



Council of the
European Union

Brussels, 24 June 2022
(OR. en)

10534/22

Interinstitutional File:
2022/0166(COD)

CODEC 971
AGRI 284
AGRILEG 102
AGRISTR 43
PE 70

INFORMATION NOTE

From:	General Secretariat of the Council
To:	Special Committee on Agriculture/Council
Subject:	Proposal for a 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 - Outcome of the European Parliament's first reading (Brussels, 22 to 23 June 2022)

I. INTRODUCTION

A number of informal contacts have taken place between the Council, the European Parliament and the Commission with a view to reaching an agreement on this file at first reading.

After the plenary approved the request of the Committee on Agriculture and Rural Development (AGRI) to proceed according to the Rule 163 (urgent procedure) on 22 June 2022, this Committee tabled the Commission's proposal for a Regulation. In addition, the Greens/EFA group tabled two amendments (amendments number 1 and 2).

II. VOTE

The Parliament adopted its first-reading position on 23 June 2022 by taking over the Commission proposal. No amendments were adopted. This position is contained in its legislative resolution.

The Council should therefore be in a position to approve the European Parliament's position as set out in the Annex hereto, thus bringing to a close the first reading for both Institutions.

The act would then be adopted in the wording which corresponds to the European Parliament's position.

P9_TA(2022)0250

Exceptional temporary support under EAFRD in response to the impact of Russia's invasion of Ukraine *I**

European Parliament legislative resolution of 23 June 2022 on the proposal for a 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 (COM(2022)0242 – C9-0185/2022 – 2022/0166(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2022)0242),
 - having regard to Article 294(2) and Article 42 and Article 43(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0185/2022),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 16 June 2022¹,
 - having regard to the undertaking given by the Council representative by letter of 17 June 2022 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
 - having regard to Rules 59 and 163 of its Rules of Procedure,
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially

¹ Not yet published in the Official Journal.

amends or intends to substantially amend its proposal;

3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Position of the European Parliament adopted at first reading on 23 June 2022 with a view to the adoption of Regulation (EU) 2022/... 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

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 Committee²,

Acting in accordance with the ordinary legislative procedure³,

² Opinion of 16 June 2022 (not yet published in the Official Journal).

³ Position of the European Parliament of 23 June 2022.

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 Council⁴.
- (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.

⁴ 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).

- (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
