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Objet:	Règlement modificatif concernant une aide exceptionnelle au titre du Feader en réaction à l'invasion russe de l'Ukraine <i>-Réponses de la Commission</i>

Les délégations trouveront à l'annexe les réponses de la Commission aux commentaires reçus au sujet de la proposition de la Commission mentionnée ci-dessus.

Q&A for the Commission proposal for a specific measure to provide exceptional temporary support under the European Agricultural Fund-complement (COM(2022) 242 final) – for the Special Committee for Agriculture**European Commission, DG AGRI, 15 June 2022**

No	MS	Question/comment	Commission replies
1	LV	Clarification is needed on Article 39c. (3) of the proposal – should farmer carry out any compulsory action in the field of circular economy, nutrient management, efficient use of resources or environmental and climate friendly production methods? Given that the objective of the aid is to ensure the competitiveness of agricultural enterprises and the viability of agricultural holdings, setting such additional criteria in the current situation could have a negative impact on the range of potential beneficiaries and support would not reach those farmers for whom the aid would be most necessary.	(Reply to 1-2) Beneficiaries of the new measure may be already engaged in one or several of the fields mentioned in the proposed Article 39c(3). They are not necessarily required to take up new practices or additional activities in order to be eligible for the support. The Regulation leaves it to the Member States to determine what may be considered an engagement for either of the activities referred to Article 39c(3). Verification of the eligibility criteria should take place in accordance with the existing rules for non-IACS measures.
2	IT	Art. 39c, paragraph 3: without prejudice to the request for extension of the field of action, as already highlighted, the granting of support is subject to the commitment of the beneficiaries to carry out a series of activities that pursue certain purposes. In practice, however,	

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		a) what kind of actions must be implemented by the beneficiaries to be eligible for support (e.g. investments, agricultural practices, other)? b) how long should this commitment last? c) how and when should these activities be verified and controlled? Before the payment of the public contribution or after (ex post)?”	
3	CZ	<u>Amendment proposal new Art 39c, paragraph 3</u> <i>3. Member States shall target the support to beneficiaries who are most affected, by determining, on the basis of available evidence, eligibility conditions and, where considered appropriate, 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 who engage in one or more of the following activities pursuing these goals:</i> <i>a) circular economy;</i> <i>b) nutrient management;</i> <i>c) efficient use of resources;</i>	(Reply to 3-4-5) The Commission is not in favour of such an amendment and considers that the text proposed is fully in line with the objective of the measure and does not unduly limit the margin of manoeuvre of the Member States in targeting the support.

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		d) environmental and climate friendly production methods. Justification: We propose to simplify the targeting of funds without restrictive criteria to allow easier implementation of support.	
4	IT	Following issues should be noted regarding the content of the second part of paragraph 3 of the new article 39c of EU Regulation 1305/2013 where exceptional temporary support is limited to "activities that pursue the objectives: a) circular economy, b) nutrient management, c) efficient use of resources, d) environmentally and climate-friendly production methods". In our understanding, such restrictions appear to be little justified in relation to the declared aim of the legislative proposal to "provide support to the farmers and SMEs hardest hit by the aftermath of the Russian invasion of Ukraine". Consequently, Italy wonders if these objectives can be considered priorities, without prejudice to the possibility of granting aid to initiatives with objectives other than those identified in letters a), b), c) and d).	

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5	PL	<u>Amendment proposal new Art 39c, paragraph 3</u> We agree that the proposed exceptional support should contribute to food security. Therefore, it is important that under proposed measure, support should be granted to a wide range of beneficiaries experiencing the negative effects of the situation caused by the Russian aggression on Ukraine. In this context, we consider as too restrictive targeting support only to the potential beneficiaries “who engage in one or more of the following activities pursuing these goals: a) circular economy; b) nutrient management; c) efficient use of resources; d) environmental and climate friendly production methods.” <u>Therefore we propose following amendment in the proposed Article 39c(3):</u> “3. Member States shall target the support to beneficiaries who are most affected, by determining, on the basis of available evidence, eligibility conditions and, where considered appropriate, selection	

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		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 who engage in one or more of the following activities pursuing these goals: a) circular economy; b) nutrient management; e) efficient use of resources; d) environmental and climate friendly production methods.”	
6	LT	We suggest to supplement Article 39c by including separately as eligible beneficiaries persons (natural and legal persons, groups of them) who are currently implementing investment projects in accordance with the 2014-2022 Rural development programme, without applying condition to be engaged in activities pursuing the goals set out in paragraph 3 of Article 39c. It should be also stipulated that the support granted in such case does not	The Commission is not in favour of such an amendment and considers that the text proposed is fully in line with the objective of the measure and does not unduly limit the margin of manoeuvre of the Member States in targeting the support.

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		affect the aid intensity applied to the investment project in progress.	
7	DK	<u>Amendment proposal – new paragraph:</u> In article 59, paragraph 6 is replaced by the following: “6. At least 30 % of the total EAFRD contribution to the rural development program shall be reserved for measures under the following Articles: Article 17 for environment and climate related investments; Articles 21, 28, 29, 30, 31, 32, 34 and 39c.” <u>Justification:</u> The proposal by the Commission addresses important aspects of the difficulties currently facing the agricultural sector. However, it is essential to keep in mind that the current economic environment puts additional strain on the implementation of the RDP's, leading to difficulties for beneficiaries and authorities with regard to both the initiation and completion of projects, which causes a very significant risk of serious decommitment of funds under the RDP in the coming years. This has to be viewed in the context of the overall framework of rules, which may inhibit the possibility of Member states to use the new possibility of exceptional temporary support in	The Commission is not in favour of such an amendment as it goes beyond the purpose of the proposal and would alter a key policy principle of the EAFRD.

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		response to the impact of the Russian invasion of Ukraine, as well more funds could be made available to the benefit of the environment. This is the case with support towards the implementation of the Water Frame Directive (WFD), as article 59(6) of the Rural Development Regulation excludes payments for such measures from counting towards the green ring-fencing. To obtain more green support, the reference to WFD in article 59(6) should be removed, and brought in parallel with support for Natura 2000. This would also be consistent with the treatment of such payments under the SPR, where such payments are counted towards ring-fencing requirements relating to environment and climate. Moreover, the new lump-sum payment must be tied to green goals. Hence, those payments should also count as green support and be included in article 59 (6).	
8	PL	In our opinion, the proposed measure is primarily an emergency support to ensure viability of farms and agro-food sector in an exceptional situation related to the negative impact of the Russian invasion of Ukraine. The key objective of this new exceptional measure is to address “liquidity problems”, as mentioned in the recital (1). Therefore we consider that the wording of the recital (3) should be aligned accordingly: “The support, which aims to address liquidity problems of secure the	The Commission is not in favour of such an amendment and considers that the text proposed is fully in line with the objective of the measure and does not unduly limit the margin of manoeuvre of the Member States in targeting the support.

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		agro-business competitiveness and farm and to secure their viability, should, (...)”	
9	PL	We consider however that more flexibility should be allowed for approving applications for support. Therefore, we propose to remove the provisions regarding the deadline for approving applications. In our opinion, setting up such a deadline introduces substantial rigidity in the possibilities of servicing applicants, especially taking into account the different implementation systems functioning in Member States. Negative consequences of such rigidity were experienced in the implementation of the COVID-19 extraordinary measures when the competent authority refused to grant aid before provided deadline but after appeal the aid was granted but after this deadline. In such a case, the expenditures related to the granted support would not be eligible for the reimbursement. In our opinion, the deadline for payment of support has key importance and the one proposed by the European Commission for the new extraordinary measure is acceptable.	The Commission is not in favour of such an amendment and considers that the text proposed is fully in line with the objective of the measure and does not unduly limit the margin of manoeuvre of the Member States in targeting the support.

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10	HU	Hungary would like to have clarification about the maximum percentages and the additional national financing (top-up). Are the rules set out in the Article 82 (Additional national financing) of 1305/2013/EU regulation valid for this kind of support scheme? Is it up to the Member State to use as many additional national financing as they have in their budget?	The 5% is calculated based on the total EAFRD contribution to the RDP in question in the years 2021 and 2022, which includes, where applicable, funds transferred from the first Pillar. The standard co-financing rate of the RDP will apply. However, if funds transferred from Pillar 1 are used to fund the measure, the co-financing rate may be up to 100% according to the existing rules (article 59(4)(e) of Regulation 1305/2013). The maximum amount of support mentioned in paragraph 5 refers to total public support paid to the beneficiary, i.e. including EAFRD, the compulsory national co-financing and, where applicable, additional voluntary co-funding (so called “top-ups”). “Top-ups” within the meaning of Article 82 of Regulation 1305/2013 (“Additional National Financing”) are possible where they comply with the criteria under Regulation 1305/2013, and additional national

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			financing from the national budget could therefore be added, provided that at beneficiary level the total support is limited to the maximum amounts under Art. 39c(5).
11	CZ	We would like to kindly ask if the co-financing rates according to the Article 59 of Regulation No 1305/2013 can be applied.	The standard co-financing rate of the RDP will apply. However, if funds transferred from Pillar 1 are used to fund the measure, the co-financing rate may be up to 100% according to the existing rules (article 59(4)(e) of Regulation 1305/2013).
12	IT	Article 39c, paragraph 2: does the term "active in processing, marketing" apply only to SMEs (as it would seem) or also to farmers?	The formulation “active in processing, marketing ...” refers only to SMEs.
13	LV	Please provide an example the application of paragraph 6 of Article 39 c. Should the aid granted under Article 219 of the CMO or State aid or the exceptional aid of Covid be assessed here?	Whereas support may be accumulated with other public aid, e.g. state aids, the provision is meant to ensure that no overcompensation or double funding to the same beneficiary takes place as a result of the application of the new measures together with other national or Union support instruments or private schemes put in place for the

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			same purpose. Crisis support provided in the context of the Covid-19 pandemic would not fall in this category. Ensuring no overcompensation or double funding is under the responsibility of the Member States.
14	LT	In addition, we would like to have a clear answer if it is possible to use an aggregate data in the selection of beneficiaries (statistical data on particular agricultural sector etc.). Analysis of situation on individual level (farmer, SME) would increase an administrative burden and could jeopardise the whole idea of rapid and swift support.	As for M21 (the covid-19 pandemic crisis measure of 2020), the idea is to establish a lump sum to be paid and beneficiaries to be selected, based on available data etc. and there is thus no requirement to establish individual losses per holding/beneficiary.
15	SK	In order to be able to implement this regulation, it is necessary to lay down conditions that can be easily verified against available sources / data. Therefore, we would like to ask the Commission for its idea in this respect. Our comment is whether the European Commission considers meeting the conditions for direct payments for agricultural practices beneficial for the climate and the environment (greening) as meeting the objectives.	(Reply to 15-16) It will be for the MS to decide how the eligibility criteria will be met, based on available information in national systems etc.

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16	SK	Among other things, we will greatly appreciate the European Commission's proposals on verification of conditions in case of the circular economy or climate goals. In any case, it would be appropriate to use existing data sources and existing country databases. We also perceive this issue in processing companies which meet this condition, but the process is difficult for verification. In this case, we would appreciate it if the European Commission presented a proposal on how to demonstrate that the company is applying climate and environment friendly practices in processing.	

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