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COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	22 June 2023
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
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Subject:	COMMISSION DELEGATED REGULATION (EU) …/... of 22.6.2023 on temporary exceptional measures derogating from certain provisions of Regulation (EU) No 1308/2013 of the European Parliament and of the Council to address the market disturbance in the wine sector in certain Member States and derogating from Commission Delegated Regulation (EU) 2016/1149

Delegations will find attached document C(2023) 4035 final.

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EUROPEAN
COMMISSION

Brussels, 22.6.2023
C(2023) 4035 final

COMMISSION DELEGATED REGULATION (EU) …/...

of 22.6.2023

on temporary exceptional measures derogating from certain provisions of Regulation (EU) No 1308/2013 of the European Parliament and of the Council to address the market disturbance in the wine sector in certain Member States and derogating from Commission Delegated Regulation (EU) 2016/1149

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED ACT

The act is justified by the current situation resulting from a fast decrease in sales of certain categories of wine. Exceptional difficulties are being encountered by various wine producers in different regions of Europe, which are facing an unprecedented accumulation of stocks in their cellars. The wine sector has started the season already with rather high stocks, partially as a consequence still of the market difficulties during the COVID period, in combination with a good 2022 harvest and a rapid decrease in domestic consumption and severe drop in key export markets. Apparent wine consumption reductions for the ongoing marketing year are estimated at 7% in Italy, 10% in Spain, 15% in France, 22% in Germany and 34% in Portugal. In the meantime, EU wine exports for the period January to April 2023 have been 8,5% lower than previous year. These trends are combined with the increase in the EU production of 4% for the ongoing marketing year in respect to the previous year, and the high level of initial stocks (+ 2% compared to the last five years average). The situation is very fragmented across the EU, and the imbalance between the available supply and the demand is rather concentrated in certain regions and wines where a disproportionate level of stocks is accumulating. As an example, the level of stocks in February 2023 was 28% higher than the 5 years average in Extremadura (Spain); in March the wine stocks in Lisbon region (Portugal) were 24% higher than previous year; and the initial stocks of rosé wines in Languedoc-Roussillon (France) were 26% higher this marketing year compared with two years before.

The current economic situation, characterised by high input costs and high inflation, has weakened the marketing actions of producers and reduced the purchasing power of consumers, which is exacerbating the apparent structural decline in consumption for certain types of wine. The most affected are red and rosé wines from certain regions of France, Spain and Portugal, but other wines and/or Member States might encounter similar difficulties in certain production regions.

To avoid that the unsold wine weighs on the whole internal market and prevents producers to find sufficient storage capacity for the new harvest, an urgent temporary measure that removes the excess of wine is necessary. This includes temporarily allowing distillation of wine under the national support programmes for the wine sector. For the green harvesting measure already available under the wine support programmes, the rules should be more flexible to allow its use still this summer in order to reduce the risk of the current market situation prolonging to next marketing year, in function of the new harvest perspective.

Moreover, the negative market development, the increase in costs and the consequent reduced liquidity of wine producers and wine operators are making difficult to execute the measures of the wine National Support Programmes at a time when the improvement of market orientation of the sector is mostly necessary. In order to assure the effectiveness of the implementation of the programmes, it is pertinent to temporarily increase the Union financial rate of measures related to promotion, restructuring, green harvesting and investments.

Also, the overall market uncertainties related to the unjustified invasion of Ukraine by Russia, and in particular the increase in input costs, is making difficult for beneficiaries of the wine National Support Programmes to implement the operations as they were selected for this year 2023. In the prevailing economic and market circumstances in the Union wine sector it is, therefore, pertinent to allow Member States to provide some flexibilities to beneficiaries in order to adapt the planned operations and to allow their partial implementation in duly justified cases.

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT

Member States and representatives of the wine sector are demanding the Commission to intervene rapidly to help overcome what they consider a surplus of these wines before the whole wine market get affected. They underline in particular the fall in demand of certain red and rosé wines due to the excessively slow opening of certain export markets after the COVID and the rapid acceleration of the long-term declining trend in domestic consumption of these wines due to inflation and erosion of the purchasing power of consumers. These issues, in combination with a good harvest and stocks already kept higher than the long-term average from the recent years of COVID, led to an accumulation of stocks held by producers. They claim that if stocks are not reduced by the removal of some wine from the market, the whole market could be depressed and the new harvest may not find enough storage in the producer's cellars. Some relief for the wine sector could come via emergency distillation measures financed in the context of National Support Programmes for wine.

Consultations, involving experts from all the 27 Member States have been carried out in the Expert Group for Agricultural Markets under the single common organisation of the markets. This consultation process led to a broad consensus on the draft Delegated Regulation.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

The delegated act is based on Article 219(1) of Regulation (EU) No 1308/2013. It should be adopted by means of the procedure according to Article 219(1) and Article 228 of Regulation (EU) No 1308/2013.

For imperative grounds of urgency, considering the ongoing market disturbance in the affected wine regions and its likely further deterioration, it is necessary to take immediate action. Delaying action would threaten to aggravate the market disturbance and be detrimental to the production and market conditions in the whole sector. In view of this, this Regulation needs to be adopted pursuant to the urgency procedure laid down in Article 228 of Regulation (EU) No 1308/2013. The same imperative of urgency applies to the other measures included in this regulation in relation to some flexibilities in the management of the wine National Support Programmes, that would not have effect if they are not implemented before the end of the financial year.

This Regulation will therefore enter into force without delay after Commission adoption, and will be directly applicable as long as no objection is expressed by the European Parliament or the Council within a period of two months (or - if one of the institutions asks for an extension for two additional months - within a period of 4 months).

If objections are expressed, the Commission shall repeal the act without delay following the notification of such objections by the European Parliament or by the Council.

Article 2: These provisions introduce temporarily (until 15 October 2023, as provided for in Article 7) the possibility to finance the distillation of wine most affected by the market crisis under the support programmes for wine. This Article also set the criteria to be used by Member States to target the measures in the most affected regions and the methodology to avoid that Member States fixe excessive compensations amounts for the wine distilled. These are derogations from Article 43 of Regulation (EU) 1308/2013 which should help manage the wine market severely disrupted by the crisis.

Article 3: This provision allows temporarily (during year 2023) the destruction or removal of immature grape bunches on part of a holding provided that the green harvesting is carried out on entire parcels. This derogates from Article 47 of Regulation (EU) 1308/2013 which requires the destruction or removal of grape bunches on the total holding. This should allow wine growers to carry out the operation of green harvesting in part of their holding still this summer if the perspectives for the new harvest and market developments shows difficulties to place in the market the whole expected production.

Article 4: These provisions aim to increase the Union contribution to the support under the measures promotion, restructuring and conversion of vineyards, green harvesting and investments. These are derogations from Articles 45(3), 46(6), 47(3) and 50(4) of Regulation (EU) No 1308/2013. These aim to provide relief to operators affected by the market crisis and to assure the effective implementation of the National Support Programmes.

Article 5: These provisions aim to allow beneficiaries to adapt the operations approved under the national support programmes in a flexible way and to allow them to partial implementation of such operations. These are derogations from Articles 22, 53(1), 54(1) and 54(4) of Delegated Regulation (EU) 2016/1149.

Article 6: this provision determines the scope in time of each of the measures included in this regulation. Measures which are oriented to intervene in the market and must be newly implemented (those of Articles 1, 2 and 3) will apply to operations implemented as from the entry into force of this regulation. The rest of measures (those of Articles 4 and 5) shall apply for operations which implementation started in 2023 as the difficult economic situation of the sector justifying them are lasting already since the beginning of the financial year.

COMMISSION DELEGATED REGULATION (EU) …/...

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to 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[1], and in particular Article 219 in conjunction with Article 228 thereof,

Whereas:

(1) The current economic situation is characterised by general high costs of living, which affect wine consumption and sales, and increased input costs for the agricultural production and wine processing, which affect wine prices. These circumstances threaten to disturb significantly the Union wine market as they affect several key producing Member States by increasing the available wine stocks to levels that risk becoming unsustainable in view of the forthcoming harvest and production season and by causing financial difficulties and cash-flow problems to wine producers.

(2) The global inflation and the related reduction in purchase power of the consumers is further exacerbating the general declining trend observed in wine consumption in the last years. The apparent decline in consumption in the ongoing marketing year is estimated at 7 % in Italy, 10 % in Spain, 15 % in France, 22 % in Germany and 34 % in Portugal compared to the pre-COVID-19 market situation. This trend affects in particular certain wine market segments, namely red and rosé wines.

(3) The figures available show a drop in wine sales in the current marketing year, consistent with the observed reduced domestic demand, e.g. a decline in sales amounting to 5,3 % in Spain and France, with some strongly affected areas where the sales dropped by 25 % to 35 % in comparison with the same period of the previous marketing year. In the meantime, Union wine exports for the period from January to April 2023 are 8,5 % lower than for the same period of 2022.

(4) The general increase of key input costs for agricultural production such as costs for fertilisers, energy and bottles required for wine production, which is partially also due

[1] OJ L 347, 20.12.2013, p. 671.

to the Russia's war of aggression against Ukraine, has led to an exceptional increase of production costs reaching in some Member States up to an estimated average increase of 30 % to 40 %. These circumstances are putting further pressure on Union wine producers and reducing their capacity for marketing actions and investments. Furthermore, in spite of the increasing costs along the full cycle of wine production, available data suggest an abrupt drop in prices for certain wines in the most affected by the crisis regions, compared to the pre-COVID-19 situation, for example a price decline in the range of 10 % to 26 % for some regions in France.

(5) Combined, these factors point to a general reduction in the demand and sales of Union wines, in a context where production in the Union increased by 4 % in comparison with the previous marketing year, adding to an already high level of initial stocks (+ 2 % compared to the last 5-year average). If no action is taken rapidly to reduce the growing oversupply, the situation threatens to severely disturb the market by causing a major and general market imbalance at the latest with the arrival of the new harvest when wine producers will be left with no storage capacity for the new production and forced to sale at even lower prices.

(6) At this stage, the current market circumstances are generating disparate market disturbances to the wine sector in different production regions, due to the fact that the Union wine market is highly segmented. These are significant in certain regions of several Member States, and affect in particular the market segments of red and rosé wines. Examples that illustrate this fragmentation of the market are, for instance, 27 % higher stocks than the 5-year average in Extremadura in Spain, 24 % and 14 % higher stocks than in the previous year in the Lisbon and Alentejo regions in Portugal, respectively, and 26 % higher stocks for rosé wines at the beginning of the current marketing year than at the beginning of the previous one in Languedoc-Roussillon in France.

(7) At the same time, the Union wine market has been already subject to aggravating conditions, in particular throughout years 2019, 2020 and 2021 as a consequence of past trade restrictions, a decrease in consumption during the COVID-19 pandemic and several extreme weather events. The current difficult circumstances are delivering a further blow to an already fragile sector and leading to significant losses of income for all actors therein. Wine growers in the most affected regions of Member States experience financial difficulties and cash-flow problems. Therefore, an immediate action is required also in this respect to efficiently respond to such heterogeneous market situation by allowing Member States to reorient part of the financial resources allocated to their national support programmes in the wine sector and to offer a more tailor-made support to the different actors in the sector.

(8) Removing from the market of the most affected regions some of the quantities of wine that are not finding appropriate market outlets should help to address the market imbalances and prevent the current disturbances from turning into a more severe or prolonged disturbance of the entire Union wine sector. Where justified, the distillation of wine should be introduced temporarily as an eligible measure under the support programmes in the wine sector to help improve the market balance and the economic situation of wine producers in the most affected production regions. To avoid distortion of competition, the use of the obtained alcohol should not be permitted for the food and drink industry and should be limited to use for industrial purposes, including disinfection and pharmaceutical, and for energy purposes. To avoid any

abuse or overcompensation following the implementation of this exceptional measure, it is pertinent to request Member States to target the measure to the regions with market imbalance, to base it on objective criteria and to limit to recent market prices the compensation that they will provide for.

(9) The ‘green harvesting’ measure, as provided for in Article 47 of Regulation (EU) No 1308/2013, is used as a market management measure when an excessive production of grapes is expected. To help operators respond to the current market circumstances and to reduce the risk that the situation reproduces again in the upcoming marketing year, it is appropriate to allow certain flexibility in implementing this measure during the financial year 2023. In particular, it is necessary, as an exceptional measure, to provide for derogations from Article 47(1) and (3) of Regulation (EU) No 1308/2013 to allow the full destruction or removal of immature grape bunches on part of a holding, provided that this is carried out on entire parcels, and to provide for the temporary increase of the maximum Union contribution to this measure.

(10) The addition of ‘crisis distillation’ to eligible measures as well as the flexibility introduced for ‘green harvesting’ represent a form of financial support, which, however, does not require additional Union financing since the budgetary limits for the national support programmes in the wine sector for the financial year 2023 laid down in Annex VII to Regulation (EU) 2021/2115 of the European Parliament and of the Council[2] continue to apply. Member States may thus decide to allocate higher amounts to the measures in question only within the yearly budget provided for in that Annex. The financial support to the two above mentioned crisis measures is aimed, therefore, at providing support to the sector in the given unstable market situation without having to mobilise additional funds in the first place.

(11) In order to increase the effectiveness of Union financial resources that can be allocated to these crisis measures, Member States should be allowed to complement the Union financial assistance with national payments covering up to 50 % of the support granted for the two crisis measures provided for in this Regulation.

(12) The negative market development, the increase of costs and the consequent cash-flow problems of the operators in the wine sector are making difficult to execute the measures of the wine national support programs at a time when the improvement of market orientation of the sector is mostly necessary. To ensure the effectiveness of the implementation of programmes in the prevailing market and economic context of the wine sector, it is pertinent to temporarily increase the maximum Union contribution to the measures ‘promotion’, ‘restructuring and conversion of vineyards’, ‘green harvesting’ and ‘investments’.

(13) In addition, it is further important to provide beneficiaries with appropriate flexibilities for the implementation of their operations under the national support programmes so that they can react to the current market uncertainties and adapt the operations whenever needed. Such flexibilities represent a further market support measures to prevent the current economic disturbances from turning into a more severe or

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[2] Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 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 Regulations (EU) No 1305/2013 and (EU) No 1307/2013 (OJ L 435, 6.12.2021, p. 1).

prolonged disturbance of the Union wine market and are ensuring that the other exceptional measures set out in this Regulation, once decided by a Member State, can be efficiently implemented also at the level of the beneficiaries. Therefore, as a further exceptional measure, it is necessary to derogate from Commission Delegated Regulation (EU) 2016/1149[3] and allow Member States to provide some flexibilities to beneficiaries in order to adapt the planned operations following a simplified procedure and to allow their partial implementation in duly justified cases.

(14) Provided that the reasons to apply increased Union financial rates for certain measures and to allow certain flexibilities in the management of the programmes relate to the current economic situation of the wine sector and because the measures are temporary, it is pertinent to limit their scope of application to operations that started to be implemented during the financial year 2023. By contrast, these measures should not apply, for instance, to operations implemented in previous financial years and only paid in financial year 2023.

(15) For imperative grounds of urgency, considering the ongoing market disturbance as well as the short time available to Member States to implement the measures included in this Regulation within the current financial year, and to prevent further market deterioration, it is necessary to take immediate action. On the one hand, in the most affected regions, the excess of supply needs to be removed from the market as soon as possible and in any case before the start of the new harvest, by end of August or early September 2023, otherwise the market situation would further deteriorate and the current imbalance would be carried over into the new marketing year threatening to cause a prolonged crisis of the entire Union wine market. On the other hand, all the measures included in this Regulation, have to be implemented before the end of the current wine national support programmes, which apply only until 15 October 2023 as provided for in Article 5(7) of Regulation (EU) 2021/2117 of the European Parliament and of the Council[4]. Pursuant to that provision, Articles 39 to 54 of Regulation (EU) No 1308/2013 continue to apply after 31 December 2022 as regards expenditure incurred and payments made for operations implemented before 16 October 2023. Therefore, delaying action would risk making difficult or even impossible for the affected Member States to implement the measures within the financial year 2023, which is the last implementation year of the current national support programmes in the wine sector.

(16) In view of the above-referred imperative grounds of urgency, this Regulation should be adopted pursuant to the urgency procedure laid down in Article 228 of Regulation (EU) No 1308/2013.

(17) In view of the necessity to take immediate action, this Regulation should enter into force on the day of its publication in the *Official Journal of the European Union*,

[3] Commission Delegated Regulation (EU) 2016/1149 of 15 April 2016 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards the national support programmes in the wine sector and amending Commission Regulation (EC) No 555/2008 (OJ L 190, 15.7.2016, p. 1).

[4] Regulation (EU) 2021/2117 of the European Parliament and of the Council of 2 December 2021 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 and (EU) No 228/2013 laying down specific measures for agriculture in the outermost regions of the Union (OJ L 435, 6.12.2021, p. 262).

HAS ADOPTED THIS REGULATION:

Article 1

Temporary derogations from Article 43 and Article 44(3) of Regulation (EU) No 1308/2013

1. By way of derogation from Article 43 of Regulation (EU) No 1308/2013, the measure set out in Article 2 of this Regulation may be financed under support programmes in the wine sector.

2. By way of derogation from Article 44(3) of Regulation (EU) No 1308/2013, Member States may finance with national payments up to 50 % of the support granted under Article 2 of this Regulation and under Article 47 of Regulation (EU) No 1308/2013.

Article 2

Temporary crisis distillation of wine

1. Support may be granted for the distillation of wine in accordance with the conditions laid down in this Article. Such support shall be proportionate, duly justified by the Member State and targeted to the most affected wines and production regions, in accordance with the second subparagraph. It may be implemented at national or regional level for red or rosé wines, separately or for both colours together, which can be wines with a protected designation of origin or a protected geographical indication or wines without a protected designation of origin or a protected geographical indication.

The Member States, which decide to implement this measure, shall demonstrate for each type and colour of eligible wine, either at regional or at national level, as appropriate, the occurrence of one or more of the following market circumstances:

(a) a substantial increase on the latest available wine stocks at production level compared to the average amount of stocks for the same time in the previous 5 marketing years, or compared to the average amount of stocks for the same time in the 5 previous marketing years excluding the highest and the lowest values;

(b) a substantial decrease of the average market price at production level for the ongoing marketing year compared to the average price of the 3 previous marketing years, or compared to the average price over the 5 previous marketing years excluding the highest and the lowest values of yearly averages;

(c) a substantial decrease of cumulated market sales at production level for the ongoing marketing year compared to the average of the 3 previous marketing years for the same period, or compared to the average over the 5 previous marketing years, excluding the highest and the lowest values of cumulated sales for the same period, and provided such a decrease does not result from a decrease in production.

2. The alcohol resulting from the supported distillation referred to in paragraph 1 shall be used exclusively for industrial purposes, including disinfection or pharmaceutical, or for energy purposes so as to avoid distortion of competition.

3. The beneficiaries of the support referred to in paragraph 1 shall be wine enterprises producing or marketing the products referred to in Part II of Annex VII to Regulation (EU) No 1308/2013, wine producer organisations, associations of two or more producers, interbranch organisations or distillers of grapevine products.

4. Only the costs of the supply of wine to distillers and of the distillation of this wine shall be eligible for support. The wine to be distilled under this measure shall be originating in the Union and shall conform to the requirements to be marketed within the Union and to the relevant product specifications for wines bearing a protected designation of origin or a protected geographical indication.

5. Member States may establish in their national support programmes priority criteria for the beneficiaries. Such priority criteria shall be based on the specific strategy and objectives set out in the support programme and shall be objective and not discriminatory.

6. Member States shall lay down rules on the application procedure for the support referred to in paragraph 1, which shall include rules on:

(a) the natural or legal persons that may submit applications;

(b) the submission and selection of applications, which shall include at least the deadlines for the submission of applications, for the examination of the suitability of each proposed action and for the notification of the results of the selection procedure to the operators;

(c) the verification of compliance with the provisions on eligible actions and the costs referred to in paragraph 4 and priority criteria where priority criteria are applied;

(d) the selection of the applications, which shall at least include the weighting attributed to each priority criterion where priority criteria are applied;

(e) arrangements for the payment of advances and the provision of securities.

7. Member States shall fix the amount of support to beneficiaries based on objective and non-discriminatory criteria. The amount of support shall be fixed at regional or national level, as appropriate, for each type and colour of eligible wine as referred to in paragraph 1. The amount of support cannot exceed 80 % of the lowest monthly average price recorded at production level in the marketing year 2022/2023 for each type and colour of eligible wine, for which the measure applies, in the given region or in the territory of the Member State. Where recorded market prices are not available, they may be estimated by a competent authority of the Member State concerned based on the best available data.

8. Articles 1 and 2, Article 43 and Articles 48 to 54 and Article 56 of Commission Delegated Regulation (EU) 2016/1149[5] and Articles 1, 2 and 3, Articles 19 to 23, Articles 25 to 31, Article 32(1), second subparagraph, and Articles 33 to 40 of Commission Implementing Regulation (EU) 2016/1150[6] shall apply *mutatis mutandis* to the support for crisis distillation of wine.

9. By 31 August 2023, Member States shall notify to the Commission the types and colour of eligible wine and the regions, in which the measure is to apply, as well as its justification in accordance with paragraph 1, the amounts of compensation to be applied in accordance with paragraph 7 and their justification and the volumes expected to be distilled.

Article 3

Temporary derogation from Article 47(1) of Regulation (EU) No 1308/2013 on green harvesting

By way of derogation from Article 47(1) of Regulation (EU) No 1308/2013, during the financial year 2023, 'green harvesting' means the total destruction or removal of grape bunches while still in their immature stage, on the whole holding or on part of the holding provided that the green harvesting is carried out on entire parcels.

Article 4

Temporary derogations from Article 45(3), Article 46(6), Article 47(3) and Article 50(4) of Regulation (EU) No 1308/2013 on financial rates

1. By way of derogation from Article 45(3) of Regulation (EU) No 1308/2013, during the financial year 2023, the Union contribution to information or promotion measures shall not exceed 60 % of the eligible expenditure.

2. By way of derogation from Article 46(6) of Regulation (EU) No 1308/2013, during the financial year 2023, the Union contribution to the actual costs of the restructuring and conversion of vineyards shall not exceed 60 %. In less developed regions, the Union contribution to the costs of restructuring and conversion shall not exceed 80 %.

3. By way of derogation from Article 47(3), second sentence, of Regulation (EU) No 1308/2013, during the financial year 2023, the support granted for green harvesting shall not exceed 60 % of the sum of the direct costs of the destruction or removal of grape bunches and the loss of revenue related to such destruction or removal.

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[5] Commission Delegated Regulation (EU) 2016/1149 of 15 April 2016 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards the national support programmes in the wine sector and amending Commission Regulation (EC) No 555/2008 (OJ L 190, 15.7.2016, p. 1).

[6] Commission Implementing Regulation (EU) 2016/1150 of 15 April 2016 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards the national support programmes in the wine sector (OJ L 190, 15.7.2016, p. 23).

4. By way of derogation from Article 50(4) of Regulation (EU) No 1308/2013, during the financial year 2023, the following maximum aid rates concerning the eligible investment costs shall apply to the Union contribution:

(a) 60 % in less developed regions;

(b) 50 % in regions other than less developed regions;

(c) 80 % in the outermost regions referred to in Article 349 of the Treaty;

(d) 75 % in the smaller Aegean islands as defined in Article 1(2) of Regulation (EU) No 229/2013 of the European Parliament and of the Council[7].

Article 5

Temporary derogations from Delegated Regulation (EU) 2016/1149

1. By way of derogation from Article 22 of Delegated Regulation (EU) 2016/1149, during the financial year 2023, green harvesting may be applied on the same parcel for 2 or more consecutive years.

2. By way of derogation from Article 53(1) of Delegated Regulation (EU) 2016/1149, during the financial year 2023:

(a) Member States may allow changes by beneficiaries to the initially approved operation that occur not later than 15 October 2023, to be implemented without prior approval by the competent authorities provided that they do not affect the eligibility of any part of the operation and its overall objectives and provided that the total amount of approved support for the operation is not exceeded. Such changes shall be notified to the competent authority by the beneficiaries within the deadlines set by the Member States;

(b) Member States may, in duly justified cases, allow beneficiaries to submit changes that occur not later than 15 October 2023 and that modify the objective of the overall operation already approved under the measures referred to in Articles 45, 46, 50 and 51 of Regulation (EU) No 1308/2013, provided that any ongoing individual actions which are part of an overall operation are completed. Such changes shall be notified to the competent authority by the beneficiaries within the deadline set by the Member States, and shall require the prior approval of the competent authority.

3. By way of derogation from Article 54(1) of Delegated Regulation (EU) 2016/1149, where a change to an already approved operation has been notified to and approved by the competent authority in accordance with paragraph 2, point (b), of this Article, support shall be paid for the individual actions already implemented under this operation if these actions have been implemented in full and have been subject to

[7] 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).

administrative and, where applicable, on-the-spot checks in accordance with Chapter IV, Section 1, of Commission Implementing Regulation (EU) 2016/1150[8].

4. By way of derogation from Article 54(4), third, fourth, fifth and sixth subparagraphs, of Delegated Regulation (EU) 2016/1149, during the financial year 2023, for payment claims submitted not later than 15 October 2023, where operations supported under Article 46 of Regulation (EU) No 1308/2013 are not implemented on the total surface for which support was requested, Member States shall calculate the support to be paid on the basis of the area determined by the on-the-spot checks following implementation.

Article 6

Application of the temporary exceptional market measures

Articles 1, 2 and 3 shall apply to operations selected by the competent authorities in the Member States as of the date of entry into force of this Regulation and implemented not later than 15 October 2023.

Articles 4 and 5 shall apply to operations that started to be implemented in financial year 2023.

Article 7

Entry into force

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 Brussels, 22.6.2023

For the Commission
The President
Ursula VON DER LEYEN

[8] Commission Implementing Regulation (EU) 2016/1150 of 15 April 2016 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards the national support programmes in the wine sector (OJ L 190, 15.7.2016, p. 23).