.

**(19a) Article 31(5) of Regulation (EU) No 1305/2013 provided for transitional arrangements to facilitate the phasing-out of payments in areas that, because of the application of new delimitation criteria, would no longer be considered areas facing natural constraints. Such payments were to be paid until 2020 and for a maximum period of four years. Regulation (EU) 2017/2393 extended to 2019 the initial deadline for the new delimitation of such areas. For farmers in those Member States setting the delimitation in 2018 and 2019, phasing out payments could not reach the maximum of four years. In order to continue the phasing out, Member States should be allowed to continue paying the phasing out payments in year 2021 and 2022 if applicable. In order to ensure an adequate level of payments per hectare, in line with Article 31(5) as amended by Regulation (EU) No 288/2019 the level of payments in year 2021 and 2022 should be fixed at EUR 25 per ha.**

**(19b) Since farmers are exposed to increasing economic and environmental risks as a consequence of climate change and increased price volatility, Regulation (EU) No 1305/2013 provides for a risk management measure to assist farmers in addressing these risks. That measure includes financial contributions to mutual funds and an income stabilisation tool. Specific conditions were provided for the granting of support under this measure in order to ensure that farmers receive equal treatment across the Union, that competition is not distorted and that the international obligations of the Union are respected. In order to further promote the use of mutual funds and of the income stabilisation tool for farmers of all sectors, Member States should be provided with the possibility to reduce the threshold of 30% that triggers the compensation of farmers for the drop in production or income applicable to the respective tool. The reduced threshold should not be fixed at a percentage lower than 20%.**



- (20) The EAFRD should be able to support Community-led local development set up in accordance with the new rules laid down by Regulation (EU) XXXX/XXXX [New CPR<sup>19</sup>]. **In this case, the percentages that need to be reserved for LEADER in accordance with Article 59 (5) of Regulation (EU) N 1305/2013 should also apply to Community-led local development set up in accordance with the new rules laid down by Regulation (EU) XXXX/XXXX [New CPR].** However, in **In** order to avoid unspent funds for Community-led local development in the programming year 2021 **and 2022**, Member States that ~~decide to extend their rural development programmes to 31 December 2022~~<sup>1</sup> and that also make use of the possibility to transfer amounts from direct payments to rural development, should be able to apply the 5%, **or 2,5% in case of Croatia**, minimum allocation for Community-led local development only to the EAFRD contribution to the rural development extended to 31 December 2024<sup>2</sup> calculated before the transfer of amounts from direct payment has been done.
- (21) In order to ensure continuity in the transitional period, the reserve for crises in the agricultural sector should be maintained for 2021 **and 2022** and the relevant amount of the reserve for 2021 **and 2022** should be included.
- (22) As regards prefinancing arrangements from the EAFRD, it should be made clear that ~~where Member States decide to extend the 2014–2020 period~~ extensions of programmes in accordance with Article 1 should not lead to any additional prefinancing granted for the programmes concerned.

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<sup>19</sup> **This recital might need to be reworded or deleted if the new CPR Regulation will not be adopted before this Regulation.**

- (23) Article 11 of Regulation (EU) No 1307/2013 currently only provides for a notification obligation for Member States as regards their decisions and the estimated product related to the reduction of the part of the amount of direct payments to be granted to a farmer for a given calendar year exceeding EUR 150 000 for the years 2015 to 2020. With a view to ensuring a continuation of the existing system, Member States should also notify their decisions and the estimated product of reduction for calendar year 2021 **and 2022**.
- (24) Article 14 of Regulation (EU) No 1307/2013 allows Member States to transfer funds between direct payments and rural development as regards calendar years 2014 to 2020. In order to ensure that Member States may keep their own strategy, the flexibility between pillars should be made available also for calendar year 2021 (i.e. financial year 2022) **and year 2022 (i.e. financial year 2023)**.
- (25) In order to allow the Commission to be able to set the budgetary ceilings in accordance with Articles 22(1), 36(4), 42(2), 47(3), 49(2), 51(4) and 53(7) of Regulation (EU) No 1307/2013, it is necessary that Member States notify their decisions on financial allocations by scheme for calendar year 2021 by ~~1 August~~ **[dd/mm] 2020 and for calendar year 2022 by 1 August 2021**.
- (25a) Under Article 37 of Regulation (EU) No 1307/2013 Member States applying the single area payment scheme could decide to grant transitional national aid in the period 2015-2020 to avoid a sudden and substantial decrease of support in those sectors benefiting from transitional national aid until 2014. In order to ensure that in the years of transition 2021 and 2022 such aid continues to play its role in supporting the income of farmers in those specific sectors, provision should be made for its continuation under the same conditions and limitations as in period 2015-2020.**

- (26) Article 22(5) of Regulation (EU) No 1307/2013 provides for a linear adjustment of the value of entitlements in case of a change in the ceiling for the basic payment scheme from one year to the following due to certain decisions taken by Member States and affecting the ceiling for the basic payment scheme. The extension of Annex II to that Regulation on national ceilings after calendar year 2020 and the possible annual changes from that date might have an impact on the ceiling for the basic payment scheme. Therefore, for Member States to be able to respect the obligation of equality of the sum of the value of entitlements and reserve(s) with the ceiling for the basic payment scheme laid down in Article 22(4) of that Regulation, it is appropriate to provide for a linear adjustment to adapt to the extension of or the changes in that Annex II during the transitional period. Moreover, to provide greater flexibility to Member States, it appears appropriate to allow Member States to adapt the value of entitlements or of the reserve, possibly with different rates of adjustment.
- (27) In accordance with the current legal framework, Member States notified in 2014 their decisions up to calendar year 2020, on the division of the annual national ceiling for the basic payment scheme between the regions and the possible annual progressive modifications for the period covered by Regulation (EU) No 1307/2013. It is necessary that Member States also notify those decisions for calendar year 2021 **and 2022**.

- (28) The internal convergence mechanism is the core process for a more equitable distribution of direct income support among farmers. Significant individual differences based on old historic references become more and more difficult to justify. In Regulation (EU) No 1307/2013, the basic model of internal convergence consists in the application by Member States of a uniform flat rate for all payment entitlements, at national or regional level, from 2015. However, for the sake of ensuring a smoother transition to a uniform value, a derogation was set out allowing Member States to differentiate the values of payment entitlements by applying partial convergence, also called the ‘tunnel model’, between 2015 and 2019. Some Member States made use of this derogation. To continue the process towards a more equitable distribution of direct payments, Member States can further converge towards a national or regional average after 2019 instead of going to a uniform flat rate or keeping the value of entitlements at their 2019 level. They should notify annually their decision for the following year.
- (29) Article 30 of Regulation (EU) No 1307/2013 provides for the annual progressive modifications in the value of the payment entitlements allocated from the reserve to reflect the annual steps of the national ceiling set in Annex II to that Regulation, reflecting a “multiannual” management of the reserve. Those rules should be adapted so to reflect that it is possible to amend both the value of all allocated entitlements and of the reserve to adjust to a change in the amount in that Annex II between two years. Moreover, in some Member States not having reached a flat rate by 2019, internal convergence is implemented on an annual basis. For calendar years 2020, ~~and~~ 2021 **and** **2022**, only the value of the payment entitlement of the current year needs to be determined in the year of allocation. The unit value of entitlements to be allocated from the reserve in a given year should be calculated after possible adjustment of the reserve in accordance with Article 22(5) of that Regulation. In any subsequent year, the value of the payment entitlements allocated from the reserve should be adapted in accordance with that Article 22(5).

(30) Article 36 of Regulation (EU) No 1307/2013 provides the application of the single area payment scheme (SAPS) until 31 December 2020. The CAP Strategic Plan Regulation (EU) .../... [CAP Strategic Plan Regulation] allows Member States to implement a basic income support with the same modalities, i.e. without the allocation of payment entitlements based on historic references. Therefore, it is appropriate to allow the prolongation of SAPS in 2021 **and 2022.**

**(30a) In view of the date by which Annex II of Regulation (EU) No 1307/2013 is amended by this Regulation, it is necessary to postpone the deadline to take the decision to introduce for the first time the redistributive payment from 2021 or 2022 and its related notification to the Commission. It is appropriate to set the deadline at the same time as the deadline for the decisions concerning flexibility between pillars.**

**(30b) Under Article 37 of Regulation (EU) No 1307/2013 Member States applying the single area payment scheme could decide to grant transitional national aid in the period 2015-2020 to avoid a sudden and substantial decrease of support in those sectors benefiting from transitional national aid until 2014. In order to ensure that in the years of transition 2021 and 2022 such aid continues to play its role in supporting the income of farmers in those specific sectors, provision should be made for its continuation under the same conditions and limitations as in period 2015-2020.**

(31) For the sake of legal certainty, it should be clarified that Articles 41 and 42 of Regulation (EU) No 1307/2013 allow Member States to review, on an annual basis, their decisions on the redistributive payment. **The deadline of the review applicable from 2021 should be set at the same time as the deadline for the decisions concerning flexibility between pillars.**

**(31a) Article 52(10) of Regulation (EU) No 1307/2013 empowers the Commission to adopt delegated acts allowing Member States to decide that voluntary coupled support can continue to be paid until 2020 on the basis of the production units for which such support was granted in a past reference period. This aims at ensuring the greatest possible consistency between Union schemes targeting sectors that can be marked by structural market imbalances. It is therefore appropriate to prolong this empowerment to also cover 2021 and 2022.**

**(31b) In view of the date by which Annex II of Regulation (EU) No 1307/2013 is amended by this Regulation, it is necessary to postpone the deadline to take the decision to introduce for the first time the voluntary coupled support from 2021 or 2022 and its related notification to the Commission. It is appropriate to set the deadline at the same time as the deadline for the decisions concerning flexibility between pillars. Similarly, the decision to continue or cease granting voluntary coupled support in 2021 and 2022 and its related notification should be postponed to the same deadline.**

**(31c) Article 54 of Regulation (EU) No 1307/2013 lays down the elements of the notifications concerning voluntary coupled support. It is appropriate to clarify that the notifications of those voluntary coupled support for calendar year 2021 and 2022 should include the percentage of the national ceiling used to finance this scheme for year 2021 and 2022.**

(32) Regulations (EU) No 1305/2013, (EU) No 1306/2013, (EU) No 1307/2013, (EU) No 1308/2013, (EU) No 228/2013 and (EU) No 229/2013 should therefore be amended accordingly.

(33) As regards the clarification on convergence from the year 2020, point 6 of Article 10 should apply retroactively from 1 January 2020. **To cover all planting authorisations for new plantings or for replanting that were due to expire in 2020, point (2a) of Article 11 should apply retroactively from 1 January 2020.**<sup>20</sup>

**(33a) Regulation (EU) No 1308/2013 lays down rules for the common organisation of agricultural markets and includes certain aid schemes in Articles 29 to 60. In the Commission’s legislative proposal on the CAP beyond 2020, these aid schemes should be integrated in the future CAP Strategic Plans of the Member States. To ensure a smooth integration of these aid scheme into the system of the future CAP, rules should be laid down regarding the duration of each of those aid schemes when they are to be renewed during the transitional period. As regards the aid scheme in the olive oil and table olive sector, the existing work programmes drawn up for the period running from 1 April 2018 until 31 March 2021 should be replaced by new work programmes running from 1 April 2021 until 31 December 2022. Existing operational programmes in the fruit and vegetable sector that have not reached their maximum duration of five years may only be extended until 31 December 2022. New operational programmes in this sector should only be approved for a maximum duration of three years. The existing national programmes for the apiculture sector drawn up for a period running from 1 August 2019 until 31 July 2022 should be extended until 31 December 2022.**

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<sup>20</sup> To be listed on the end of recital list

**(33b) Transitional provisions were laid down in 2013 in order to ensure a smooth transition from the former wine grape planting rights regime to the new scheme of planting authorisations, in particular in order to avoid excessive plantings before the start of the new scheme. The latest deadline for the submission of requests for conversion of planting rights into authorisations ends on 1 December 2020. While authorisations have to be used by the applicant himself and having a corresponding vineyard area can be an eligibility criterion for applicants, former planting rights were tradable. Therefore, there can be cases where holders of planting rights did not yet manage to acquire the corresponding vineyard areas to use the authorisations which would result from the conversion of their planting rights. The severe economic impact of the COVID-19 pandemic on the wine sector has led to cash flow problems for winegrowers and also to uncertainty concerning the future demand for wine. Wine growers still holding planting rights should not be forced to decide if they want to transform these into authorisation while facing exceptional difficulties due to the current crisis, especially as they would be subject to an administrative penalty if they do not use their resulting planting authorisations. Those Member States that allowed producers to submit their requests for conversion of planting rights until 31 December 2020 should therefore be enabled to decide to extend the deadline for the submission of such requests to 31 December 2022. The latest date for the validity of such converted authorisations should be adapted in consequence and should therefore end at the latest by 31 December 2025.**



- (33c) Due to the crisis caused by the COVID-19 pandemic, wine growers holding planting authorisations for new plantings or for replanting which expire in 2020 were largely prevented from making use of these authorisations in the last year of their validity as planned. To avoid the loss of the planting authorisation and reduce the risk of the deterioration of the conditions under which the planting would need to be carried out, it is necessary to allow for a prolongation of the validity of planting authorisations which expire in the year 2020. All authorisations for new plantings or for replanting expiring in 2020 should therefore be prolonged until 31 December 2021. Also taking into account changes in market perspectives, the holders of planting authorisation that expire in 2020 should have the possibility to renounce their use without penalties.**
- (33d) Article 214a of Regulation (EU) No 1308/2013 allowed Finland to grant national aid in Southern Finland subject to the authorisation of the Commission and under certain conditions until 2020. In order to ensure continuity of payments during the transitional period the granting of aid needs to be allowed under the same conditions and same amounts as in 2020.**
- (33e) In order to improve the operation of the market for olive oil, Member States should be able to implement marketing rules to regulate supply. The scope of such decisions should, however, exclude practices which could distort competition.**
- (33f) As evidenced by recent events, farmers are increasingly facing risks of income volatility, partly because of market exposure, partly because of extreme weather events and frequent sanitary and phytosanitary crises affecting Union livestock and agronomic assets. To alleviate the effects of income volatility by encouraging farmers to make savings in good years to cope with bad years, national tax measures whereby the income tax base applied to farmers is calculated on the basis of a multiannual period should be exempted from the application of the State aid rules.**

- (34) Furthermore, the amendments to Regulations (EU) No 228/2013 and (EU) No 229/2013 should apply from 1 January 2021 in line with Regulation (EU) .../...[Regulation laying down the multiannual financial framework for the years 2021 to 2027],

HAVE ADOPTED THIS REGULATION:

**Title I**  
**Transitional Provisions**

**Chapter I**

**Continued application of Regulation (EU) No 1303/2013 ~~for the programming year 2021~~  
during the transitional period and extension of certain periods under Regulations (EU) No  
1303/2013 and (EU) No 1310/2013**

*Article 1*

*Extension of the period for programmes supported by the EAFRD*

~~1. For programmes supported by the European Agricultural Fund for Rural Development (EAFRD), Member States that risk, due to the lack of financial resources, not to be able to undertake new legal commitments in accordance with Regulation (EU) No 1305/2013, may extend the period laid down in Article 26(1) of Regulation (EU) No 1303/2013~~ **is extended** to 31 December ~~2021~~**2022**.

~~Member States that decide to make use of the possibility provided in the first subparagraph shall notify the Commission of their decision within 10 days after the entry into force of this Regulation. Where Member States have submitted a set of regional programmes in accordance with Article 6 of Regulation (EU) No 1305/2013, that notification shall also contain information on which of the regional programmes are to be extended and on the corresponding budgetary allocation within the annual breakdown for the year 2021 as set out in Annex I to Regulation (EU) No 1305/2013.~~

~~Where the Commission considers that an extension of the period under the first subparagraph is not justified, it shall inform the Member State thereof within 6 weeks after receipt of the notification referred to in the second subparagraph.~~

The ~~notification~~ **extension of programmes supported by the European Agricultural Fund for Rural Development (EAFRD)**, referred to in the second subparagraph shall be without prejudice to the need to submit a request to amend a rural development programme for the year 2021 **and 2022** as referred to in Article 11(1)(a) of Regulation (EU) No 1305/2013. Such an amendment shall ~~aim at maintaining~~ **guarantee** at least the same overall ~~level~~ **share** of the EAFRD ~~expenditure~~ **contribution reserved** for the measures referred to in Article 59(6) of that Regulation.

~~1. For Member States that do not decide to make use of the possibility provided in paragraph 1 of this Article, Article [8] of Regulation (EU) .../...[Regulation laying down the multiannual financial framework for the years 2021 to 2027] shall apply to the allocation not used for the year 2021 as set out in Annex I to Regulation (EU) No 1305/2013.~~

~~Where a Member State decides to make use of the possibility provided in paragraph 1 only with regard to certain regional programmes, the allocation referred to in the first subparagraph of this paragraph shall be the amount set out for that Member State for 2021 in Annex I to Regulation (EU) No 1305/2013 minus the budgetary allocations notified in accordance with the first subparagraph of paragraph 2 for the regional programmes that are extended.~~

## *Article 2*

*Continued application of Regulation (EU) No 1303/2013 to programmes **supported by the EAFRD***

1. Regulation (EU) No 1303/2013 shall continue to apply to programmes supported by the EAFRD under the 2014–2020 programming period and to the programmes ~~for which Member States decide to extend the 2014–2020 period~~ **extended** in accordance with Article 1(4) of this Regulation.

2. For programmes for which Member States decide to extend the 2014–2020 period **extended** in accordance with Article 1(1) of this Regulation, the references to time periods or deadlines in Articles 50(1), 51(1), 57(2), 65(2) and (4), and the first paragraph of Article 76 of Regulation (EU) No 1303/2013 shall be extended for ~~one year~~ **two years**.
- 2a. For programmes extended in accordance with Article 1 of this Regulation, Member States shall amend their targets established in the context of the performance framework set out in Annex II to Regulation (EU) No 1303/2013 to establish targets for 2025. For these programmes, references to targets for 2023 in implementing acts adopted on the basis of Article 22 (7) of Regulation (EU) No 1303/2013 or on the basis of Article 8(3), 67, 75(5) and 76(1) of Regulation (EU) No 1305/2013 shall be read as references to targets for 2025.**
- ~~3. For Member States that decide to extend the 2014–2020 period in accordance with Article 1(1) of this Regulation, the Partnership Agreement drawn up for the period from 1 January 2014 to 31 December 2020 in accordance with Regulation (EU) No 1303/2013 shall continue to be used as a strategic document by Member States and the Commission with regard to the implementation of support granted by the EAFRD for the year 2021.~~
4. The final date by which the Commission is to prepare a synthesis report outlining the main conclusions of ex-post evaluations of the EAFRD set in Article 57(4) of Regulation (EU) No 1303/2013 shall be 31 December ~~2026~~**2027**.

### Article 3

#### *Eligibility of certain types of expenditure in 2021 during the transitional period*

Without prejudice to Article 65(2) of Regulation (EU) No 1303/2013, to Article 2(2) of this Regulation and to Article 38 of Regulation (EU) No 1306/2013, the expenditure referred to in Article 3(1) of Regulation (EU) No 1310/2013 and in Article 16 of Delegated Regulation (EU) No 807/2014 shall be eligible for an EAFRD contribution from the 2021 **and 2022** allocation for programmes supported by the EAFRD for which ~~Member States decide to extend the 2014–2020 period~~ **extended** in accordance with Article 1(4) of this Regulation, subject to the following conditions:

- (a) such expenditure is provided for in the respective rural development programme for ~~2021~~ **the years covered by the transitional period**;
- (b) the EAFRD contribution rate of the corresponding measure under Regulation (EU) No 1305/2013, as set out in Annex I to Regulation (EU) No 1310/2013 and in Annex I to Delegated Regulation (EU) No 807/2014, applies;
- (c) the system referred to in Article 67(2) of Regulation (EU) No 1306/2013 applies to the legal commitments undertaken under measures that correspond to support granted in accordance with points (a) and (b) of Article 21(1) and Articles 28 to 31, 33, 34 and 40 of ~~that Regulation~~ **Regulation (EU) No 1305/2013** and the relevant operations are clearly identified; and
- (d) the payments for the legal commitments referred to in point (c) are made within the period laid down in Article 75 of Regulation (EU) No 1306/2013.

## Chapter II

### Application of Articles 25 to 28 of Regulation (EU) [NEW CPR<sup>21</sup>] for the programming year 2021 and 2022

#### Article 4

##### *Community-led local development*

For programmes supported by the EAFRD in the 2014–2020 period and for the programmes for which ~~Member States decide to extend the 2014–2020 period~~ extended in accordance with Article 1(4) of this Regulation, the EAFRD may support ~~multi-funded community-led local development in accordance with Articles 25 to 28 of Regulation (EU) [NEW CPR].~~

- (a) **multi-funded community-led local development in accordance with Articles 25 to 28 of Regulation (EU) [NEW CPR]; and**
- (b) **capacity building and preparatory actions supporting the design and the future implementation of the community-led local strategies in accordance with Article 28 (1) (a) of Regulation (EU) [NEW CPR].**

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<sup>21</sup> **This Chapter might need to be reworded or deleted if the new CPR Regulation will not be adopted before this Regulation.**

### Chapter III

#### Payment entitlements for direct payments to farmers

##### Article 5

##### *Definitive payment entitlements*

1. Payment entitlements allocated to farmers before 1 January 2020 shall be considered legal and regular as from 1 January 2021. The value of those entitlements to be considered legal and regular shall be the value for calendar year 2020 valid on 31 December 2020. ~~This is without prejudice to the relevant articles of Union law concerning the value of payment entitlements for calendar years 2021 onwards, in particular Article 22(5) and 25(12) of Regulation (EU) No 1307/2013.~~
  - 1a. By way of derogation from paragraph 1, a Member State which has made use of the option provided for in Article 24(6) of Regulation 1307/2013 may decide that all payment entitlements allocated before 1 January 2020 shall be considered legal and regular as from that date, while respecting the legitimate expectations of farmers. In that case, the value of those entitlements to be considered legal and regular shall be the value for calendar year 2019 valid on 31 December 2019.**
  - 1b. Paragraph 1 and 1a shall apply without prejudice to the relevant articles of Union law concerning the value of payment entitlements for respectively, calendar year 2020 and onwards, in particular Article 22(5) and 25(12) of Regulation (EU) No 1307/2013.**
2. Paragraph 1 **and 1a** shall not apply to payment entitlements allocated to farmers on the basis of factually incorrect applications, except in cases where the error could not reasonably have been detected by the farmer.



3. Paragraph 1 **and 1a** of this Article shall not prejudice the Commission's power to take decisions referred to in Article 52 of Regulation (EU) No 1306/2013 in relation to expenditure incurred for payments granted in respect of calendar years up to 2020 included.

#### Chapter IV

### **Transitional provisions relating to Regulations (EU) No 1305/2013, (EU) No 1306/2013 and (EU) No 1308/2013 and the implementation of the CAP Strategic Plans rural development**

#### **SECTION 1**

#### **RURAL DEVELOPMENT**

#### *Article 6*

**Eligibility of expenditure incurred under Regulation (EU) No 1305/2013, and certain types of expenditure incurred under Regulation (EC) No 1698/2005 and Regulation (EC) No 1257/1999**

**Expenditure relating to legal commitments to beneficiaries incurred under Regulation (EU) No 1305/2013, and of certain types of expenditure incurred under Regulation (EC) No 1698/2005 and Regulation (EC) No 1257/1999 may be eligible for a contribution from the EAFRD in the period 20223-2027 from 1 January 20223, subject to the conditions to be determined in accordance with the CAP legal framework applicable in the period 20223-2027.**

*Eligibility of certain types of expenditure in the CAP Strategic Plan period*

1. ~~Expenditure relating to legal commitments to beneficiaries incurred under the measures referred to in Articles 23, 39 and 43 of Council Regulation (EC) No 1698/2005<sup>22</sup> which are receiving support under Regulation (EU) No 1305/2013 shall continue to be eligible for an EAFRD contribution in the period 2022-2027 covered by the CAP Strategic Plan, subject to the following conditions:~~
- ~~(a) such expenditure is provided for in the respective CAP Strategic Plan for 2022-2027 in accordance with Regulation (EU) [CAP Plan Regulation] and complies with Regulation (EU) [HzR];~~
  - ~~(b) the EAFRD contribution rate of the corresponding intervention set in the CAP Strategic Plan in accordance with Regulation (EU) [CAP Strategic Plan Regulation], applies; If there is no corresponding intervention, the EAFRD contribution rate established in the CAP Strategic Plan pursuant to Article 85(2)(d) of Regulation (EU) No [CAP Strategic Plan Regulation] shall apply;~~
  - ~~(c) the integrated system referred to in Article 63 (2) of Regulation (EU) [HzR] applies to the legal commitments undertaken under measures that correspond to the area and animal-based types of interventions listed in Chapters II and IV of Title III of Regulation (EU) [CAP Strategic Plan Regulation] and the relevant operations are clearly identified; and~~
  - ~~(d) the payments for the legal commitments referred to in point (c) are made within the period laid down in Article 42 of Regulation (EU) [HzR].~~

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<sup>22</sup> Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (OJ L 277, 21.10.2005, p. 1).

~~2. Expenditure relating to legal commitments to beneficiaries incurred under the multiannual measures referred to in Articles 28, 29, 33 and 34 of Regulation (EU) No 1305/2013 and expenditure relating to legal commitments for a time period going beyond 1 January 2024, or beyond 1 January 2025 in Member States that have decided to extend the 2014-2020 period in accordance with Article 1(1) of this Regulation, under Articles 14 to 18, points (a) and (b) of Article 19(1), Article 20, Articles 22 to 27, 35, 38, 39 and 39a of Regulation (EU) No 1305/2013 and under Article 35 of Regulation (EU) No 1303/2013 shall be eligible for an EAFRD contribution in the period 2022-2027 covered by the CAP Strategic Plan, subject to the following conditions:~~

- ~~(a) such expenditure is provided for in the respective CAP Strategic Plan for 2022-2027 in accordance with Regulation (EU) [CAP Strategic Plan Regulation] and complies with Regulation (EU) [HzR];~~
- ~~(b) the EAFRD contribution rate of the corresponding intervention set in the CAP Strategic Plan in accordance with Regulation (EU) [CAP Strategic Plan Regulation], applies;~~
- ~~(c) the integrated system referred to in Article 63(2) of Regulation (EU) [HzR] applies to the legal commitments undertaken under measures that correspond to the area- and animal-based types of interventions listed in Chapters II and IV of Title III of Regulation (EU) [CAP Strategic Plan Regulation] and the relevant operations are clearly identified; and~~
- ~~(d) the payments for the legal commitments referred to in point (c) are made within the period laid down in Article 42 of Regulation (EU) [HzR].~~

## SECTION 2

### AID SCHEMES REFERRED TO IN ARTICLES 29 TO 60 OF REGULATION (EU) No 1308/2013

#### *Article 7*

#### *Extended application of the aid schemes referred to in Articles 29 to 60 of Regulation (EU) No 1308/2013 and of Regulation (EU) No 1306/2013*

1. ~~The work programmes to support the olive oil and table olives sector referred to in Article 29 of Regulation (EU) No 1308/2013, drawn up for the period running from 1 April 2018 until 31 March 2021, shall be extended and shall end on 31 December 2021. The relevant producer organisations recognised under Article 152 of Regulation (EU) No 1308/2013, the relevant associations of producer organisations recognised under Article 156 of that Regulation and the relevant interbranch organisations recognised under Article 157 of that Regulation shall modify their work programmes to take account of this extension. The modified work programmes shall be notified to the Commission by 31 December 2020.~~
2. ~~Recognised producer organisation in the fruit and vegetables sector having an operational programme as referred to in Article 33 of Regulation (EU) No 1308/2013 that has been approved by a Member State for a duration beyond 31 December 2021 shall, by 15 September 2021, submit a request to that Member State to the effect that its operational programme:~~
  - (a) ~~be modified to meet the requirements of Regulation (EU) [CAP Strategic Plan Regulation]; or~~
  - (b) ~~be replaced by a new operational programme approved under Regulation (EU) [CAP Strategic Plan Regulation].~~

~~Where a recognised producer organisation does not submit such request by 15 September 2021, its operational programme approved under Regulation (EU) No 1308/2013 shall end on 31 December 2021.~~

3. ~~The support programmes in the wine sector referred to in Article 40 of Regulation (EU) No 1308/2013 shall end on 15 October 2023. Articles 39 to 54 of Regulation (EU) No 1308/2013 shall continue to apply after 31 December 2021 as regards expenditure incurred and payments made for operations implemented pursuant to that Regulation before 16 October 2023 within the aid scheme referred to in Articles 39 to 52 of that Regulation.~~
4. ~~The national programmes in the apiculture sector referred to in Article 55 of Regulation (EU) No 1308/2013 shall end on 31 July 2022. Articles 55, 56 and 57 of Regulation (EU) No 1308/2013 shall continue to apply after 31 December 2021 as regards expenditure incurred and payments made for operations implemented pursuant to that Regulation before 1 August 2022 within the aid scheme referred to in Article 55 of that Regulation.~~
5. ~~As from the date from which a CAP Strategic Plan has legal effects in accordance with Article 106(7) of Regulation (EU) ...../..... [CAP Strategic Plan Regulation], the sum of the payments made in a financial year within each of the aid schemes referred to in Articles 29 to 31 and Articles 39 to 60 of Regulation (EU) No 1308/2013; and within each of the sectoral types of interventions referred to in points (b) to (e) of Article 39 of Regulation (EU) ..../.... [CAP Strategic Plan Regulation] shall not exceed the financial allocations laid down for each financial year for each of the sectoral types of interventions referred to in points (b) to (e) of Article 39 Regulation (EU) ...../..... [CAP Strategic Plan Regulation].~~
6. ~~With regard to the aid schemes referred to in paragraphs 3 and 4 of this Article, Articles 7(3), 9, 21, 43, 51, 52, 54, 59, 67, 68, 70 to 75, 77, 91 to 97, 99, 100, 102(2), 110 and 111 of Regulation (EU) No 1306/2013 and the relevant provisions of delegated and implementing acts related to those Articles shall continue to apply after 31 December 2021 in relation to expenditure incurred and payments made for operations implemented pursuant to Regulation (EU) No 1308/2013 after that date and until the end of the aid schemes referred to in paragraphs 3 and 4 of this Article.~~

## Title II Amendments

### Article 8

#### *Amendments to Regulation (EU) No 1305/2013*

Regulation (EU) No 1305/2013 is amended as follows:

- (1) in Article 28(5), the following ~~second~~ subparagraphs is **are** added:

‘For new commitments to be undertaken from 2021 Member States shall determine a shorter period of one to three in their rural development programmes. If Member States provide for an annual extension of commitments after the termination of the initial period in accordance with the first subparagraph, from 2021 the extension shall not go beyond one year. ~~As from 2021, for new commitments directly following a commitment performed in the initial period, Member States shall determine a period of one year in their rural development programmes.’;~~

**By way of derogation from the first sentence of the second subparagraph of paragraph 5, for new commitments to be undertaken in 2021, Member States may determine a longer period than three years in their rural developments programmes based on the nature of the commitments and the environmental-climate objectives sought.’;**

(2) in Article 29(3), the following ~~second~~ subparagraphs is **are** added:

‘For new commitments to be undertaken from 2021, Member States shall determine a shorter period of one to three years in their rural development programmes. If Member States provide for an annual extension for the maintenance of organic farming after the termination of the initial period in accordance with the first subparagraph, from 2021 the extension shall not go beyond one year. ~~As from 2021, for new commitments concerning maintenance that directly follow the commitment performed in the initial period, Member States shall determine a period of one year in their rural development programmes.’;~~

**By way of derogation from the first sentence of the second subparagraph of paragraph 3, for new commitments to be undertaken in 2021, where support is granted for conversion to organic farming Member States may determine a longer period than three years in their rural developments programmes.’;**

**(2a) in Article 31(5), the second subparagraph is replaced by the following:**

**‘In year 2021 and 2022, for programmes extended in accordance with Article 1 of [Transitional Regulation] and where degressive payments were not granted by the Member State for the maximum duration of 4 years up to year 2020, Member State may decide to continue those payments until the end of 2022 but for no longer than four years in total. In that case the payments in year 2021 and 2022 shall not exceed EUR 25 per ha.’;**

(3) in Article 33(2), the following ~~third~~ subparagraphs ~~is~~ **are** added:

‘For new commitments to be undertaken as from 2021 Member States shall determine a shorter period of one to three years in their rural development programmes. If Member States provide for an annual renewal of commitments after the termination of the initial period in accordance with the ~~first~~ **second** subparagraph, as from 2021 the renewal shall not go beyond one year.

**By way of derogation from the first sentence of the third subparagraph of paragraph 2, for new commitments to be undertaken in 2021, Member States may determine a longer period than three years in their rural development programmes based on the nature of the commitments and the animal welfare benefits sought.’;**

**(3a) in Article 38(3), the second subparagraph is replaced by the following:**

**‘Support under point (b) of Article 36(1) shall only be granted to cover for loss caused by the outbreak of adverse climatic events, an animal or plant disease, a pest infestation, or a measure adopted in accordance with Directive 2000/29/EC to eradicate or contain a plant disease or pest or an environmental incident, which destroy more than 30 % of the average annual production of the farmer in the preceding three-year period or a three-year average based on the preceding five-year period, excluding the highest and lowest entry. Indexes may be used in order to calculate the annual production of the farmer. The calculation method used shall permit the determination of the actual loss of an individual farmer in a given year. Member States may decide to reduce the percentage of 30%, provided that it is not lower than 20%.’;**



**(3b) in Article 39, paragraph 1 is replaced by the following:**

**‘1. Support under point (c) of Article 36(1) shall only be granted where the drop in income exceeds 30 % of the average annual income of the individual farmer in the preceding three-year period or a three-year average based on the preceding five-year period excluding the highest and lowest entry. Income for the purposes of point (c) of Article 36(1) shall refer to the sum of revenues the farmer receives from the market, including any form of public support, deducting input costs. Payments by the mutual fund to farmers shall compensate for less than 70 % of the income lost in the year the producer becomes eligible to receive this assistance. Indexes may be used to calculate the annual loss of income of the farmer. Member States may decide to reduce the percentage of 30%, provided that it is not lower than 20%.’;**

(4) in Article 42, paragraph 1 is replaced by the following:

‘1. In addition to the tasks referred to in Article 34 of Regulation (EU) No 1303/2013 and, where applicable referred to in Article 27 of Regulation (EU) [NEW CPR<sup>23</sup>] of the European Parliament and of the Council\* local action groups may also perform additional tasks delegated to them by the Managing Authority and/or paying agency.

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\* Regulation (EU) [NEW CPR] of the European Parliament and of the Council of [...] [...] (OJ .....).’;

(5) in Article 44, the introductory sentence is replaced by the following:

‘The support referred to in point (c) of Article 35 (1) of Regulation (EU) No 1303/2013 and, where applicable referred to in Article 28 of Regulation (EU) [NEW CPR<sup>24</sup>], shall be granted to:’;

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<sup>23</sup> **This point might need to be reworded or deleted if the new CPR Regulation will not be adopted before this Regulation.**

<sup>24</sup> **This point might need to be reworded or deleted if the new CPR Regulation will not be adopted before this Regulation.**

**(5a) in Article 51 (2), the following subparagraph is added:**

**'By way of derogation to the first subparagraph Member States for which the total amount of Union support for rural development for the years 2014-2020 as laid down in Annex I is less than EUR 1.8 billion and which decide to extend their programmes in accordance with Article 1 of Regulation XX/XXXX (Transitional Regulation) may decide to devote 5% of the total amount of each rural development programme to tasks referred to in Article 59 of Regulation (EC) No 1303/2013.'**

(6) Article 58 is amended as follows:

(a) in paragraph 1, the following second subparagraph is added:

‘Without prejudice to paragraphs 5, 6 and 7, the total amount of Union support for rural development under this Regulation for the period from 1 January 2021 to 31 December 2021 shall be maximum EUR [11 258 707 816], in current prices, in accordance with the multiannual financial framework for the years 2021 to 2027.’;

(b) paragraph 7 is replaced by the following:

‘7. In order to take account of the developments relating to the annual breakdown referred to in paragraph 4, including the transfers referred to in paragraphs 5 and 6 and the transfers resulting from the application of Article 1 of Regulation (EU) XXXX/XXXX of the European Parliament and of the Council\* [This Regulation], to make technical adjustments without changing the overall allocations, or to take account of any other change provided for by a legislative act after the adoption of this Regulation, the Commission shall be empowered to adopt delegated acts, in accordance with Article 83 of this Regulation, to review the ceilings set out in Annex I to this Regulation.

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\* Regulation (EU) [...] of the European Parliament and of the Council of [...] [...] (OJ .....).’;

(7) ~~in Article 59(5) is replaced by the following:~~

**‘At least 5% and in the case of Croatia 2,5% of the total EAFRD contribution to the rural development programme shall be reserved for LEADER and Community-led local development referred to in Article 4 of Regulation (EU) XXXX/XXXX of the European Parliament and of the Council\* [This Regulation].<sup>25</sup>**

‘When Member States make use of the possibility provided for in the sixth subparagraph of Article 14(1) of Regulation (EU) No 1307/2013, the percentages laid down in the first subparagraph of this paragraph shall apply to the total EAFRD contribution to the rural development programme without the additional support made available in accordance with the sixth subparagraph of Article 14(1) of Regulation (EU) No 1307/2013’;

(8) in Article 75 (1), the following second subparagraph is added:

‘For programmes for which a Member State decides to extend the 2014–2020 period in accordance with Article 1(1) of Regulation (EU) [XXXX/XXXX] [This Regulation], that Member State shall submit to the Commission the annual implementation report pursuant to the first subparagraph of this paragraph until ~~31 December~~ **30 June** 2025.’;

(9) in Article 78, the following ~~second~~ subparagraph is added:

‘For programmes ~~for which a Member State decides to extend the 2014–2020 period~~ **extended** in accordance with Article 1(~~1~~) of Regulation (EU) [XXXX/XXXX] [This Regulation], ~~that Member States~~ shall submit to the Commission the ex post evaluation report pursuant to the first subparagraph of this paragraph until 31 December ~~2025~~ **2026**.’;

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<sup>25</sup> **To be deleted if the new CPR Regulation will not be adopted before this Regulation as Article 4 of this regulation shall also be deleted.**

(10) Annex I is amended in accordance with Annex I to this Regulation.

*Article 9*

*Amendments to Regulation (EU) No 1306/2013*

Regulation (EU) No 1306/2013 is amended as follows:

(1) in Article 25, the following ~~third~~ subparagraph is added:

‘For 2021, the amount of the reserve shall be EUR [400] million (at 2011 prices) and shall be included under Heading 3 of the Multiannual Financial Framework as set out in the Annex to Council Regulation (EU) [xxxx/xxxx]\*[MFF].

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\* Council Regulation (EU) [...] of [...] [laying down the multiannual financial framework for the years 2021 to 2027 (OJ .....)];

(2) Article 33 is replaced by the following:

‘Article 33

Budget commitments

As regards the Union’s budget commitments for rural development programmes, Article 76 of Regulation (EU) No 1303/2013, where applicable in conjunction with Article 2(2) of Regulation (EU) [XXXX/XXXX] of the European Parliament and of the Council\* [This Regulation] shall apply.

\* Regulation (EU) [...] of the European Parliament and of the Council of [...] [...] (OJ .....).’;

(3) in Article 35, the following paragraph 5 is added:

‘5. For programmes ~~for which Member States decide to extend the 2014–2020 period~~ **extended** in accordance with Article 1(4) of Regulation (EU) [XXXX/XXXX] [This Regulation], no pre-financing shall be granted for the 2021 **and 2022** allocation.’;

(4) in Article 37, paragraph 1 is replaced by the following:

‘1. After receiving the last annual progress report on the implementation of a rural development programme, the Commission shall pay the balance, subject to the availability of resources, on the basis of the financial plan in force, the annual accounts for the last execution year for the relevant rural development programme and of the corresponding clearance decision. Those accounts shall be presented to the Commission no later than six months after the final eligibility date of expenditure as referred to in Article 65(2) of Regulation (EU) No 1303/2013, where applicable in conjunction with Article 2(2) of Regulation (EU) [XXXX/XXXX] [This Regulation]. They shall cover the expenditure effected by the paying agency up to the last eligibility date of expenditure.’;

(5) in Article 38, paragraph 2 is replaced by the following:

‘2. The part of budget commitments that is still open on the last eligibility date for expenditure as referred to in Article 65(2) of Regulation (EU) No 1303/2013, and where applicable in conjunction with Article 2(2) of Regulation (EU) [XXXX/XXXX] [This Regulation], for which no declaration of expenditure has been made within six months of that date shall be automatically decommitted.’.

*Article 10*  
*Amendments to Regulation (EU) No 1307/2013*

Regulation (EU) No 1307/2013 is amended as follows:

- (1) in Article 11(6), the following fourth subparagraph is added:

‘~~For the year 2021,~~ Member States shall notify the Commission of the decisions taken in accordance with this Article and of any estimated product of reductions by ~~1 August~~ **[dd/mm] 2020 for the year 2021 and by 1 August 2021 for the year 2022.**’;

- (2) Article 14 is amended as follows:

- (a) in paragraph 1, the following seventh subparagraph is added:

‘~~By 1 August 2020,~~ Member States may decide to make available, as additional support financed under the EAFRD in financial year 2022 **and 2023**, up to 15 % of their annual national ceilings for the calendar year 2021 **and 2022** set out in Annex II to this Regulation. As a result, the corresponding amount shall no longer be available for granting direct payments. That decision shall be notified to the Commission by ~~1 August~~ **[dd/mm] 2020 for the year 2021 and by 1 August 2021 for the year 2022** and shall set out the percentage chosen.’;

(b) in paragraph 2, the following seventh subparagraph is added:

‘~~By 1 August 2020~~, Member States which do not take the decision referred to in paragraph 1 for financial year 2022 **and 2023**, may decide to make available as direct payments up to 15 %, or in the case of Bulgaria, Estonia, Spain, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia, Finland and Sweden up to 25 %, of the amount allocated to support financed under the EAFRD in financial year 2022 **and 2023** by Union legislation adopted after the adoption of Council Regulation (EU) [xxxx/xxxx]\*[MFF]. As a result, the corresponding amount shall no longer be available for support financed under the EAFRD. That decision shall be notified to the Commission by ~~1 August~~ **[dd/mm] 2020 for the year 2021 and by 1 August 2021 for the year 2022** and shall set out the percentage chosen’.

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\* Council Regulation (EU) [...] of [...] [laying down the multiannual financial framework for the years 2021 to 2027 (OJ .....).’;

(3) the following Article 15a is added at the end of Chapter 1:

‘Article 15a<sup>26</sup>

Notifications for calendar year 2021 **and 2022**

For calendar year 2021 **and 2022** Member States shall notify the percentages of the annual national ceiling referred to in Articles 22(2), **36(4)** 42(1), 49(1), 51(1) and 53(6) by ~~1 August~~ **[dd/mm] 2020 for the calendar year 2021 and by 1 August 2021 for the calendar year 2022**.’;

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<sup>26</sup> Pending the date of the adoption of this Regulation revision should be provided. It is suggested to delete Article 15a introduced by the draft Transitional Regulation and replace it by amendments into the individual articles : Articles 22(2), 22(5) (overbooking of basic payment scheme), 36(4) (overbooking of single area payment scheme), 41(1), 42(1) (redistributive payment), 49(1) (payment for areas facing natural constraints), 51(1) (payment for young farmers), 53(1), 53(6) and 54 (voluntary coupled support).

(4) in Article 22(5), the following ~~second~~ subparagraph is added:

‘For calendar year 2021 **and 2022**, if the ceiling for a Member State set by the Commission pursuant to paragraph 1 is different from that of the previous year as a result of a change in the amount set out in Annex II or as a result of any decision taken by that Member State in accordance with paragraph 3 of this Article, Article 14(1) or (2), Article 42(1), Article 49(1), Article 51(1), or Article 53, that Member State shall linearly reduce or increase the value of all payment entitlements and/or reduce or increase the national reserve or regional reserves in order to ensure compliance with paragraph 4 of this Article.’;

(5) in Article 23(6), the following ~~fourth~~ subparagraph is added:

‘~~For calendar year 2021~~, Member States applying the first subparagraph of paragraph 1 shall notify the Commission by ~~1 August~~ **[dd/mm] 2020** **for calendar year 2021 and by 1 August 2021 for calendar year 2022** of the decisions referred to in paragraph 2 and 3.’;

(6) in Article 25, the following paragraph 11 is added:

‘11. After having applied the adjustment referred to in Article 22(5), Member States that have made use of the derogation provided for in paragraph 4 of this Article may decide that payment entitlements held by farmers on 31 December 2019 having a value lower than the national or regional unit value for the year 2020 as calculated in accordance with the second subparagraph of this paragraph have their unit value increased towards the national or regional unit value in the year 2020. The increase shall be calculated under the following conditions:

(a) the calculation method for the increase decided by the Member State is based on objective and non-discriminatory criteria;



(b) to finance the increase, all or part of the owned or leased-in payment entitlements held by farmers on 31 December 2019 having a value higher than the national or regional unit value in the year 2020 as calculated in accordance with the second subparagraph shall be reduced. That reduction shall apply to the difference between the value of those entitlements and the national or regional unit value in the year 2020. The application of that reduction shall be based on objective and non-discriminatory criteria, which may include the fixing of a maximum decrease.

The national or regional unit value for the year 2020 referred to in the first subparagraph shall be calculated by dividing the national or regional ceiling for the basic payment scheme set in accordance with Article 22(1) or 23(2) for the year 2020, excluding the amount of the national or regional reserve(s), by the number of the owned or leased-in payment entitlements held by farmers on 31 December 2019.

By way of derogation from the first subparagraph, Member States that have made use of the derogation provided for in paragraph 4 may decide to keep the value of payment entitlements calculated in accordance with that paragraph subject to the adjustment referred to in Article 22(5).

Member States shall inform farmers in due time of the value of their payment entitlements as calculated in accordance with this paragraph.’;

(7) in Article 25, the following paragraph 12 is added:

‘12. For calendar year 2021, Member States may decide to apply further internal convergence by applying paragraph 11 to the respective year.’;

- (8) Article 29 is replaced by the following:

‘Article 29

Notifications concerning the value of payment entitlements and convergence

For calendar year 2020, Member States shall notify their decisions referred to in Article 25(11) by [OPOCE within one month after entry into force of this Transitional Regulation].

~~For calendar year 2021~~, Member States shall notify their decisions referred to in Article 25(12) by ~~1 August~~ [dd/mm] 2020 **for calendar year 2021 and by 1 August 2021 for calendar year 2022.**’;

- (9) in Article 30(8), the following ~~fourth~~ subparagraph is added:

‘For allocations from the reserve in 2021 **and 2022**, the amount of the reserve to be excluded in accordance with the second subparagraph shall be adjusted in accordance with the second subparagraph of Article 22(5). For allocations from the reserve in 2021 **and 2022**, the third subparagraph of this paragraph shall not apply.’;

- (10) in Article 36(1), the following ~~second~~ subparagraph is inserted:

‘Member States applying in 2020 the single area payment scheme shall continue to do so after 31 December 2020.’;

**(a) in Article 41(1), the following third subparagraph is added:**

**‘ Member States granting transitional national aid in the period 2015-2020 may decide to grant transitional national aid in 2021 and 2022.’**

**(b) in Article 37(4), the last indent is replaced by the following:**

**‘- 50% in 2020, 2021 and 2022.’**

(11) in Article 41(1), the following ~~third~~ subparagraph is added:

‘Member States may review their decision referred to in the first subparagraph by 1 August of the year preceding the year of application. They shall notify the Commission of any such decision by that date.’;

(12) in Article 42(1), the following ~~second~~ subparagraph is added:

‘‘Member States may review their decision referred to in the first subparagraph by 1 August of the year preceding the year of application. They shall notify the Commission of any such decision by that date.’;

**(12a) in Article 52, the paragraph 10 is replaced by the following:**

**‘The Commission is empowered to adopt delegated acts in accordance with Article 70 supplementing this Regulation as regards measures in order to avoid beneficiaries of voluntary coupled support suffering from structural market imbalances in a sector. Those delegated acts may allow Member States to decide that such support may continue to be paid until 2022 on the basis of the production units for which voluntary coupled support was granted in a past reference period.’;**

(13) in Article 58, paragraph 3 is replaced by the following:

‘3. The amount of the crop-specific payment **for cotton** per hectare of eligible area shall be calculated for 2020 by multiplying the yields established in paragraph 2 with the following reference amounts:

- Bulgaria: EUR 649,45,
- Greece: EUR 234,18,
- Spain: EUR 362,15,
- Portugal: EUR 228,00.

The amount of the crop-specific payment **for cotton** per hectare of eligible area shall be calculated for 2021 **and 2022** by multiplying the yields established in paragraph 2 with the following reference amounts:

- Bulgaria: EUR [624,11],
- Greece: EUR [219,09],
- Spain: EUR [348,03],
- Portugal: EUR [219,09].’;

(14) Annexes II and III are amended in accordance with Annex II to this Regulation.

#### *Article 11*

#### *Amendments to Regulation (EU) No 1308/2013*

Regulation (EU) No 1308/2013 is amended as follows:

(0) **in Article 29 (1), the following second subparagraph is added:**

**‘Work programmes drawn up for the period running from 1 April 2021 shall end on 31 December 2022.’;**

(1) in Article 29, paragraph 2 is replaced by the following:

‘2. The Union financing of the work programmes referred to in paragraph 1 shall be for 2020:

(a) EUR 11 098 000 for Greece;

(b) EUR 576 000 for France;

(c) EUR 35 991 000 for Italy.

The Union financing for the work programmes referred to in paragraph 1 shall be for 2021:

(a) EUR [10 666 000] for Greece;

(b) EUR [554 000] for France;

(c) EUR [34 590 000] for Italy.’;

**(1a) in Article 33(1), the following subparagraphs are added:**

**‘Operational programmes for which an extension in line with the maximum duration of five years referred to in the first subparagraph is to be approved after the entry into force of Regulation EU [XXXX/XXXX] [Transitional regulation] may only be extended until 31 December 2022.**

**By way of derogation from the first subparagraph, new operational programmes that are approved after the entry into force of Regulation EU [XXXX/XXXX] [Transitional regulation] shall have a maximum duration of three years.’;**

**(1b) in Article 55 (1), the following subparagraph is added:**

**‘By way of derogation to subparagraph 1, national programmes drawn up for the period running from 1 August 2019 until 31 July 2022 shall be extended and shall end on 31 December 2022. Member States shall modify their national programmes to take account of this extension and shall notify the modified programmes to the Commission for approval.’**

(2) in Article 58, paragraph 2 is replaced by the following:

‘2. The Union financing for the aid to producer organisations provided for in paragraph 1 shall be for 2020 EUR 2 277 000 for Germany.

The Union financing for the aid to producer organisations provided for in paragraph 1 shall be for 2021 EUR [2 188 000] for Germany.’;

**(2a) in Article 62(3) the following subparagraph is added:**

**'By way of derogation from the first subparagraph:**

**(a) authorisations granted in accordance with Articles 64 and 66(1), which expire in the year 2020, shall only expire by 31 December 2021; and**

**(b) producers who hold planting authorisations in accordance with Articles 64 and 66(1), which expire in the year 2020 shall not be subject to the administrative penalty referred to in Article 89(4) of Regulation (EU) No 1306/2013 provided that they inform the competent authorities by 31 December 2020 that they do not intend to make use of their authorisation and do not wish to benefit from the extension of their validity referred to in letter (a).';**

**(2b) in Article 68(1), the second sentence of the second subparagraph is replaced by the following:**

**'Member States may decide to allow producers to submit such a request to convert rights into authorisations until 31 December 2022.';**

**(2c) in Article 68, paragraph 2 is replaced by the following:**

**'2. Authorisations granted pursuant to paragraph 1 shall have the same period of validity as the planting rights referred to in paragraph 1. If these authorisations are not used, they shall expire at the latest by 31 December 2018, or, where a Member State has taken the decision referred to in the second subparagraph of paragraph 1, at the latest by 31 December 2025.'**

**(2d) in Article 214a, the following subparagraph is added:**

**'In 2021 and 2022 Finland may continue to grant the national aids referred to in paragraph 1 subject to the same conditions and amounts as authorised by the Commission for year 2020.';**

**(2e) In Title II, Chapter III, Section 4, the following Article is added:**

**'Article 167a**

**Marketing rules to improve and stabilise the operation of the common market in olive oils**

**1. In order to improve and stabilise the operation of the common market in olive oils, including the olives from which they derive, producer Member States may lay down marketing rules to regulate supply.**

**Such rules shall be proportionate to the objective pursued and shall not:**

**(a) relate to any transaction after the first marketing of the produce concerned;**

**(b) allow for price fixing, including where prices are set for guidance or recommendation;**

**(c) render unavailable an excessive proportion of the production of the marketing year that would otherwise be available.'**

**(2f) In Article 211, the following paragraph is added:**

**'By way of derogation from paragraph 1, Articles 107, 108 and 109 TFEU shall not apply to national fiscal measures whereby Member States decide to deviate from general tax rules by allowing for the income tax base applied to farmers to be calculated on the basis of a multiannual period with a view to evening out the tax base over a certain number of years.';**

(3) Annex VI is replaced by the text in Annex III to this Regulation.

*Article 12*  
*Amendments to Regulation (EU) No 228/2013*

In Article 30 of Regulation (EU) No 228/2013, paragraphs 1, 2 and 3 are replaced by the following:

'1. The measures provided for in this Regulation shall constitute intervention intended to stabilise the agricultural markets within the meaning of Article 4(1)(a) of Regulation (EU) No 1306/2013 of the European Parliament and of the Council\*, with the exception of the measures provided for in Articles 22 and 24 of this Regulation.

2. In respect of each financial year, the Union shall finance the measures provided for in Chapters III and IV, up to an annual sum of:

-in the French overseas departments: EUR [267 580 000],

-Azores and Madeira: EUR [102 080 000],

-Canary Islands: EUR [257 970 000].

3. The sums allocated for each financial year to finance the measures provided for in Chapter III may not exceed the following amounts:

-in the French overseas departments: EUR [25 900 000],

-Azores and Madeira: EUR [20 400 000],

-Canary Islands: EUR [69 900 000].



The Commission shall adopt implementing acts establishing the requirements in accordance with which Member States may amend the allocation of resources allocated every year to the various products benefiting from the supply arrangements. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 34(2).

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\* Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 (OJ L 347, 20.12.2013, p. 549).'

### *Article 13*

#### *Amendments to Regulation (EU) No 229/2013*

In Article 18 of Regulation (EU) No 229/2013, paragraphs 2 and 3 are replaced by the following:

'2. The Union shall finance the measures provided for in Chapters III and IV up to an amount of EUR [23 000 000].

3. The amount allocated to finance the specific supply arrangements referred to in Chapter III shall not exceed EUR [6 830 000].'

**Title III**  
**Final provisions**

*Article 14*

*Entry into force and application*

This Regulation shall enter into force on the seventh day following that of its publication in the *Official Journal of the European Union*.

However,

- point (6) of Article 10 **and point (2a) of Article 11** shall apply from 1 January 2020;
- Articles 12 and 13 shall apply from 1 January 2021.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

## ANNEX I

Annex I to Regulation (EU) No 1305/2013 is amended as follows:

(1) the title is replaced by:

‘PART ONE: BREAKDOWN OF UNION SUPPORT FOR RURAL DEVELOPMENT (2014 TO 2020)’;

(2) below the table the following title and column are added:

‘PART TWO: BREAKDOWN OF UNION SUPPORT FOR RURAL DEVELOPMENT (2021)’<sup>28</sup>

*(current prices in EUR)*

	<b>2021</b>
<b>Belgium</b>	[67 178 046]
<b>Bulgaria</b>	[281 711 396]
<b>Czechia</b>	[258 773 203]
<b>Denmark</b>	[75 812 623]
<b>Germany</b>	[989 924 996]
<b>Estonia</b>	[87 875 887]
<b>Ireland</b>	[264 670 951]
<b>Greece</b>	[509 591 606]
<b>Spain</b>	[1 001 202 880]
<b>France</b>	[1 209 259 199]
<b>Croatia</b>	[281 341 503]
<b>Italy</b>	[1 270 310 371]
<b>Cyprus</b>	[15 987 284]
<b>Latvia</b>	[117 307 269]
<b>Lithuania</b>	[195 182 517]
<b>Luxembourg</b>	[12 290 956]
<b>Hungary</b>	[416 202 472]
<b>Malta</b>	[12 207 322]
<b>Netherlands</b>	[73 151 195]
<b>Austria</b>	[480 467 031]

<sup>28</sup> Breakdown to be provided for 2022 after adoption of MFF

	<b>2021</b>
<b>Poland</b>	[1 317 890 530]
<b>Portugal</b>	[493 214 858]
<b>Romania</b>	[965 503 339]
<b>Slovenia</b>	[102 248 788]
<b>Slovakia</b>	[227 682 721]
<b>Finland</b>	[292 021 227]
<b>Sweden</b>	[211 550 876]
<b>Total EU</b>	[11 230 561 046]
<b>Technical Assistance</b>	[28 146 770]
<b>Total</b>	[11 258 707 816]

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## ANNEX II<sup>29</sup>

Annexes II and III to Regulation (EU) No 1307/2013 are amended as follows:

(1) in Annex II, the following column is added:

<i>2021</i>
[485 604]
[773 772]
[838 844]
[846 125]
[4 823 108]
[167 722]
[1 163 938]
[1 856 029]
[4 710 172]
[7 147 787]
[344 340]
[3 560 186]
[46 750]
[299 634]
[510 820]
[ 32 131]
[1 219 770]
[4 507]
[703 870]
[664 820]
[2 972 978]

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<sup>29</sup> Breakdown to be provided for 2022 after adoption of MFF

[584 650]
[1 856 173]
[129 053]
[383 806]
[506 000]
[672 761]

’;

(2) in Annex III, the following column is added: <sup>30</sup>

‘

<b>2021</b>
[485,6]
[776,3]
[838,8]
[846,1]
[4 823,1]
[167,7]
[1 163,9]
[2 036,6]
[4 768,7]
[7 147,8]
[344,3]
[3 560,2]
[46,8]
[299,6]
[510,8]

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<sup>30</sup> Breakdown to be provided for 2022 after adoption of MFF

[32,1]
[1 219,8]
[4,5]
[703,9]
[664,8]
[2 973]
[584,8]
[1 856,2]
[129,1]
[383,8]
[506]
[672,8]

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**ANNEX III****‘ANNEX VI****BUDGETARY LIMITS FOR SUPPORT PROGRAMMES REFERRED TO IN ARTICLE  
44(1)**

	in 1000 EUR per budget year				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017-2020</b>	<b>2021 onwards</b>
<b>Bulgaria</b>	26 762	26 762	26 762	26 762	[25 721]
<b>Czechia</b>	5 155	5 155	5 155	5 155	[4 954]
<b>Germany</b>	38 895	38 895	38 895	38 895	[37 381]
<b>Greece</b>	23 963	23 963	23 963	23 963	[23 030]
<b>Spain</b>	353 081	210 332	210 332	210 332	[202 147]
<b>France</b>	280 545	280 545	280 545	280 545	[269 628]
<b>Croatia</b>	11 885	11 885	11 885	10 832	[10 410]
<b>Italy</b>	336 997	336 997	336 997	336 997	[323 883]
<b>Cyprus</b>	4 646	4 646	4 646	4 646	[4 465]
<b>Lithuania</b>	45	45	45	45	[43]
<b>Luxembourg</b>	588	—	—	—	—
<b>Hungary</b>	29 103	29 103	29 103	29 103	[27 970]
<b>Malta</b>	402	—	—	—	—
<b>Austria</b>	13 688	13 688	13 688	13 688	[13 155]
<b>Portugal</b>	65 208	65 208	65 208	65 208	[62 670]
<b>Romania</b>	47 700	47 700	47 700	47 700	[45 844]
<b>Slovenia</b>	5 045	5 045	5 045	5 045	[4 849]
<b>Slovakia</b>	5 085	5 085	5 085	5 085	[4 887]
<b>United Kingdom</b>	120	—	—	—	—

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**Joint statement by the European Parliament and the Council on the outermost regions and smaller Aegean islands**

The European Parliament and the Council recall:

- the importance of specific measures for the outermost regions, in accordance with Article 349 of the Treaty on the Functioning of the European Union and Regulation (EU) No 228/2013 of the European Parliament and of the Council, to take account of the special characteristics of those regions;
- the importance of specific measures for agriculture in favour of the smaller Aegean islands established under Regulation (EU) No 229/2013 of the European Parliament and of the Council;
- that the above issues justify special support for those regions and islands, in order to implement appropriate measures.