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THE EUROPEAN PARLIAMENT

THE COUNCIL

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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) No 1305/2013 as regards a specific measure to provide exceptional temporary support under the European Agricultural Fund for Rural Development (EAFRD) in response to the impact of Russia's invasion of Ukraine

REGULATION (EU) 2022/...
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of ...

**amending Regulation (EU) No 1305/2013 as regards a specific measure
to provide exceptional temporary support under
the European Agricultural Fund for Rural Development (EAFRD)
in response to the impact of Russia's invasion of Ukraine**

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 42 and Article 43(2) 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 Committee¹,

Acting in accordance with the ordinary legislative procedure²,

¹ Opinion of 16 June 2022 (not yet published in the Official Journal).

² Position of the European Parliament of 23 June 2022 (not yet published in the Official Journal) and decision of the Council of

Whereas:

- (1) Farmers and rural businesses in the Union have been affected by the consequences of Russia's invasion of Ukraine in an unprecedented manner. Increasing input prices, particularly for energy, fertiliser and animal feed, have created economic disruption to the Union's agricultural sector and rural communities and have led to liquidity problems for farmers and small rural businesses active in processing, marketing or development of agricultural products. That has created an exceptional situation which needs to be addressed by a new exceptional measure.
- (2) In order to respond to the impact of Russia's invasion of Ukraine on the Union's agricultural and food sectors, a new exceptional and temporary measure should be provided for in this Regulation addressing the liquidity problems that put at risk the continuity of farming activities and of small businesses active in processing, marketing or development of agricultural products.

- (3) The support under the measure provided for in this Regulation, which aims to secure competitiveness of agri-food businesses and farm viability in the Union, should concentrate the available resources on beneficiaries who are affected the most by the consequences of Russia's invasion of Ukraine and be granted on the basis of objective and non-discriminatory criteria. In the case of farmers, it should be possible for such criteria to include production sectors, types of farming or farm structures and, in the case of small and medium-sized enterprises (SMEs), sectors, types of activity, types of regions or other specific constraints.
- (4) The current serious crisis in the Union's agricultural sector confirms the need to accelerate the transition towards sustainability to better prepare for future crises. The support under the measure provided for in this Regulation should therefore not result in a reduction of the overall share of the European Agricultural Fund for Rural Development (EAFRD) contribution reserved for the measures referred to in Article 59(6) of Regulation (EU) No 1305/2013 of the European Parliament and of the Council¹.

¹ 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).

- (5) Because of the urgency and the temporary and exceptional character of the measure provided for in this Regulation, a one-off payment and an end date for application of the measure should be set. The principle that payments by the Commission are to be made in accordance with budget appropriations and subject to available funding should also be complied with.
- (6) In order to give higher support to farmers or SMEs that are the most severely affected, it is appropriate to allow Member States to adjust the level of the lump-sums for certain categories of eligible beneficiaries, for instance by fixing certain ranges or broad categories, based on objective and non-discriminatory criteria.
- (7) In order to ensure adequate funding of the measure provided for in this Regulation without jeopardising other objectives of the rural development programmes, a maximum share of the Union contribution to that measure should be fixed.
- (8) Regulation (EU) No 1305/2013 should therefore be amended accordingly.

- (9) In view of Russia's invasion of Ukraine and the urgency of addressing the impact of that invasion on the Union's agricultural and food sectors, it is considered to be appropriate to invoke the exception to the eight-week period provided for in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union, annexed to the Treaty on European Union (TEU), to the Treaty on the Functioning of the European Union and to the Treaty establishing the European Atomic Energy Community.
- (10) Since the objective of this Regulation, namely to address the exceptional situation created in the Union's agricultural and food sectors by the impact of the Russia's invasion of Ukraine, cannot be sufficiently achieved by the Member States but can rather, by reason of the scale and effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.

- (11) Given the urgency of the situation relating to the impact of Russia's invasion of Ukraine on the Union's agricultural and food sectors, this Regulation should enter into force on the day of its publication in the *Official Journal of the European Union*,

HAVE ADOPTED THIS REGULATION:

Article 1

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

- (1) the following Article is inserted:

‘Article 39c

Exceptional temporary support to farmers and SMEs particularly affected by the impact of Russia’s invasion of Ukraine

1. Support under this measure shall provide emergency assistance to farmers and SMEs particularly affected by the impact of Russia’s invasion of Ukraine, aiming at ensuring continuity of their business activity, subject to the conditions set out in this Article.
2. Support shall be granted to farmers or SMEs active in processing, marketing or development of agricultural products covered by Annex I to the TFEU or cotton, except fishery products. The output of the production process may be a product not covered by that Annex.

3. Member States shall target the support to beneficiaries who are most affected by the impact of Russia's invasion of Ukraine, by determining, on the basis of available evidence, eligibility conditions and, where considered appropriate by the Member State concerned, selection criteria, which shall be objective and non-discriminatory. The support provided by the Member States shall contribute to food security or address market imbalances and shall support farmers or SMEs engaging in one or more of the following activities pursuing those goals:
- (a) circular economy;
 - (b) nutrient management;
 - (c) efficient use of resources;
 - (d) environmental and climate friendly production methods.
4. The support shall take the form of a lump sum payment to be paid by 15 October 2023, based on applications for support approved by the competent authority by 31 March 2023. The subsequent reimbursement by the Commission shall be made in accordance with budget appropriations and subject to available funding. The level of payment may be differentiated by categories of beneficiaries, in accordance with objective and non-discriminatory criteria.

5. The maximum amount of support shall not exceed EUR 15 000 per farmer and EUR 100 000 per SME.
6. When granting support under this Article, Member States shall take into account the support granted under other national or Union support instruments or private schemes to respond to the impact of Russia's invasion of Ukraine.';

(2) in Article 49, paragraph 2 is replaced by the following:

- '2. The Member State authority responsible for the selection of operations shall ensure that operations, with the exception of operations under Article 18(1), point (b), Article 24(1), point (d), and Articles 28 to 31, 33, 34 and 36 to 39c, are selected in accordance with the selection criteria referred to in paragraph 1 of this Article and according to a transparent and well documented procedure.';

(3) in Article 59, the following paragraph is inserted:

- '6b. The EAFRD support provided under Article 39c shall not exceed 5 % of the total EAFRD contribution to the rural development programme for the years 2021-2022 as provided for in Part Two of Annex I.'

Article 2

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

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

Done at ...,

For the European Parliament
The President

For the Council
The President
