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NOTE

From:	Presidency
To:	Special Committee on Agriculture
No. Cion doc.:	9645/18 + COR 1 + ADD 1 9634/18 + ADD 1 + REV 1
Subject:	a) 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
	b) 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
	- Presidency drafting suggestions on specific Articles

With a view to the meeting of the Special Committee on Agriculture on <u>5 October 2020</u>, delegations will find in the <u>Annex</u> Presidency drafting suggestions on:

• The CAP Strategic Plans Regulation: Articles 1, 2, 4, 7, 10a, 13, 15, 20, 30, 35, 36, 38, 38a, 41a-41c, 53, 58, 60a, 65, 68, 71-73, 75, 77, 80-83, 85, 86, 88-91, 95, 97, 100, 104, 106, 110, 121a, 122a, 123, 124, 127, 137, 139, 140a, 140b + Annexes;

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• The Horizontal Regulation: Articles 84 and 86.

Compared to the Commission's initial proposal, added text is marked in **bold and underlined** and strikethrough is used for deleted text. Changes compared to the latest changes submitted to delegations are marked in yellow.

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PRESIDENCY DRAFTING SUGGESTIONS FOR THE

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

Article 1

Subject matter and scope

- 1. This Regulation lays down rules on:
 - (a) general and specific objectives to be pursued through Union support financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) under the Common Agricultural Policy (CAP) as well as the related indicators;
 - (b) types of interventions and common requirements for Member States to pursue these objectives as well as the related financial arrangements;
 - (c) CAP Strategic Plans to be drawn up by Member States, setting targets, defining specifying conditions for interventions and allocating financial resources, in line with the specific objectives and identified needs;
 - (d) coordination and governance as well as monitoring, reporting and evaluation.

2. This Regulation applies to Union support financed by the EAGF and the EAFRD for interventions specified in a CAP Strategic Plan drawn up by the Member States and approved by the Commission, covering the period from 1 January 20243 to 31 December 2027 ('the period 2023-2027').

Article 2

Applicable provisions

- 1. Regulation (EU) [HzR] of the European Parliament and of the Council¹ and the provisions adopted pursuant to that Regulation shall apply to support provided under this Regulation.
- 2. Chapter III of Title II Article 15, Chapter II of Title III and Articles 41 and 43 of Regulation (EU) [CPR] of the European Parliament and of the Council² shall apply to support financed by the EAFRD under this Regulation.

Article 4

Definitions and conditions to be formulated in the CAP Strategic Plans

- 1. Member States shall provide in their CAP Strategic Plan <u>at least</u> the definitions of <u>and</u> <u>conditions for</u> agricultural activity, agricultural area, eligible hectare, genuine farmer and young farmer <u>on the following basis</u>:
 - (a) 'agricultural activity' shall be defined determined in a way that it includes both the production of agricultural products, with the exception of fishery products, listed in Annex I to the TFEU₂ including as well as cotton and short rotation coppice, and maintenance of the agricultural area in a state which makes it suitable for grazing or cultivation, without preparatory action going beyond usual agricultural methods and machineries;

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Regulation (EU) [.../...] of the European Parliament and of the Council of [date] [full tittle] (OJ L).

Regulation (EU) [.../...] of the European Parliament and of the Council of [date] [full tittle] (OJ L).

- (b) 'agricultural area' shall be defined determined in a way that it is composed of arable land, permanent crops and permanent grassland. The terms 'arable land', 'permanent crops' and 'permanent grassland' shall be further specified by Member States within the following framework:
 - (i) 'arable land' shall be land cultivated for crop production or areas available for crop production but lying fallow, and include areas set aside in accordance with Articles 22, 23 and 24 of Council Regulation (EC) No 1257/1999³, with Article 39 of Council Regulation (EC) No 1698/2005⁴, with Article 28 of Regulation (EU) No 1305/2013 or with Article 65 or GAEC standard 9 listed in Annex III of this Regulation; it shall also include areas set aside in accordance with Article 28 of this Regulation under the condition that the areas were land cultivated for crop production or areas available for crop production but lying fallow at the time they were set aside in accordance with that Article;
 - (ii) 'permanent crops' shall be non-rotational crops other than permanent grassland and permanent pasture that occupy the land for five years or more, which yield repeated harvests, including nurseries and short rotation coppice;

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Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations (OJ L 160, 26.6.1999, p. 80).

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).

- (iii) 'permanent grassland and permanent pasture' (together referred to as 'permanent grassland') shall be land <u>used to grow grasses or other herbaceous forage</u>

 naturally (self-seeded) or through cultivation (sown) and that has not been included in the crop rotation of the holding for five years or more, as well as, where Member States so decide, that has not been ploughed up for five years or more, as well as, where Member States so decide, that has not been tilled for five years or more; it may include other species such as shrubs or trees which can be grazed and, where Member States so decide, other species such as shrubs or trees which produce animal feed, provided that the used to grow grasses or and other herbaceous forage naturally (self-seeded) or through cultivation (sown) remain predominant. It may include other species such as shrubs and/or trees which can be grazed or produce animal feed Member States may also decide to consider as permanent grassland any of the following:
 - land which can be grazed and which forms part of established local
 practices where grasses and other herbaceous forage are traditionally
 not predominant in grazing areas;
 - land which can be grazed where grasses and other herbaceous forage are not predominant or are absent in grazing areas;
- (c) for the purpose of types of interventions in the form of direct payments, 'eligible hectare' shall be deftermined in a way that it includes any agricultural area of the holding consists of:
 - (i) <u>any agricultural area of the holding</u> that, during the year for which support is requested, is used for an agricultural activity or, where the area is also used for non-agricultural activities, is predominantly used for agricultural activities, and which is at the farmer's disposal. Where duly justified for environmental <u>or</u> <u>climate-related</u> reasons, <u>Member States may decide that</u> eligible hectares:

- may also include certain areas used for agricultural activities only every second year, or
- do not include agricultural areas resulting from a conversion of nonagricultural areas where this conversion has a negative impact on the climate or environment.

(ia) any area of the holding:

- covered by landscape features subject to the retention obligation under

 GAEC standard 9 listed in Annex III;
- used to attain the minimum share of arable land devoted to nonproductive features under GAEC standard 9;
- which, for the duration of the relevant commitment by the farmer, is established or maintained as a result of an eco-scheme referred to in Article 28.

Member States may decide that eligible hectares also contain other landscape features, provided that they are not predominant. As regards permanent grassland with scattered ineligible features, Member States may decide to apply fixed reduction coefficients to determine the area considered eligible.

(ii) <u>any area of the holding</u> that gave a right to payments under Subsection 2 of Section 2 of Chapter II of Title III of this Regulation or under the basic payment scheme or the single area payment scheme laid down in Title III of Regulation (EU) No 1307/2013, and which: no longer complies with the definition of <u>is not an</u> 'eligible hectare' set out in point (a) of Regulation (EU) No 1307/2013 <u>as</u> determined by Member States on the basis of sub-points (i) and (ia) of this point:

- as a result of the implementation application of Directives 92/43/EEC, and 2009/147/EC or Directive 2000/60/EC to this area;
- as a result of the implementation of a standard under GAEC standard 2
 listed in Annex III of this Regulation;
- as a result of area-related measures contributing to mitigation and adaptation to climate change, environmental and biodiversity objectives laid down in points (d), (e) and (f) of Article 6(1) of this Regulation;
- for the duration of the relevant an afforestation commitment by the individual farmer, is afforested pursuant to Article 31 of Regulation (EC) No 1257/1999 or to Article 43 of Regulation (EC) No 1698/2005 or to Article 22 of Regulation (EU) No 1305/2013 or to Article 65 or Article 68 of this Regulation, or under a national scheme the conditions of which comply with Article 43(1), (2) and (3) of Regulation (EC) No 1698/2005 or Article 22 of Regulation (EU) No 1305/2013 or Articles 65 and 67 or Article 68 of this Regulation.
- for the duration of the relevant <u>a set aside</u> commitment of <u>by</u> the individual farmer, is set aside pursuant to Articles 22, 23 and 24 of Regulation (EC) No 1257/1999, to Article 39 of Regulation (EC) No 1698/2005, to Article 28 of Regulation (EU) No 1305/2013 or to Article 65 of this Regulation.

Areas used for the production of hemp shall only be eligible hectares if the varieties used have a tetrahydrocannabinol content not exceeding 0,2 %;

(d) 'genuine farmers' shall be defined in a way to ensure that no support is granted to those whose agricultural activity forms only an insignificant part of their overall economic activities or whose principal business activity is not agricultural, while not precluding from support pluri-active farmers. The definition shall allow to determine which farmers are not considered genuine farmers, based on conditions such as income tests, labour inputs on the farm, company object and/or inclusion in registers.

- (e) 'young farmer' shall be defined determined in a way that it includes:
 - (i) a maximum age limit that may not exceed 40 years;
 - (ii) the conditions for being 'head of the holding'.;
 - (iii) the appropriate training and/or skills required.

Member States may include further objective and non-discriminatory requirements as regards appropriate training and skills.

1a. Member States may decide in their CAP Strategic Plans to apply Articles 15a, 17(3), 21(1), 22(5), 24(1), 28(2), 29(1), 34, 66(2) and 70(2) only to "genuine farmers" as determined in accordance with the second subparagraph.

Member States may determine in their CAP Strategic Plans which farmers shall be considered as 'genuine farmers' according to objective and non-discriminatory criteria. In case Member States consider as genuine farmers those farmers who did not receive direct payments exceeding a certain amount for the previous year, such an amount shall not be higher than EUR 5 000.

2. The Commission is empowered to adopt delegated acts in accordance with Article 138 supplementing this Regulation with rules making the granting of payments conditional upon the use of certified seeds of certain hemp varieties and <u>of</u> the procedure for the determination of hemp varieties, and <u>as well as</u> the verification of their tetrahydrocannabinol content referred to in point (c) of paragraph 1 to preserve public health.

Article 7

Indicators

Achievement of the objectives referred to in Articles 5 and 6(1) shall be assessed on the basis of common indicators related to output, result, impact and context as set out in Annex I.
 These set of common indicators shall include:

- (a) output indicators <u>used for performance clearance</u>, relating to the realised output of the interventions supported;
- (b) result indicators relating to the specific objectives concerned, and where relevant the cross-cutting objective of modernising the sector by fostering and sharing of knowledge, innovation and digitalisation in agriculture and rural areas, and encouraging their uptake referred to in Article 5 and used for the establishment of quantified milestones, and targets in relation to those specific and cross-cutting objectives in the CAP Strategic Plans and assessing progress towards the targets. The indicators relating to environment- and climate-specific objectives may cover interventions included in relevant national environmental and climate planning instruments emanating from the Union legislation listed in Annex XI;
- (c) impact indicators related to the objectives set out in Articles 5 and 6(1) and used in the context of the CAP Strategic Plans and of the CAP:
- (d) context indicators referred to in Article 103(2) and listed in Annex I.

The common output, result and impact indicators are set out in Annex I.

- 1b. Result indicators used for performance review, referred to in point (b) of paragraph 1, shall include any applicable result indicator set out in Annex XII. In addition, Member States may choose to include, for the same purpose, any other relevant result indicators as set out in Annex I or any other CAP Strategic Plan specific result indicators, as determined by the Member State concerned.
- 2. The Commission is empowered to adopt delegated acts in accordance with Article 138 amending Annex I to adapt the common output, result, and impact and context indicators. This empowerment shall be strictly limited to addressing technical problems raised by Member States to take into account the experience with regarding their application and, where needed, to add new indicators.

Article 10a

Implementation of the Memorandum of Understanding on oilseeds

1. If Member States provide for area-based interventions which do not respect the provisions of Annex 2 to the WTO Agreement on Agriculture, including coupled income support under Subsection 1 of Section 3 of Chapter II of Title III, and where these interventions concern some or all of the oilseeds referred to in the Annex to the Memorandum of Understanding between the European Economic Community and the United States of America on oilseeds⁵, the total of the support area based upon the planned outputs included in the CAP Strategic Plans of the Member States concerned shall not exceed the maximum support area for the whole Union for the purpose of ensuring compliance with its international commitments.

At the latest 6 months following the entry into force of this Regulation, the Commission shall adopt implementing acts fixing an indicative reference support area for each Member State, calculated on the basis of each Member State's share of the average cultivation area in the Union during the five years preceding the year of entry into force of this Regulation. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 139(2).

2. Each Member State that intends to grant support as referred to in paragraph 1 shall indicate the respective planned outputs in terms of hectares in its CAP Strategic Plan proposal referred to in Article 106(1).

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Memorandum of Understanding between the Economic Community and the United States of America on oil seeds under GATT (OJ L147, 18.6.1993, p. 25).

If following the notification of all planned outputs by Member States the maximum support area for the whole Union is exceeded, the Commission shall calculate for each Member State that notified an excess compared to its reference area, a reduction coefficient that is proportionate to the excess of its planned outputs. This shall result in an adaptation to the maximum support area for the whole Union referred to in the paragraph 1. Each Member State concerned shall be informed about this reduction coefficient in the Commission's observations to the CAP Strategic Plan in accordance with Article 106(3). The reduction coefficient for each Member State shall be set in the implementing act by which the Commission approves its CAP Strategic Plan as referred to in Article 106(6).

The Member States shall not amend their support area on their own initiative after the date referred to in Article 106(1).

3. Where Member States intend to increase their planned outputs referred to in paragraph

1 as approved by the Commission in the CAP Strategic Plans, they shall notify the

Commission of the revised planned outputs by means of a request for amendment of the

CAP Strategic Plans in accordance with Article 107 before 1 January of the year

preceding the claim year concerned.

Where appropriate, in order to avoid that the maximum support area for the whole

Union as referred to in the first subparagraph of paragraph 1 is exceeded, the

Commission shall revise the reduction coefficients referred to in that paragraph for all

Member States that exceeded their reference area in their CAP Strategic Plans.

The Commission shall inform the Member States concerned about the revision of the reduction coefficients at the latest before 1 February of the year preceding the claim year concerned.

Each Member State concerned shall submit a corresponding request for amendment of its CAP Strategic Plan with the revised reduction coefficient referred to in the second subparagraph before 1 April of the year preceding the claim year concerned. The revised reduction coefficient shall be set in the implementing act approving the amendment of the CAP Strategic Plan as referred to in Article 107(8).

- 4. With regard to the oilseeds concerned by the Memorandum of Understanding referred to in the first subparagraph of paragraph 1, Member States shall inform the Commission of the total number of hectares for which support has been actually paid in the annual performance reports referred to in Article 121.
- 5. Member States shall exclude the cultivation of confectionery sunflower seed from any area-based intervention referred to in paragraph 1.

Article 13

Farm advisory services

- 1. Member States shall include in the CAP Strategic Plan a system providing <u>public or private</u> services for advising farmers and other beneficiaries of CAP support on land management and farm management ('farm advisory services'). <u>Member States may make use of existing</u> systems.
- 2. The farm advisory services shall cover economic, environmental and social dimensions and deliver up to date technological and scientific information developed by research and innovation. They shall be integrated within the interrelated services of farm advisors, researchers, farmer organisations and other relevant stakeholders that form the Agricultural Knowledge and Innovation Systems (AKIS).
- 3. Member States shall ensure that the farm advice given is impartial and that advisors have no conflict of interest.

- 4. The farm advisory services shall cover at least the following:
 - (a) all requirements, conditions and management commitments applying to farmers and other beneficiaries set in the CAP Strategic Plan, including requirements and standards under conditionality and conditions for support schemes interventions as well as information on financial instruments and business plans established under the CAP Strategic Plan;
 - (b) the requirements as defined <u>laid down</u> by Member States for implementing Directive 2000/60/EC, Directive 92/43/EEC, Directive 2009/147/EC, Directive 2008/50/EC, Directive (EU) 2016/2284, Regulation (EU) 2016/2031, Regulation (EU) 2016/429, Article 55 of Regulation (EC) No 1107/2009 of the European Parliament and of the Council⁶ and Directive 2009/128/EC;
 - (c) farm practices preventing the development of antimicrobial resistance as set out in the Communication "'A European One Health Action Plan against Antimicrobial Resistance";
 - (d) risk management as referred to in Article 70;
 - (e) innovation support in particular for preparing and for implementing Operational Group projects of the European Innovation Partnership for agricultural productivity and sustainability as referred to in Article 114;
 - (f) development of digital technologies in agriculture and rural areas as referred to in Article 102(b);

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Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC (OJ L 309, 24.11.2009, p. 1).

⁷ "'A European One Health Action Plan against Antimicrobial Resistance (AMR)" (COM(2017) 339 final).

(fa) at the latest as from 2025 the use of the Farm Sustainability Tool for Nutrients to be developed by the Commission in cooperation with Member States. This tool shall be a digital application that provides a nutrient balance based on relevant information of the farm, legal requirements on nutrients and available information from soil analyses. Alternatively, Member States may use another digital tool that fulfills the same purpose. The Commission may support Member States with data storage and processing services requirements.

Article 15

Reduction Capping and degressivity of payments

- 1. Member States shall may reduce cap the amount of direct payments to be granted to a farmer pursuant to Subsection 2 of Section 2 of this Chapter for a given calendar year. Member States that choose to introduce capping shall reduce by 100 % the amount exceeding EUR 100 000.
- 1a. Member States may choose to reduce the amount of direct payments to be granted to a farmer pursuant to Subsection 2 of Section 2 of this Chapter for a given calendar year, exceeding EUR 60 000 as follows:
 - (a) up to by at least 25 % for the tranche between EUR 60 000 and EUR 75 000;
 - (b) up to by at least 50 % for the tranche between EUR 75 000 and EUR 90 000;
 - (c) up to by at least 75 % for the tranche between above EUR 90 000 and EUR 100 000;
 - (d) by 100 % for the amount exceeding EUR 100 000.

Member States may set additional tranches and specify the percentages of reduction for these additional tranches within the limits set out in subparagraph 1. They shall ensure that the reduction for each tranche is equal to or higher than for the previous tranche.

- 2. Before applying paragraph 1 or 1a, Member States shall may subtract from the amount of direct payments to be granted to a farmer pursuant to this Chapter in a given calendar year:
 - (a) the salaries linked to an agricultural activity declared by the farmer, including taxes and social contributions related to employment;—and
 - (b) the equivalent cost of regular and unpaid labour linked to an agricultural activity practiced by persons working on the farm concerned who do not receive a salary, or who receive less remuneration than the amount normally paid for the services rendered, but are rewarded through the economic result of the farm business:

(c) the labour cost element of the contracting costs linked to an agricultural activity declared by the farmer.

To calculate the amounts referred to in points (a), (b) and (c), Member States shall use the method further specified in their CAP Strategic Plansaverage standard salaries linked to an agricultural activity at national or regional level multiplied by the number of annual work units declared by the farmer concerned.

3. The estimated product of the reduction of payments shall primarily be used to contribute to the financing of the complementary redistributive income support for sustainability, if applied by that Member State, and thereafter of other interventions belonging to decoupled direct payments.

Member States may also use all or part of the product to finance types of interventions under the EAFRD as specified in Chapter IV by means of a transfer. Such transfer to the EAFRD shall be part of the CAP Strategic Plan financial tables and may be reviewed in 20235 in accordance with Article 90. It shall not be subject to the maximum limits for the transfers of funds from the EAGF to the EAFRD established under Article 90.

4. The Commission is empowered to may adopt delegated implementing acts in accordance with Article 138 supplementing this Regulation with rules establishing a harmonised basis for laying down uniform conditions for the calculation of for the reduction of payments laid down in paragraph 1 to ensure a correct provide detailed rules for the distribution of the funds to the entitled beneficiaries farmers.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 139(2).

Article 20

Value of payment entitlements and convergence

- 1. Member States shall determine the unit value of payment entitlements before convergence in accordance with this Article by adjusting the value of payment entitlements proportionally to their value as established in accordance with Regulation (EU) No 1307/2013 for claim year 2020 and the related payment for agricultural practices beneficial for the climate and environment provided for in Chapter III of Title III of that Regulation for claim year 2020.
- 2. Member States may decide to differentiate the value of payment entitlements in accordance with Article 18(2).
- 3. <u>Each</u> Member States shall, by claim year 2026 at the latest, set a maximum level for the value of <u>individual</u> payment entitlements for the Member State or for each group of territories defined <u>referred to</u> in accordance with Article 18(2).
- 4. Where the value of payment entitlements as determined in accordance with paragraph 1 is not uniform within a Member State or within a group of territories as defined referred to in accordance with Article 18(2), the Member States concerned shall ensure a convergence of the value of payment entitlements towards a uniform unit value by claim year 2026 at the latest.

- 5. For the purposes of paragraph 4, <u>each</u> Member States shall ensure that, for claim year 2026 at the latest, all payment entitlements have a value of at least 75% of the average <u>planned</u> unit amount <u>or</u>, <u>where applicable</u>, <u>of the maximum unit amount</u>, <u>as referred to in Article 89</u>, for the basic income support for claim year 2026 as laid down in the <u>its</u> CAP Strategic Plan transmitted in accordance with Article 106 (1) for the Member State or for the <u>group of</u> territories as <u>defined referred to</u> in accordance with Article 18(2).
- 6. Member States shall finance the increases in the value of payment entitlements needed to comply with paragraphs 4 and 5 by using any possible <u>amounts that become available</u> <u>through product resulting from</u> the application of paragraph 3, and, where necessary, by reducing the difference between the unit value of payment entitlements determined in accordance with paragraph 1 and the average <u>planned</u> unit amount <u>or</u>, <u>where applicable</u>, <u>of</u> <u>the maximum unit amount</u>, <u>as referred to in Article 89</u>, for the basic income support for claim year 2026 as laid down in the CAP Strategic Plan transmitted in accordance with Article 106 (1) for the Member State or for the <u>group of</u> territories as defined <u>referred to</u> in accordance with Article 18(2).

Member States may decide to apply the reduction to all or part of the payment entitlements with a value determined in accordance with paragraph 1 exceeding the average planned unit amount or, where applicable, of the maximum unit amount, as referred to in Article 89, for the basic income support for claim year 2026, as laid down in the CAP Strategic Plan transmitted in accordance with Article 106 (1) for the Member State or for the group of territories as defined referred to in accordance with Article 18(2).

7. The reductions referred to in paragraph 6 shall be based on objective and non-discriminatory criteria. Without prejudice to the minimum <u>value</u> set in accordance with paragraph 5, such criteria may include the fixing of a maximum decrease that may not be lower than 30%.

Article 30 Scope

Coupled income support may only be granted to the following sectors and productions or specific types of farming therein where these are important for economic, social or environmental reasons: cereals, oilseeds excluding confectionary sunflower seeds as laid down in Article 10a(5), protein crops, legumes, mix between legumes and grasses, flax, hemp, rice, nuts, starch potatoes, milk and milk products, seeds, sheepmeat and goatmeat, beef and veal, olive oil and table olives, silkworms, dried fodder, hops, sugar beet, cane and chicory roots, genus capsicum-genus pimenta, fruit and vegetables, short rotation coppice and other non-food crops, excluding trees, used for the production of products that have the potential to substitute fossil materials.

General rules

- The crop-specific payment for cotton shall be granted per hectare of eligible area of cotton.
 The area shall be eligible only if it is located on agricultural land authorised by the Member State for cotton production, sown with varieties authorised by the Member State and actually harvested under normal growing conditions.
- 2. The crop-specific payment for cotton shall be paid for cotton of sound, fair and marketable quality.
- 3. Member States shall authorise the land and the varieties referred to in paragraph 1 in accordance with the <u>any</u> rules and conditions to be adopted pursuant to paragraph 4.

3a. For the interventions covered in this Subsection:

- (a) the eligibility of the expenditure incurred shall be determined on the basis of Article 35(a) of Regulation (EU) No .../... [HzR];
- (b) the second and third subparagraphs of Article 53(1) Regulation (EU) No .../... [HzR] shall not apply;
- (c) for the purposes of Article 11(1) of Regulation (EU) No .../... [HzR], the opinion to be provided by the certification bodies shall cover points (a), (b) and (d) of Article 11(1), as well as the management declaration.
- 4. The Commission is empowered to adopt delegated acts in accordance with Article 138 supplementing this Regulation with rules and conditions for the authorisation of land and varieties for the purposes of the crop-specific payment for cotton.
- 5. The Commission shall adopt implementing acts laying down rules on the procedure for the authorisation of land and varieties for the purposes of the crop-specific payment for cotton and on the notifications to the producers related to this authorisation. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 139(2).

Base areas, fixed yields and reference amounts

1. The following national base areas are established:

- Bulgaria: 3 342 ha

- Greece: 250 000 ha

- Spain: 48 000 ha

- Portugal: 360 ha

2. The following fixed yields in the reference period are established:

- Bulgaria: 1,2 tonne/ha

- Greece: 3,2 tonne/ha

- Spain: 3,5 tonne/ha

- Portugal: 2, 2 tonne/ha

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

Bulgaria: EUR 624,11 636,13,

- Greece: EUR 225,04 **229,37**,

- Spain: EUR 348,03 <u>**354,73**,</u>

- Portugal: EUR 219,09 **223,32.**

4. If the eligible area of cotton in a given Member State and in a given year exceeds the base area established in paragraph 1, the amount referred to in paragraph 3 for that Member State shall be reduced proportionately to the overrun of the base area.

- 5. The Commission is empowered to adopt delegated acts in accordance with Article 138 supplementing this Regulation with rules on the conditions for the granting <u>of</u> the cropspecific payment for cotton, on the eligibility requirements and on agronomic practices.
- 6. The Commission may adopt implementing acts laying down rules on the calculation of the reduction provided for in paragraph 4. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 139(2).

Granting of the payment

- 1. Farmers shall be granted the crop-specific payment for cotton per eligible hectare as established in Article 36.
- 2. In the case of farmers who are members of an approved interbranch organisation, the cropspecific payment for cotton per eligible hectare within the base area laid down in Article 36(1) shall be increased by an amount of EUR 2.

<mark>Article 38a</mark>

Derogations

- 1. Articles 88 and 89 and Chapters I, II, III, IV and V of Title VII shall not apply to the crop-specific payment for cotton laid down in this subsection.
- 2. The crop-specific payment for cotton shall not be included in any of the sections of the CAP Strategic Plan referred to in Articles 96 to 102, except as regards point (a) of Article 100(2a) relating to the detailed financial plan.

<u>Article 41<mark>a</mark></u>

Objectives in the fruit and vegetables sector, the hops sector, the olive oil and table olives sector
and in the other sectors referred to in point (f) of Article 39

The objectives in the sectors referred to in points (a), (d), (e) and (f) of Article 39 shall be the following:

- (a) planning and organisation of production, adjusting production to demand, particularly in terms of quality and quantity, optimisation of production costs and returns on investments, stabilising producer prices and negotiating contracts for the supply of agricultural products; those objectives relate to the specific objectives set out in points (a), (b), (c) and (i) of Article 6;
- (b) concentration of supply and placing on the market of the products concerned, including through direct marketing; those objectives relate to the specific objectives set out in points (a), (b) and (c) of Article 6;
- (c) improvement of medium and long term competitiveness, in particular through

 modernisation; that objective relates to the specific objective set out in point (c) of

 Article 6;
- (d) research into, and development of sustainable production methods, including pest resilience, innovative practices and production techniques boosting economic competitiveness and bolstering market developments; those objectives relate to the specific objectives set out in points (a), (b), (c) and (i) of Article 6;
- (e) promoting, developing and implementing:
 - (i) production methods and techniques that are respectful of the environment;
 - (ii) pest resilient and environmentally sound cultivation practices;

- (iii) animal health and welfare standards going beyond minimum requirements established under Union and national law;
- (iv) environmentally sound use and management of by-products and waste, including their re-usage and valorisation;
- (v) sustainable use of natural resources, in particular protection of water, soil and air, as well as actions to address biodiversity.

Those objectives relate to the specific objectives set out in points (e), (f) and (i) of Article 6;

- (f) contributing to climate change mitigation and adaptation, as set out in point (d) of Article 6;
- (g) boosting products' commercial value and quality, including improving product quality and developing products with a protected designation of origin or with a protected geographical indication or covered by public or certified private quality schemes chosen by Member States; those objectives relate to the specific objective set out in point (b) of Article 6;
- (h) promotion and marketing of the products; those objectives relate to the specific objectives set out in points (b), (c) and (i) of Article 6;
- (i) increasing consumption of the products of the fruit and vegetables sector, whether in a fresh or processed form; that objective relates to the specific objective set out in point (i) of Article 6;
- (j) crisis prevention and risk management, aimed at avoiding and dealing with crises in the markets of the relevant sector; those objectives relate to the specific objectives set out in points (a), (b) and (c) of Article 6.

Article 41<mark>b</mark>

Types of interventions in the fruit and vegetables sector, the hops sector, the olive oil and table olives sector and in the other sectors referred to in point (f) of Article 39

- 1. For each objective chosen among those referred to in points (a) to (i) of Article 41a,

 Member States shall choose in their CAP Strategic Plans one or more of the following

 types of interventions in the sectors referred to in points (a), (d), (e) and (f) of Article 39:
 - (a) investments in tangible and non-tangible assets, research and experimental production, as well as other actions, such as actions for:
 - (i) soil conservation, including the enhancement of soil carbon;
 - (ii) improvement of the use of and management of water, including water saving, water conservation and drainage;
 - (iii) preventing damage caused by adverse climatic events and promoting the development and use of varieties, breeds and management practices adapted to changing climate conditions;
 - (iv) increasing energy saving, energy efficiency and the use of renewable energy;
 - (v) ecological packaging only in the field of research and experimental production;
 - (vi) biosecurity, animal health and welfare;
 - (vii) reducing emissions and waste, and improving the use and management of byproducts and waste, including their re-usage and valorisation;
 - (viii) improving pest resilience;

- (ix) reducing risks and impacts of pesticide use or reducing use of veterinary medicines including antibiotics;
- (x) creating and maintaining habitats favourable to biodiversity;
- (b) advisory services and technical assistance, in particular concerning sustainable

 pest and disease control techniques, sustainable use of plant protection and animal
 health products, and climate change adaptation and mitigation;
- (c) training including coaching and exchange of best practices;
- (d) organic or integrated production;
- (e) actions to increase the sustainability and efficiency of transport and of storage of products;
- (f) promotion, communication and marketing including actions and activities aimed in particular at raising consumer awareness about the Union quality schemes and the importance of healthy diets, and at diversification of markets;
- (g) implementation of Union and national quality schemes;
- (h) implementation of traceability and certification systems, in particular the monitoring of the quality of products sold to final consumers;
- (i) actions to mitigate climate change and to adapt to climate change.
- 2. As regards the objective referred to in point (j) of Article 41a, Member States shall choose in their CAP Strategic Plans one or more of the following types of intervention in the sectors referred to in points (a), (d), (e) and (f) of Article 39:
 - (a) setting up, filling and refilling of mutual funds by producer organisations and by associations of producer organisations recognised under Regulation (EU) No 1308/2013;

- (b) investments in tangible and non-tangible assets making the management of the volumes placed on the market more efficient;
- (c) collective storage of products produced by the producer organisation or by members of the producer organisation, including where necessary collective processing to facilitate such storage;
- (d) replanting of orchards or olive groves where that is necessary following mandatory grubbing up for health or phytosanitary reasons on the instruction of the Member State competent authority or to adapt to climate change;
- (e) market withdrawal for free-distribution or other destinations, including where necessary processing to facilitate such withdrawal;
- (f) green harvesting consisting of the total harvesting on a given area of unripe nonmarketable products which have not been damaged prior to the green harvesting, whether due to climatic reasons, disease or otherwise;
- (g) non-harvesting consisting of the termination of the current production cycle on the area concerned where the product is well developed and is of sound, fair and marketable quality, excluding destruction of products due to a climatic event or disease;
- (h) harvest and production insurance that contributes to safeguarding producers' incomes where there are losses as a consequence of natural disasters, adverse climatic events, diseases or pest infestations and at the same time ensuring that beneficiaries take necessary risk prevention measures;
- (i) coaching to other producer organisations and associations of producer

 organisations recognised under Regulation (EU) No 1308/2013 or to individual

 producers;

- (j) implementation and management of third-country sanitary and phytosanitary requirements in the territory of the Union to facilitate access to third-country markets;
- (k) advisory services, technical assistance, training and exchange of best practices in particular regarding sustainable pest control techniques, sustainable use of pesticides or veterinary medicines as well as the use of organised trading platforms and commodity exchanges on the spot and futures market;
- (1) communication actions aiming at raising awareness and informing consumers.

Article 41c

Planning, reporting and performance clearance at operational programme level

Notwithstanding point (a) of Article 7(1), Article 88, Article 89, points (f), (g) and (h) of Article 99, point (e) of Article 100 (2) and Article 121, the planning, reporting and performance clearance for the types of interventions in the sectors referred to in point (a) and in points (d), (e) and (f) of Article 39 that are implemented through operational programmes shall be carried out at the level of those programmes, instead of at the level of intervention, and the indicative financial allocation, the outputs and the unit amounts shall be set at the level of the operational programmes.

Article 53

Union financial assistance to the wine sector

1. The Union financial assistance for restructuring and conversion of vineyards referred to in point (a) of Article 52(1) shall not exceed 50% of the actual costs of restructuring and conversion of vineyards or 75% of the actual costs of restructuring and conversion of vineyards in less developed regions within the meaning of point (a) of Article 102(2) of Regulation (EU) [CPR].

The assistance may only take the form of compensation to producers for loss of revenue due to the implementation of the intervention and contribution to the costs of restructuring and conversion. The compensation to producers for loss of revenue due to the implementation of the intervention may cover up to 100% of the relevant loss <u>and take one of the following</u> forms:

(i) the permission for old and new vines to coexist for a maximum period which shall not exceed three years;

(ii) financial compensation.

- 2. The Union financial assistance for investments referred to in point (b) of Article 52(1) shall not exceed the following limits:
 - (a) 50% of eligible investment costs in less developed regions within the meaning of point

 (a) of Article 102(2) of Regulation (EU) [CPR];
 - (b) 40% of eligible investment costs in regions other than less developed regions;
 - (c) 75% of eligible investment costs in the outermost regions referred to in Article 349 TFEU;
 - (d) 65% of eligible investment costs in the smaller Aegean islands as defined in Article 1(2) of Regulation (EU) No 229/2013.

The Union financial assistance at the maximum rate, referred to in the first subparagraph shall only be granted to micro, small and medium-sized enterprises within the meaning of Commission Recommendation 2003/361/EC⁸; **Hh**owever, it may be granted to all enterprises in the outermost regions referred to in Article 349 TFEU and the smaller Aegean islands as defined in Article 1(2) of Regulation (EU) No 229/2013.

Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36).

For enterprises not covered by Article 2(1) of Title I of the Annex to Recommendation 2003/361/EC, with fewer than 750 employees, or with **an annual** turnover of less than EUR 200 million, the maximum limits referred to in the first subparagraph shall be halved.

No Union financial assistance shall be granted to enterprises in difficulty within the meaning of Union Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty⁹.

- 3. The Union financial assistance for green harvesting referred to in point (c) of Article 52(1) shall not exceed 50% 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.
- 4. The Union financial assistance for harvest insurance referred to in point (d) of Article 52(1) shall not exceed:
 - (a) 80% of the cost of the insurance premiums paid for by producers for insurance against losses resulting from adverse climatic events which can be assimilated to natural disasters;
 - (b) 50% of the cost of insurance premiums paid by producers for insurance against:
 - (i) losses referred to in point (a) and against losses caused by <u>other</u> adverse climatic events;
 - (ii) losses caused by animals, plant diseases or pest infestations.

Union financial assistance for harvest insurance may be granted if insurance payments concerned do not compensate producers for more than 100% of the income loss suffered, taking into account any compensation the producers may have obtained from other support schemes related to the insured risk. Insurance contracts shall require beneficiaries to undertake necessary risk prevention measures.

Communication from the Commission Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty, <u>23</u>1.7. 2014 (2014/C 249/01).

- 5. The Union financial assistance for innovation referred to in point (e) of Article 52(1) shall not exceed:
 - (a) 50% of eligible investment costs in less developed regions within the meaning of point

 (a) of Article 102(2) of Regulation (EU) [CPR];
 - (b) 40% of eligible investment costs in regions other than less developed regions;
 - (c) 75% of eligible investment costs in the outermost regions referred to in Article 349 TFEU;
 - (d) 65% of eligible investment costs in the smaller Aegean islands as defined in Article 1(2) of Regulation (EU) No 229/2013.

The Union financial assistance at its maximum rate, referred to in the first subparagraph shall applybe granted only to micro, small and medium-sized enterprises within the meaning of Recommendation 2003/361/EC; however, it may, apply be granted to all enterprises in the outermost regions referred to in Article 349 TFEU and the smaller Aegean islands as defined in Article 1(2) of Regulation (EU) No 229/2013.

For enterprises not covered by Article 2(1) of Title I of the Annex to Recommendation 2003/361/EC, with fewer than 750 employees, or with **an annual** turnover of less than EUR 200 million, the maximum aid limit referred to in the first subparagraph shall be halved.

6. The Union financial assistance for information actions and promotion referred to in points (g) and (h) of Article 52(1) shall not exceed 50% of eligible expenditure. In addition, Member States may grant national payments up to 30% of eligible expenditure, but Union financial assistance and Member State payments shall together not exceed 80% of eligible expenditure.

7. The Union financial assistance for distillation of by-products of wine making referred to in point (f) of Article 52(1) shall be fixed by the Commission in accordance with the specific rules laid down in Article 54(3) by means of implementing acts adopted in accordance with the examination procedure referred to in Article 139(2).

Article 58

Union financial assistance

- 1. The Union financial assistance to the eligible costs shall not exceed:
 - (a) 75% of actual expenditure incurred for interventions linked to objectives referred to in points (a), (b), and (c) and to (ef) of Article 5641a;
 - (b) 75% of actual expenditure incurred for fixed assets investments and £50% for other interventions linked to **the** objective referred to in point (**dg**) of Article 5641a;
 - (c) 50% of actual expenditure incurred for interventions linked to <u>the</u> objective referred to in point (fi) of Article 5641a;
 - (d) 75% of the actual expenditure incurred for the types of interventions referred to in points (f) and (h) of paragraph 1 of Article 60(1)41b where the operational program is implemented in at least three third countries or non-producing Member States by producer organisations or associations of producer organisations from at least two producing Member States, 50% of the actual expenditure where for this type of intervention this condition is not met.
- 2. The Union financial assistance shall be limited to 5% of the value of marketed production of each producer organisation or association of producer organisations.
- 3. Member States shallmay ensure complementary financing of the operational funds referred to in Article 45 up to 50% of the costs not covered by the Union financial assistance.

Article 60a

Types of interventions in other sectors

- 1. For each sector selected according to the first paragraph of Article 59, Member States shall choose one or more of the types of interventions referred to in Article 41b to be implemented through approved operational programs drawn up by:
 - (a) producer organisations and their associations, recognised under Regulation (EU)

 No 1308/2013 or under paragraph 7 in the cotton sector, or
 - (b) cooperatives, as well as other forms of cooperation between producers constituted at the initiative of producers and controlled by them, that have been identified by the competent authority of a Member State as producer groups, for a transitional period of up to four years from the start of an approved operational program ending on 31 December 2027 at the latest.
- 2. Member States shall set the criteria for being identified as producer groups and shall determine the activities and objectives of the producer groups referred to in point (b) of paragraph 1 with the aim that these producer groups be able to meet the requirements for recognition as producer organisations under Articles 152 to 154 or 161 of Regulation (EU) No 1308/2013.
- 3. Producer groups referred to in point (b) of paragraph 1, shall, in addition to an operational program, draw up and submit a recognition plan with a view to fulfilling, within the transitional period referred to in that point, the requirements laid down in Articles 152 to 154 or 161 of Regulation (EU) No 1308/2013 for recognition as producer organisations.

The recognition plan shall set activities and targets to ensure the progress towards obtaining such recognition.

The support granted to a producer group that is not recognised as a producer organisation by the end of the transitional period shall be subject to recovery.

- 4. Member States shall substantiate their choice of types of interventions referred to in paragraph 1.
- 5. Types of interventions referred to in points (c) and (e) to (h) of paragraph 2 of Article

 41b shall not apply to cotton, rape and colza seeds, sunflower seeds and soya beans
 included in Annex X.
- 6. The operational programs referred to in paragraph 1 shall fulfil the conditions laid down in Article 44(2) and (3) to (6) of this Regulation.
- 7. Member States, which choose to implement types of interventions referred to in Article 39(f) in the cotton sector, shall recognise producer organisations in the cotton sector and associations of such producer organisations based on the requirements and using the procedures laid down in paragraph 1 of Article 152 and in Articles 153 to 156 of Regulation (EU) No 1308/2013¹⁰. Producer groups of cotton and federations of such producer groups recognised by Member States based on the Protocol No 4 to the 1979 Act of Accession of the Hellenic Republic before the entry into application of this Regulation are, for the purposes of this section, deemed to be considered as producer organisations or associations of producer organisations, respectively.
- 8. Member States shall ensure that the support for the types of interventions referred to in points (e), (f) and (g) of paragraph 2 of Article 41b does not exceed one third of the total expenditure under operational programs as set out in their CAP Strategic Plan.

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)

Environmental, climate and other management commitments

- 1. Member States may grant payments for environmental, climate and other management commitments shall include agri-environment-climate commitments among the interventions in their CAP Strategic Plans and may include other management commitments therein. The payments for those commitments shall be granted under the conditions set out in this Article and as further specified in their CAP Strategic Plans.
- 2. Member States shall include agri-environment-climate commitments in their CAP Strategic Plans
- 3. Member States may make support under this type of interventions available throughout their territories, in accordance with their national, regional or local specific needs.
- 4. Member States shall only grant payments to farmers and or other beneficiaries who undertake, on a voluntary basis, management commitments which are considered to be beneficial to achieving one or more of the specific objectives set out in Article 6(1).
- 5. Under this type of interventions <u>Article</u>, Member States shall only provide grant payments covering commitments which:
 - (a) go beyond the relevant statutory management requirements and <u>GAEC</u> standards of good agricultural and environmental condition established under Section 2 of Chapter I of this Title;
 - (b) go beyond the <u>relevant</u> minimum requirements for the use of fertiliser and plant protection products, animal welfare, as well as other <u>relevant</u> mandatory requirements established by national and Union law;

- (c) go beyond the conditions established for the maintenance of the agricultural area in accordance with point (a) of Article 4(1);
- (d) are different from commitments in respect of which payments are granted under Article 28.
- 6. Member States shall compensate determine the payments to be made beneficiaries for on the basis of the additional costs incurred and income foregone resulting from the commitments made, taking into account the targets set. These payments shall be granted annually and. Where necessary, they may also cover transaction costs. In duly justified cases, Member States may grant support as a flat-rate or as a one-off payment per unit. Payments shall be granted annually.
- 7. Member States may promote and support collective schemes and result-based payments schemes to encourage farmers **or other beneficiaries** to deliver a significant enhancement of the quality of the environment at a larger scale and or in a measurable way.
- 8. Commitments shall be undertaken for a period of five to seven years. However, where necessary in order to achieve or maintain certain environmental benefits sought, Member States may determine a longer period in the CAP Strategic Plan for particular types of commitments, including by means of providing for their annual extension after the termination of the initial period.

In exceptional and duly justified cases, For animal welfare commitments, for commitments for the conservation, sustainable use and development of genetic resources, for conversion to organic farming, and for new commitments directly following the commitment performed in the initial period, or in other duly justified cases, Member States may determine a shorter period of at least one year in their CAP Strategic Plans.

- 8a. Member States shall ensure that a revision clause is provided for operations undertaken under the type of intervention referred to in this Article in order to ensure their adjustment in the case of amendments to the relevant mandatory standards, requirements or obligations referred to in paragraph 5 beyond which the commitments have to go or to ensure compliance with point (d) of the same paragraph. If such adjustment is not accepted by the beneficiary, the commitment shall expire and reimbursement shall not be required in respect of the period during which the commitment was effective. Member States shall also ensure that a revision clause is provided for operations undertaken under this type of intervention referred to in this Article which extend beyond the period 2023-2027 in order to allow for their adjustment to the legal framework of the following period.
- 9. Where support under this type of interventions Article is granted to agri-environment-climate commitments, commitments to convert to or maintain organic farming practices and methods as defined in Regulation (EC) No 834/2007 and forest_environmental and_climate services, Member States shall establish a payment per hectare. In duly justified cases or for commitments not covered by this paragraph, Member States may apply other units than hectares.
- 10. Member States shall ensure that persons carrying out operations under this type of interventions have access to the knowledge and information required to implement such operations.
- 11. Member States shall ensure that interventions under this Article are consistent with those granted under Article 28.

Investments

1. Member States may grant support for investments under the conditions set out in this Article and as further specified in their CAP Strategic Plans.

- 2. Member States may only grant support under this type of interventions Article for those investments in tangible and/or intangible investments assets, which that contribute to achieving one or more of the specific objectives set out in Article 6. Support to the forestry sector shall be based on a forest management plan or equivalent instrument.
 - For holdings above a certain size, to be determined by the Member States in their CAP Strategic Plan, support to the forestry sector shall be conditional on the presentation of the relevant information from a forest management plan or equivalent instrument in line with sustainable forest management as understood by the Ministerial Conference on the Protection of Forests in Europe of 1993.
- 3. Member States shall establish a list of ineligible investments and categories of expenditure, including at least the following:
 - (a) purchase of agricultural production rights;
 - (b) purchase of payment entitlements;
 - (c) purchase of land for an amount exceeding 10% of the total eligible expenditure for the operation concerned; with the exception of land purchase for environmental conservation or land purchase by young farmers through the use of in the case of financial instruments, this ceiling shall apply to the eligible public expenditure paid to the final recipient, or, in case of guarantees, to the amount of the underlying loan;
 - (d) purchase of animals livestock, with the exception of endangered breeds as defined in Article 2(24) of Regulation (EU) No 2016/1012, annual plants and their planting other than for the purpose of restoring agricultural or forestry potential following natural disaster and catastrophic events;

- (e) interest rate on debt, except in relation to grants given in the form of an interest rate subsidy or guarantee fee subsidy;
- (f) investments in irrigation which are not consistent with the achievement <u>and</u> <u>maintenance</u> of good status of water bodies, as laid down in Article 4(1) of Directive 2000/60/EC, including expansion of irrigation affecting water bodies whose status has been defined as less than good in the relevant river basin management plan <u>for reasons</u> related to quantity;
- (g) investments in large-scale infrastructures, as determined by Member States, not being part of community-led local development strategies set out in Article 26 of Regulation [CPR], except for broadband, renewable energy and flood and coastal protection;
- (h) investments in afforestation which are not consistent with climate and environmental objectives in line with sustainable forest management principles, as developed in the Pan-European Guidelines for Afforestation and Reforestation.

Points (a), (b), (d) and (g) of the first subparagraph shall not apply where support is provided through financial instruments.

By way of derogation from point (c), land purchase for environmental conservation and carbon-rich soil preservation, as well as land purchase by young farmers through the use of financial instruments, may be eligible to a higher rate than 10%. In the case of financial instruments, any defined percentage shall apply to the eligible public expenditure paid to the final recipient or, in case of guarantees, to the amount of the underlying loan.

{By way of derogation from point (f) investments in irrigation may be made eligible if an ex ante environmental analysis shows that there will be no significant negative environmental impact from the investment. Such an environmental impact analysis shall be carried out by the competent authority or be approved by it.}

- 4. Member States shall limit the support to the one or more maximum rates of not exceeding 75% of the eligible costs.
 - The maximum support rates may be increased to a maximum of 100% for the following investments:
 - (a) afforestation and non-productive investments linked to <u>one or more of</u> the specific environmental- and climate-related objectives set out in points (d), (e) and (f) of Article 6(1), including non-productive investments aimed at protecting livestock against predation and crops against damages caused by wild animals such as wild boars;
 - (b) investments in basic services <u>and infrastructure</u> in rural areas, <u>as determined by</u>

 <u>Member States</u>;
 - (c) investments in the restoration of agricultural or forestry potential following natural disasters or catastrophic events and investments in appropriate preventive actions in forests and in the rural environment areas;
 - (d) non-productive investments supported through community-led local development strategies set out in Article 26 [CPR] and Operational Group projects of the European Innovation Partnership for agricultural productivity and sustainability as referred to in point (a) of Article 71;
 - (e) non-productive investments in forestry infrastructure, land consolidation and land improvement.
 - 5. Where Union law results in the imposition of new requirements on farmers, support
 may be granted for investments to comply with those requirements for a maximum of 24
 months from the date on which they become mandatory for the holding.

Cooperation

- 1. Member States may grant support for cooperation under the conditions set out in this Article and as further specified in their CAP Strategic Plans to:
 - (a) prepare and to implement Operational Group projects operations of the European Innovation Partnership for agricultural productivity and sustainability as referred to in Article 114; and
 - (b) prepare and implement LEADER, referred to as community-led local development in Article 25 of Regulation (EU) [CPR]*:
 - (c) and to promote support promotion of quality schemes, new quality schemes, and new participation by farmers in quality schemes;
 - (d) support the setting-up of producer organisations, or producer groups and interbranch organisations, or new cooperation activities by existing producer organisations, producer groups and interbranch organisations;
 - (e) support other forms of <u>new</u> cooperation.
- 2. Member States may only grant support under this type of interventions Article to promote forms of cooperation which involves at least two entities actors and which contributes to achieving one or more of the specific objectives set out in Article 6.
- 3. Member States may cover under this type of interventions <u>Article</u> the costs related to all aspects of the cooperation.

^{*} The Presidency also proposes to amend recital (45) as follows: "[...] community supported agriculture; <u>all</u> actions within the scope of LEADER; and the setting up of producers groups and producer organisations [...]".

4. Member States may grant the support as an overall amount covering the costs of cooperation and the costs of the projects and operations implemented, including investment costs, or they may cover only the costs of the cooperation and use funds from other types of interventions for rural development, national or Union support instruments for project implementation.

Where support is paid as an overall amount, Member States shall ensure that the relevant rules and requirements for similar operations covered under other types of interventions for rural development as set out in Articles 65, 66, 67, 68, 69, 70 and 72 of this Regulation are respected.

In the case of LEADER, referred to as community-led local development in Article 25 of [CPR], by way of derogation from the first subparagraph:

- (a) support for all costs eligible for preparatory support under Article 28(1)(a)

 [CPR] and for implementing selected strategies under Article 28(1)(b) and (c)

 [CPR] shall only be granted as an overall amount under this Article and
- (b) Member States shall ensure that the relevant Union rules and requirements for similar operations covered under the type of intervention for investments as set out in Article 68 of this Regulation are respected.
- 5. Where support is paid as an overall amount, Member States shall ensure that Union rules and requirements pertaining to similar actions covered under other types of interventions are respected. This paragraph does not apply to LEADER, referred to as community-led local development in Article 25 of Regulation (EU) [CPR].
- 6. Member States shall not support through this type of interventions cooperation solely involving research bodies.
- 7. In the case of cooperation in the context of farm succession, Member States may grant support only to farmers having reached the retirement age <u>or farmers that will reach that age by the end of the operation</u>, as <u>set underdetermined by the Member State in accordance with its</u> national legislation.

8. Member States shall limit support to a maximum of seven years except for <u>LEADER and</u> collective environment and climate actions in duly justified cases to achieve the specific environmental- and climate-related objectives set out in points (d), (e) and (f) of Article 6(1).

Article 72

Knowledge exchange and information

- Member States may grant support for agricultural, forestry and rural business-knowledge
 exchange and information in agriculture, forestry, and rural businesses and communities,
 as well as for the protection of nature, environment and climate, including
 environmental education and awareness actions, under the conditions set out in this Article
 and as further specified in their CAP Strategic Plans.
- 2. <u>Support uUnder this type of interventions Article Member States</u> may cover costs of any relevant action to promote innovation, access to training and advice, drawing up and updating of plans, studies, as well as and exchange and dissemination of knowledge and information which contribute to achieving one or more of the specific objectives set out in Article 6.

Support for advisory services shall only be granted for advisory services that comply with the third paragraph of Article 13.

- 3. Member States shall limit the support to a maximum of 75% of the eligible costs.

 By way of derogation from the first subparagraph, iIn the case of setting-up of farm advisory services, Member States may grant support in the form of a fixed amount of maximum EUR 200 000. They shall ensure that support is limited in time.
- 4. By way of derogation from paragraph 3, in outermost regions and other duly justified cases

 Member States may apply a higher rate or a higher amount than that set in in that paragraph to
 achieve the specific objectives set out in Article 6.

- 5. In the case of support to the setting-up of farm advisory services, Member States shall ensure that the support is limited in time.
- 6. Member States shall ensure that actions supported under this type of interventions be based on and be consistent with the description of the AKIS provided in the CAP Strategic Plan in accordance with point (i) of Article 102(a).

Selection of operations

1. After consultation of the Monitoring Committee referred to in Article 111, Tthe
Managing Authority of the CAP Strategic Plan, authorities at regional level or other
designated intermediate bodies shall define set out selection criteria for interventions relating
to the following types of interventions: investments, installation of young farmers, and rural
business start-up and development of small farms, cooperation, knowledge exchange and
information, after consultation of the Monitoring Committee referred to in Article 111. Those
Selection criteria shall aim to ensure equal treatment of applicants, better use of financial
resources and targeting of the support in accordance with the purpose of the interventions.

Member States may decide to not apply selection criteria for investment interventions clearly targeting environmental purposes or realised in connection with restoration activities.

By way of derogation from the first sub-paragraph, in duly justified cases another selection method may be established after consultation of the Monitoring Committee referred to in Article 111.

2. The responsibility of the Managing Authority, authorities at regional level or designated intermediate bodies set out in the paragraph 1 shall be without prejudice to the tasks of the Local Action Groups set out in Article 27 of Regulation (EU) [CPR].

- 3. Paragraph 1 shall not apply where support is provided in the form of financial instruments.
- 4. <u>Member States may decide not to apply sSelection criteria may not be defined</u> for operations that have received a Seal of Excellence certification under Horizon 2020 or Horizon Europe or have been selected under Life + <u>LIFE</u>, provided that such operations are consistent with the CAP Strategic Plan.
- 5. Operations shall not be selected for support where they have been physically completed or fully implemented before the application for funding under the CAP Strategic Plan is submitted to the Managing Authority, irrespective of whether all related payments have been made.
- 6. All or part of an operation may be implemented outside of the Member State concerned, including outside the Union, provided that the operation contributes to the objectives of the CAP Strategic Plan.

Use of the EAFRD delivered through or combined with InvestEU

1. In accordance with Article 10 of Regulation (EU) [CPR] and the requirements set out in this Article, Member States may allocate, in the proposal for a CAP Strategic Plan; referred to in Article 106 or in the request for an amendment of a CAP Strategic Plan referred to in Article 107, the an amount to be contributed to and delivered through the InvestEU budgetary guarantee and the InvestEU Advisory Hub. The amount to be delivered through contributed to InvestEU shall not exceed 5% of the total EAFRD allocation, except in duly justified cases to the CAP Strategic Plan and shall be implemented in accordance with the InvestEU rules established in the [InvestEU Regulation]. The CAP Strategic Plan shall contain the a justification of for the use of the InvestEuU budgetary guarantees and its contribution to the achievement of one or more of the specific objectives set out in Article 6 and selected under the CAP Strategic Plan.

- In addition to the allocations referred to in the first subparagraph Member States may allocate part of the technical assistance as set out in Article 112 to be contributed to InvestEU for the corresponding InvestEU Assistance for activities set out in the contribution agreement referred to in Article [9] of [InvestEU Regulation].
- 2. For the requests for an amendment of a CAP Strategic Plan referred to in Article 107, only resources of future years may be identified.
 - Resources of 2026 and 2027 shall not be used for allocations under paragraph 1.
- 3. The amount referred to in the first subparagraph of paragraph 1 shall be used for the provisioning of the part of the EU guarantee under the Member State compartment and for the InvestEU Advisory Hub, [upon conclusion of the contribution agreement referred to in Article 9(2) of the Regulation ... [InvestEU Regulation]].
- 4. Where a contribution agreement, as set out in Article [9] of the [InvestEU Regulation], has not been concluded by 31 December 2021 within four months following the Commission decision approving the CAP Strategic Plan for an amount referred to in paragraph 1 allocated in the CAP Strategic plan referred to in Article 106, the corresponding amount shall be used in the CAP Strategic Plan following an amendment request by the Member State shall submit a request for amendment of the CAP Strategic Plan in accordance with Article 107, to use the corresponding amount.
- 4a. The contribution agreement for an amount referred to in paragraph 1 allocated in the request of **for** the amendment of a CAP Strategic Plan shall be concluded simultaneously with the adoption of the decision **approving the** amendingment of the CAP **pStrategic P**lan.
- 5. Where a guarantee agreement, as set out in Article [9] of the [InvestEU Regulation], has not been concluded within [9]nine months from the approval of the contribution agreement, the contribution agreement shall be terminated or prolonged by mutual agreement.

Where the participation of a Member State in InvestEU is discontinued, the respective amounts paid into the common provisioning fund as a provisioning shall be transferred back to the CAP Strategic Plan recovered as internal assigned revenue pursuant to Article 21(5) of Regulation (EU, Euratom) 2018/1046 and the Member State shall submit a corresponding request for an amendment of the CAP Strategic Plan to use the amounts recovered and the amounts allocated to future calendar years according to paragraph 2.

The termination or amendment of the contribution agreement shall be concluded simultaneously with the adoption of the decision approving the amendment of the CAP Strategic Plan at the latest by 31 December 2026.

- 6. Where a guarantee agreement, as set out in Article [9] of the [InvestEU Regulation], has not been fullyduly implemented within [four years] from the signature of the guarantee agreement, the Member State may request that amounts committed in the guarantee agreement but not covering underlying loans, equity investments or other risk bearing instruments shall be are treated in accordance with paragraph 5.
- 7. Resources generated by or attributable to the amounts contributed to InvestEU and delivered through budgetary guarantees shall be made available to the Member State and shall be used for support under the same objective or objectives referred to in paragraph 1 in the form of financial instruments or budgetary guarantees for repayable forms of support in accordance with the CAP Strategic Plan.
- 8. The automatic decommitment time limit as provided for in Article 32 of Regulation (EU)

 [HZR] for the amounts to be re-used in a CAP Strategic Plan in accordance with

 paragraphs 4, 5 and 6 shall start in the year in which the corresponding budgetary

 commitments are made.*

^{*} Consideration should be given to assessing whether it is necessary to ensure alignment with the relevant provisions of the CPR once that Regulation is sufficiently stabilised, avoiding any duplication.

Simplified Cost Options Forms of grants

- 1. Without prejudice to Articles 65, 66, 67, and 69, 74 and 75, the support granted under this Chapter may take any of the following forms:
 - (a) reimbursement of eligible costs actually incurred by a beneficiary;
 - (b) unit costs;
 - (c) lump sums;
 - (d) flat-rate financing.
- 2. The amounts for the forms of grants referred to under point (b), (c) and (d) of paragraph 1, shall be established in one of the following ways:
 - (a) a fair, equitable and verifiable calculation method based on:
 - (i) statistical data, other objective information or an expert judgement; or
 - (ii) verified historical data of individual beneficiaries; or
 - (iii) the application of usual cost accounting practices of individual beneficiaries;
 - (b) draft budgets <u>established on a case-by-case basis and agreed ex-ante by the body</u> <u>selecting the operation</u>;
 - (c) in accordance with the rules for application of corresponding unit costs, lump sums and flat rates applicable in Union policies for a similar type of operation;
 - (d) in accordance with the rules for application of corresponding unit costs, lump sums and flat rates applied under schemes for grants funded entirely by the Member State for a similar type of operation.

- 3. Member States may provide grants under conditions to beneficiaries which are fully or partially repayable as specified in the document setting out the conditions for support and in accordance with the following conditions:
 - (a) repayments by the beneficiary shall be made under the conditions agreed by the Managing authority and the beneficiary;.
 - (b) Member States shall reuse resources paid back by the beneficiary for the same specific objective of the CAP Strategic Plan before 31 December 2029 either in the form of grants under conditions, in the form of a financial instrument or in another form of support. The amounts paid back and information about their reuse shall be included in the last annual performance report;
 - (c) Member States shall adopt the necessary measures to ensure that the resources shall be kept in separate accounts or under appropriate accounting codes;
 - (d) Union resources paid back by beneficiaries at any time, but not reused by the end of the period indicated in subparagraph (b), shall be repaid to the budget of the Union in accordance with Article 32 HzR.

Eligibility of expenditure

- Expenditure shall be eligible for contribution from the EAGF and the EAFRD from 1 January of the year following the year of the approval of the CAP Strategic Plan by the Commission.
 EAFRD expenditure shall be eligible from the date of submission of the CAP Strategic
 Plan, but not before 1 January 2023.
- 2. Expenditure that becomes eligible as a result of an amendment to a CAP Strategic Plan shall be eligible for a contribution from the EAFRD from the date of submission to the Commission of the request for amendment, or from the date of notification of modification referred to in Article 107(7a).

By way of derogation from the first sub-paragraph and Article 73(5) and the first subparagraph, in cases of emergency measures due to natural disasters, catastrophic events or adverse climatic events or a significant and sudden change in the socio-economic conditions of the Member State or region, the CAP Strategic Plan may provide that eligibility of EAFRD financed expenditure relating to amendments of the plan may start from the date on which the event occurred.

3. Expenditure shall be eligible for a contribution from the EAFRD if it has been incurred by a beneficiary and paid by 31 December 2029. In addition, expenditure shall only be eligible for a contribution from the EAFRD if the relevant aid is actually paid by the paying agency by 31 December 2029.

Operations shall not be eligible for support where they have been physically completed or fully implemented before the application for funding under the CAP Strategic Plan is submitted to the Managing Authority, irrespective of whether all related payments have been made. Member States shall set the starting date of eligibility of costs.

4. Contributions in kind and depreciation costs may be eligible for support under the EAFRD, subject to conditions to be set by the Member States.

Article 81

Financial allocations for types of interventions in the form of direct payments

1. Without prejudice to Article 15 of Regulation (EU) [HzR], the total amount for types of interventions in the form of direct payments which may be granted in a Member State pursuant to Chapter II of Title III of this Regulation in respect of a calendar year shall not exceed the financial allocation of that Member State as set out in Annex IV.

Without prejudice to Article 15 of Regulation (EU) [HzR], the maximum amount which may be granted in a Member State, in a calendar year, pursuant to Subsection 2, Section 23, Chapter II of Title III of this Regulation and before the application of Article 15 of this Regulation, shall not exceed the financial allocation of that Member State set out in Annex VI.

For the purpose of Article 86(5), <u>(6a) and (6b)</u>, the financial allocation of a Member State referred to in the first subparagraph after deduction of the amounts set out in Annex VI and before any transfers according to Article 15 is set out in Annex VII.

2. The Commission is empowered to adopt delegated acts in accordance with Article 138 amending the Member States' allocations set out in Annex IV and VII to take account of the developments relating to the total maximum amount of direct payments that may be granted, including the transfers referred to in Articles 15 and 90, transfers of financial allocations referred to in Article 82(5) and any deductions needed to finance types of interventions in other sectors referred to in Article 82(6).

By way of derogation from the first subparagraph the adaptation of Annex VII shall not take into account any transfers in accordance with Article 15.

3. The amount of the indicative financial allocations per intervention referred to in Article 88 for the types of interventions in the form of direct payments laid down in Article 14 to be granted in a Member State in respect of a calendar year may exceed the allocation of that Member State set out in Annex IV by the estimated amount of reduction of payments taken up in the CAP Strategic Plan as referred to in the second subparagraph of Article 100(2)(d).

Article 82

Financial allocations for certain sectoral types of interventions in certain sectors

 The Union financial assistance for types of interventions in the wine sector is allocated to Member States as set out in Annex V.

- 2. The Union financial assistance for types of interventions in the apiculture sector is allocated to Member States as set out in Annex VIII.
- 3. The Union financial assistance for types of interventions in the hops sector allocated to Germany shall be EUR 2 188 000 per financial year as referred to in Article 33 of Regulation (EU) [HzR].
- 4. The Union financial assistance for types of interventions in the olive oil and table olives sector is allocated as follows:
 - (a) EUR 10 666 000 per financial year as referred to in Article 33 of Regulation (EU)

 [HzR] for Greece;
 - (b) EUR 554 000 per financial year as referred to in Article 33 of Regulation (EU) [HzR] for France; and
 - (c) EUR 34 590 000 per financial year as referred to in Article 33 of Regulation (EU)

 [HzR] for Italy.
- 5. The Member States concerned may decide in their CAP Strategic Plans to transfer the total financial allocations referred to in paragraphs 3 and 4 to their allocations for direct payments. This decision may not be reviewed.
 - The Member States' financial allocations transferred to allocations for direct payments shall no longer be available for the types of interventions referred to **in** paragraphs 3 and 4.
- 6. Member States may decide in their CAP Strategic Plans to use up to 3% of the<u>ir Member States'</u> allocations for direct payments set out in Annex IV, after deduction of the amounts available for cotton set out in Annex VI, for types of intervention<u>s</u> in other sectors referred to in Section 7 of Chapter III of Title III.

Member States may decide to increase the percentage referred to in the first subparagraph up to 5%. In this case, the amount corresponding to this increase shall be deducted from the maximum set in the first subparagraph of Article 86(5) and no longer be available for allocation to coupled income support types of interventions referred to therein.

- 7. Member States may, in 20235, review their decisions referred to in paragraph 6 as part of a request for amendment of their CAP Strategic Plans, referred to in Article 107.
- 8. The amounts set out in the approved CAP Strategic Plan resulting from the application of paragraphs 6 and 7 shall be binding in the Member State concerned.

Article 83

Financial allocations for types of interventions for rural development

- 1. The total amount of Union support for types of interventions for rural development under this Regulation for the period from 1 January 202+3 to 31 December 2027 shall be EUR 78-811 million 60 544 439 600 in current prices in accordance with the multiannual financial framework for the years 2021 to 2027¹¹.
- 2. 0,25% of the resources referred to in paragraph 1 shall be devoted to finance the activities of technical assistance on the initiative of the Commission referred to in Article 7 of the Regulation (EU) [HzR], including the European network for the Common Agricultural Policy referred to in Article 113(2) of this Regulation and the European Innovation Partnership for agricultural productivity and sustainability referred to in Article 114 of this Regulation. Those activities may concern previous programming periods and subsequent CAP Strategic Plan periods.
- 3. The annual breakdown by Member State of the amounts referred to in paragraph 1, after deduction of the amount referred to in paragraph 2, is set out in Annex IX.

Proposal for a Council Regulation laying down the multiannual financial framework for the years 2021-2027 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, COM(2018)322 final.

4. The Commission is empowered to adopt delegated acts in accordance with Article 138 amending Annex IX to review the annual breakdown by Member State to take account of the relevant developments, including the transfers referred to in Articles 15 and 90, 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.

Article 85

EAFRD contribution rates

- 1. The CAP Strategic Plans shall establish <u>at regional or national level</u> a single EAFRD contribution rate applicable to all interventions <u>and technical assistance at the initiative of the Member States referred to in Article 112</u>.
- 2. **By way of derogation from paragraph 1** the maximum EAFRD contribution rate shall be:
 - (aa) 85% of the eligible public expenditure in the less developed regions within the meaning of point (a) of Article 102(2) of Regulation (EU) [CPR];
 - (a) 780% of the eligible public expenditure in the outermost regions referred to in Article
 349 TFEU and in the smaller Aegean islands within the meaning of Regulation (EU)
 No 229/2013;
 - (b) 70% of the eligible public expenditure in the less developed regions;
 - (ba) 60% of the eligible public expenditure in transition regions within the meaning of Article xx of Regulation (EU) [CPR];
 - (c) 65% of the eligible expenditure for payments under Article 66;
 - (d) 43% of the eligible public expenditure in the other regions.

The minimum EAFRD contribution rate shall be 20 %.

- 3. By way of derogation from paragraphs 1 and 2, the maximum EAFRD contribution rate shalls if the rate in paragraph 2 is lower, be:
 - (aa) 65% of the eligible public expenditure for payments for natural or other areaspecific constraints under Article 66;
 - (a) 80 % of the eligible public expenditure for payments under for management commitments referred to in Article 65 of this Regulation, for payments under Article 67 of this Regulation, for support for non-productive investments referred to in Article 68 of this Regulation, for support for the European Innovation Partnership under point (a) of Article 71(1) of this Regulation and for the LEADER under point (b) of Article 71(1) of this Regulation, referred to as community-led local development in Article 25 of Regulation (EU) [CPR];
 - (b) 100% for operations receiving funding from funds transferred to the EAFRD in accordance with Articles 15 and 90 of this Regulation.

4. The minimum EAFRD contribution rate shall be 20 %.

Article 86

Minimum and maximum financial allocations

- 1. At least 5 % of the total EAFRD contribution to the CAP Strategic Plan as set out in Annex IX shall be reserved for LEADER, referred to as community-led local development in Article 25 of Regulation (EU) [CPR].
- 2. At least 30% of the total EAFRD contribution to the CAP Strategic Plan as set out in Annex IX shall be reserved for interventions addressing the specific environmental- and climate-related objectives set out in points (d), (e) and (f) of Article 6(1) of this Regulation, excluding interventions based on Article 66.

The first subparagraph does not apply to the outermost regions <u>referred to in Article 349</u> **TFEU**.

- 3. A maximum 4 % of the total EAFRD contribution to the CAP Strategic Plan as set out in Annex IX may be used to finance the actions of technical assistance at the initiative of the Member States referred to in Article 112.
 - The EAFRD contribution may be increased to 6% for CAP Strategic plans where the total amount of Union support for rural development is up to EUR 901.1 mbillion.

Technical assistance shall be reimbursed as a flat-rate financing following Article 125(1)(e) of Regulation (EU/₂ Euratom) 2018/1046.../...[new Financial Regulation] in the framework of interim payments pursuant to Article 30 of Regulation (EU) [HZR]. This flat-rate shall represent the percentage set in the CAP Strategic Plan for technical assistance of the total expenditure declared.

- 4. For each Member State the minimum amount set out in Annex X shall be reserved for contributing to the specific objective 'attract young farmers and facilitate business development' set out in point (g) of Article 6(1). On the basis of the analysis of the situation in terms of strengths, weaknesses, opportunities and threats ('the SWOT analysis') and the identification of the needs that are to be addressed, the amount shall be used for either or both of the following types of interventions:
 - (a) the <u>C</u>complementary <u>Fi</u>ncome <u>S</u>support for <u>Y</u>voung <u>F</u>farmers as laid down in Article 27;
 - (b) the installation of young farmers referred to in **point (a) of** Article 69(2).
- 5. The indicative financial allocations for the coupled income support interventions referred to in Subsection 1 of Section 23 of Chapter II of Title III, shall be limited to a maximum of 103% of the amounts set out in Annex VII.

By way of derogation from the first sub-paragraph, Member States that in accordance with Article 53(4) of Regulation (EU) No 1307/2013 used for the purpose of voluntary coupled support more than 13% of their annual national ceiling set out in Annex II to that Regulation, may decide to use for the purpose of coupled income support more than 193% of the amount set out in Annex VII. The resulting percentage shall not exceed the percentage approved by the Commission for voluntary coupled support in respect of claim year 2018.

The percentage referred to in the first subparagraph, may be increased by a maximum of 2% percentage points, provided that the amount corresponding to the percentage exceeding the 103% is allocated to the support for protein crops under Subsection 1 of Section 23 of Chapter II of Title III.

The amount included in the approved CAP Strategic Plan resulting from the application of the first, and second and third subparagraphs shall be binding may not be exceeded.

By way of derogation from the first and second subparagraphs, Member States may choose to use up to EUR 3 million per year for financing coupled income support.

- 6. Without prejudice to Article 15 of Regulation (EU) [HzR], the maximum amount which may be granted in a Member State before the application of Article 15 of this Regulation pursuant to Subsection 1 of Section 23 of Chapter II of Title III of this Regulation in respect of a calendar year shall not exceed the amounts fixed in the CAP Strategic Plan in accordance with paragraph 65 of this Article.
- 6a. Member States shall set out in their CAP Strategic Plan for the calendar years 2023 and 2024 an indicative financial allocation for schemes for the climate and the environment referred to in Subsection 4 of Section 2 of Chapter II of Title III of at least [x]% of the amounts set out in Annex VII.

The indicative financial allocation shall not prevent Member States from using funds from this allocation according to the first subparagraph as funds for other interventions in accordance with Article 88(3), where this is necessary to avoid funds being unused under the condition that all possibilities to use the respective funds for schemes for the climate and environment referred to in Subsection 4 of Section 2 of Chapter II of Title III have been exhausted.

6b. At least [x]% of the amounts set out in Annex VII for the calendar years 2025, 2026 and 2027 shall be reserved for schemes for the climate and the environment referred to in Subsection 4 of Section 2 of Chapter II of Title III.

7. Member States may decide in their CAP Strategic Plan to use a certain share of the EAFRD allocation to leverage support and upscale integrated Strategic Nature Projects as defined provided for under the [LIFE Regulation] and to finance actions in respect of transnational learning mobility of people in the field of agricultural and rural development with a focus on young farmers, in accordance with the [Erasmus Regulation].

Article 88

Indicative financial allocations

- 1. Member States shall set out, in their CAP Strategic Plan, an indicative financial allocation for each intervention and for each year. For each intervention, This indicative financial allocation shall represent the multiplication of the planned unit amount, without the application of the percentage of variation referred to in Article 89, and the planned outputs, shall equal this indicative financial allocation the expected level of payments for the intervention in the relevant financial year.
- 2. Where different unit amounts are planned within an intervention, the sum of the multiplications of the planned unit amounts, without the application of the percentage of variation referred to in Article 89 and the corresponding planned outputs shall equal the indicative financial allocation referred to in paragraph 1.
- 3. The indicative financial allocations set out by Member States in accordance with paragraph 1 shall not prevent Member States from using funds from these indicative financial allocations as funds for other interventions, without amending the CAP Strategic Plan as referred to in Article 107, subject to compliance with the provisions of this Regulation, and in particular with Articles 81, 82, 83, 84, 86 and 89, and with the provisions of Regulation (EU) No .../... [HzR Regulation], and in particular with Article 30(6)(b), and to the following:

- financial allocations for direct payments interventions are used for other
 interventions in the form of direct payment,
- financial allocations for rural development interventions are used for other interventions for rural development,
- financial allocations for interventions in the fruit and vegetable sector, the
 apiculture sector, the wine sector, the hops sector, the olive oil and table olives
 sector are only used for other interventions in the same sector and the use does not
 affect approved operational programmes where relevant, and
- financial allocations for interventions in other sectors referred to in point (f) of

 Article 39 are used for interventions in other sectors referred to in point (f) of

 Article 39 laid down in the CAP Strategic Plan and the use does not affect
 approved operational programs.

Variation of the Planned unit amounts and planned outputs

1. Without prejudice to the application of Article 15, Member States shall set out one or more planned unit amounts for each intervention included in their CAP Strategic Plan. The planned unit amount may be uniform or average, as determined by Member States.

'Uniform unit amount' is the value that is expected to be paid for each related output.

'Average unit amount' is the average value of the different unit amounts that are expected to be paid for the related outputs.

For interventions covered by the integrated system referred to in Article 63(2) of Regulation [HzR], uniform unit amounts shall be set out, except where uniform unit amounts are not possible or appropriate, as determined by Member States, in view of the design and scope of the intervention. In such case, average unit amounts shall be set out.

- <u>1a.</u> For types of interventions in the form of direct payments, Member States shall <u>may</u> set a maximum <u>or minimum unit</u> amounts of support per unit <u>or both</u> or a percentage of variation for each <u>unit amount planned for each</u> intervention of the following types of interventions:
 - (a) decoupled direct payments and coupled income support referred to in Chapter II of Title

 III:
 - (b) payments for management commitments referred to in Article 65;
 - (c) payments for natural constraints or other area-specific disadvantages referred to in Articles 66 and 67.

The Percentage of variation is minimum planned unit amount and maximum planned unit amount are the percentage by which the realised average or uniform unit amount may exceed the planned average or uniform unit amount referred to in the CAP Strategic Plan the minimum and maximum unit amounts that are expected to be paid for the related outputs.

When setting the maximum or minimum unit amounts or both Member States may justify these values with the necessary flexibility for reallocation to avoid unused funds.

The realised unit amount referred to in point (c) of Article 121(4a) may only be lower than the planned unit amount or the minimum planned unit amount, where such amount is set out, to prevent an excess of the financial allocations for types of interventions in the form of direct payments referred to in Article 81(1).

For each intervention in the form of direct payments, the realised average or uniform unit amount shall never be lower than the planned unit amount, unless the realised output exceeds the planned output as established in the CAP Strategic Plan.

Where different unit amounts have been defined within an intervention, this subparagraph shall apply to each uniform or average unit amount of that intervention.

- 2. For the purposes of this Article, the realised average or uniform unit amount is calculated by dividing the annual expenditure paid by the corresponding realised output for each intervention. For the following types of interventions for rural development, when using average unit amounts, Member States may set a maximum planned average unit amount:
 - (a) payments for management commitments referred to in Article 65;
 - (b) payments for natural constraints or other area-specific disadvantages referred to in Articles 66 and 67.

The maximum planned average unit amount is the maximum amount that is expected to be paid on average for the related outputs.

- 3. Where different unit amounts are established for an intervention, paragraphs 1a and 2 shall apply to each relevant unit amount of that intervention.
- 4. Member States shall set out the annual planned outputs for each intervention quantified for each uniform or average unit amount. Within an intervention, the annual planned outputs may be provided at an aggregated level for all unit amounts or for group of unit amounts.

Article 90

Flexibility between direct payments allocations and EAFRD allocations

- 1. As part of their CAP Strategic Plan proposal referred to in Article 106(1), Member States may decide to transfer:
 - up to <u>1525</u>% of the Member State's allocation for direct payments set out in Annex IV after deduction of the allocations for cotton set in Annex VI for calendar years 202<u>13</u> to 2026 to the Member State's allocation for EAFRD in financial years 202<u>24</u> 2027; or

(b) up to 1525% of the Member State's allocation for EAFRD in financial years 20224 – 2027 to the Member State's allocation for direct payments set out in Annex IV for calendar years 20243 to 2026.

The percentage of transfer from $\underline{\mathbf{a}}$ Member State's allocation for direct payments to its allocation for EAFRD referred to in **point** (a) of the first subparagraph may be increased by:

- (a) up to 15 percentage points provided that Member States use the corresponding increase for EAFRD financed interventions addressing the specific environmental- and climate-related objectives referred to in points (d), (e) and (f) of Article 6(1);
- (b) up to 2 percentage points provided that the Member States use the corresponding increase in accordance with point (b) of Article 86(5)(4).

The percentage of transfer from a Member State's allocation for EAFRD to its allocation for direct payments referred to in point (b) of the first subparagraph may be increased to 30% for Member States with direct payments per hectare below 90% of the Union average. This condition is fulfilled in the case of Bulgaria, Estonia, Spain, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia, Finland and Sweden.

- 2. The decisions referred to in the paragraph 1 shall set out the percentage referred to in paragraph 1, which may vary by calendar year.
- 3. Member States may, in once a year from 20235, review their decisions referred to in paragraph 1 as part of a request for amendment of their CAP Strategic Plans, referred to in Article 107.

Article 91

CAP Strategic Plans

Member States shall establish CAP Strategic Plans in accordance with this Regulation to implement the Union support financed by the EAGF and the EAFRD for the achievement of the specific objectives set out to in Article 6.

Each Member State shall establish a single CAP Strategic Plan for its entire territory.

Where elements of the CAP Strategic Plan are established at regional level, the Member State shall ensure the coherence and the consistency with the elements of the CAP Strategic Plan established at national level.

Based on the SWOT analysis referred to in Article 103(2) and an assessment of needs referred to in Article 96, Member States shall establish in the CAP Strategic Plans an intervention strategy as referred to in Article 97 in which relevant quantitative targets and milestones shall be set to achieve the relevant specific objectives set out to in Article 6. The targets shall be defined set using at least a the common set of result indicators set out in Annex XII., when relevant for the intervention in the CAP Strategic Plan. In addition, Member States may choose to include, for the same purpose, any other relevant result indicators as set out in Annex I or any other CAP Strategic Plan specific result indicators.

The intervention strategy referred to in Article 97 shall also contain forecasted values in relation to the relevant result indicators, chosen by Member States, to be used solely for the monitoring of implementation.

To reach these targets Member States shall set out interventions based on the types of interventions laid down in Title III.

Each CAP Strategic Plan shall cover the period from 1 January 20213-to 31 December 2027.

Article 95 Content **o**for the CAP Strategic Plan<mark>s</mark>

- 1. Each CAP Strategic Plan shall contain **sections on** the following sections:
 - (a) an-the assessment of needs;
 - (b) an the intervention strategy;

- (c) a description of the elements common to several interventions;
- (d) a description of <u>the</u> direct payments, sectoral and rural development interventions specified in the strategy;
- (e) target and financial plans;
- (f) a description of the governance and coordination system;
- (g) a description of the elements that ensure modernisation of the CAP;
- (h) a description of the elements related to simplification and reduced administrative burden for final beneficiaries.
- 2. Each CAP Strategic Plan shall contain the following annexes:
 - (a) Annex I on the ex-ante evaluation and the strategic environmental assessment (SEA) referred to in Directive 2001/42/EC;
 - (b) Annex II on the SWOT analysis;
 - (c) Annex III on the consultation of the partners;
 - (d) where relevant. Annex IV on the crop-specific payment for cotton;
 - (e) Annex V on the additional national financing provided within the scope of the CAP Strategic Plan.
- 3. Detailed rules for the content of the sections and the annexes of the CAP Strategic Plans referred to in paragraphs 1 and 2 are laid down in Articles 96 to 103.

Intervention strategy

- 1. The intervention strategy referred to in point (b) of Article 95(1) shall set out, for each specific objective set out in Article 6(1) and addressed in the CAP Strategic Plan:
 - (a) <u>a</u> targets <u>and related milestones</u> for each relevant <u>common and</u>, <u>where relevant</u>, <u>CAP</u>

 <u>Strategic Plan specific</u> result indicators <u>and related milestones</u> <u>used for performance</u>

 <u>review</u>. The value of these targets shall be justified in view of the assessment of needs referred to in Article 96. As regards the specific objectives set out in points (d), (e), and (f) of Article 6(1), targets shall be derived from the elements of explanation given in points (a) and (b) of paragraph 2 of this Article;
 - (aa) forecasted values for each relevant result indicator used solely for the monitoring of implementation. Those forecasted values shall be justified in view of the assessment of needs referred to in Article 96;
 - (b) interventions, based on the types of interventions set out in Title III, except the eropspecific payment for cotton laid down in Subsection 2 of Section 3 of Chapter II of that Title shall be designed to address the specific situation in the area concerned, following a sound intervention logic, supported by the ex-ante evaluation referred to in Article 125, the SWOT analysis referred to in Article 103(2) and the assessment of needs referred to in Article 96;
 - (c) elements showing how the interventions <u>referred to in point (b)</u> allow <u>reaching</u> the targets <u>to be reached</u> and <u>how they are mutually coherent and compatible</u> <u>that the allocation of financial resources to the interventions is adequate to achieve the targets set</u>.
 - (d) elements demonstrating that the allocation of financial resources to the interventions of the CAP Strategic Plan is justified and adequate to achieve the targets set, and is consistent with the financial plan as referred to in Article 100.

- 2. The intervention strategy shall also provide the following elements, showing demonstrate the consistency of the strategy and the complementarity of interventions across the specific objectives set out in Article 6(1) by providing:
 - (a) an overview of the environmental and climate architecture of the CAP Strategic Plan which describes the complementarity and baseline conditions between the <a href="https://how.conditionality.cond-to-environmental-to-enviro
 - (b) an explanation of how the environment and climate architecture of the CAP Strategic

 Plan is meant to contribute to already established long-term national targets set out in or

 deriving from the legislative instruments referred to in Annex XI;
 - (c) in relation to the specific objective 'attract young farmers and facilitate their business development' set out in point (g) of Article 6(1), an overview of the CAP Strategic Plan relevant interventions and specific conditions for young farmers set out in the CAP Strategic Plan such as those specified in Articles 22(4), 27, 69 and 71(7) shall be presented. Member States shall in particular refer to Article 86(5)(4) when presenting the financial plan in relation to the types of interventions referred to in Articles 27 and 69. The overview shall also explain in general terms the interplay with national instruments with a view of improving the consistency between Union and national actions in this area;

- (d) an overview of the sector-related interventions, including coupled income support as referred to in Subsection 1 of Section 3 of Chapter II of Title III and the sectoral interventions in certain sectors referred to in Chapter III of Title III, providing a justification for targeting the sectors concerned, the list of interventions per sector, their complementarity, as well as the possible specific additional targets related to the interventions based on the sectoral types of interventions in certain sectors referred to in Chapter III of Title III;
- (e) where relevant, an explanation as to which interventions will are intended to contribute to ensure a coherent and integrated approach to risk management;
- (f) where relevant, a description of the interplay between national and regional interventions, including the distribution of financial allocations per intervention and per fund

Target and financial plans

- 1. The target plan referred to in point (e) of Article 95(1) shall consist of a recapitulative table showing the targets **and milestones** as referred to in point (a) of Article 97(1), indicating the break-down in annual milestones.
- 2. The financial plan referred to in point (e) of Article 95(1) shall comprise **an overview** tables consistent with points (f) and (h) of Article 99, including **providing for**:
 - (a) the Member State's allocations for direct payments types of interventions as referred to in Article 81(1), for sectoral <u>the</u> types of interventions for wine referred to in Article 82(1), for apiculture referred to in Article 82(2) and for types of interventions for rural development as referred to in Article 83(3);

- (b) the transfers of **the** amounts **referred to in point (a)** between types of interventions in the form of direct payments and types of interventions for rural development in accordance with Article 90 and any deductions of the Member State's allocations for types of interventions in the form of direct payments to make amounts available for types of interventions in other sectors referred to in Section VII of Chapter III of Title III in accordance with Article 82(7)(6);
- (c) the Member State's allocations for the sectoral types of interventions for olive oil referred to in Article 82(4) and for hops referred to in Article 82(3), and if these types of interventions are not implemented, the decision to include the corresponding allocations in the Member State's allocation for direct payments in accordance with Article 82(5);
- (ca) where relevant, transfer of Member State's allocations from EAFRD for support under InvestEU in accordance with Article 75 of this Regulation, under Regulation (EU) [LIFE Regulation] or under Regulation (EU) [Erasmus Regulation] in accordance with Article 86(7) of this Regulation.
- 2a. In addition to paragraph 2, a detailed financial plan shall provide for each financial year and expressed as Member State's forecasts of execution of payments the following tables consistent with points (f) and (h) of Article 99:
 - (da) a breakdown of the Member State's allocations for types of interventions in the form of direct payments after transfers as specified in points (b) and (c) based on indicative financial allocations per type of interventions and per intervention, specifying the planned outputs, the average or uniform unit amounts and, where relevant, the maximum or minimum unit amounts, or both, for each intervention as referred to in Article 89(1) and (1a). Where applicable, the breakdown shall include the amount of the reserve of payment entitlements.

The total estimated product of reduction of payments <u>as referred to in Article 15</u> shall be specified.

Taking into account the use of the <u>estimated</u> product of reduction of payments as referred to in Articles 15 and 81(3), these indicative financial allocations, the related planned outputs and the corresponding average unit amounts or uniform unit amounts shall be established before reduction of payments;

- (eb) a breakdown of the allocations for sectoral the types of interventions referred to in Section VII of Chapter III of Title III per intervention and with an indication of the planned outputs and the average unit amount;
- a breakdown of the Member State's allocations for rural development after transfers to and from direct payments as specified in point (b), per type of interventions and per intervention, including totals for the period, indicating also the applicable EAFRD contribution rate, broken down per intervention and per type of region where applicable. In case of transfer of funds from direct payments, the intervention(s) or part of intervention financed by the transfer shall be specified. This table shall also specify the planned outputs per intervention and the average or uniform unit amounts, as well as, where relevant, the maximum planned average unit amounts as referred to in Article 89(1) and (2). Where applicable, the table shall also include a breakdown of the amounts planned for grants and amounts planned for financial instruments. The amounts for technical assistance shall also be specified;
- (g) indications of the interventions contributing to the minimum spending requirements laid down in Article 86.
- (ca) indications of the interventions contributing to the minimum spending requirements laid down in Article 86.

The elements referred to in this paragraph shall be established per year.

Delegated powers for the content of the CAP Strategic Plan

The Commission is empowered to adopt delegated acts in accordance with Article 138 <u>until 31</u>

<u>December 2022</u> amending this Chapter as regards the content of the CAP Strategic Plan and its annexes. This empowerment shall be strictly limited to addressing problems experienced by Member States.

Article 106

Approval of the CAP Strategic Plan

- 1. Each Member State shall submit to the Commission a proposal for a CAP Strategic Plan, <u>with</u>
 <u>the</u> containingent the information referred to in Article 95 no later than 1 January 2020x.
- 2. The Commission shall assess the proposed CAP Strategic Plans on the basis of <u>as regards</u> the <u>its</u> completeness of the plans, the <u>its</u> consistency and coherence with the general principles of Union law, with this Regulation and the provisions adopted pursuant to it and with the Horizontal Regulation (EU) [HzR], their its effective contribution to the specific objectives set out in Article 6(1), the <u>and its</u> impact on the proper functioning of the internal market and distortion of competition, the level of administrative burden on beneficiaries and administration. The assessment shall address, in particular, the adequacy of the strategy of the CAP Strategic Plan, the corresponding specific objectives, targets, interventions and the allocation of budgetary resources to meet the specific CAP Strategic Plan objectives through the proposed set of interventions on the basis of the SWOT analysis and the ex-ante evaluation. The assessment shall exclusively be based on acts which are legally binding on Member States.
- 3. Depending on the results of the assessment referred to in paragraph 2, the Commission may address observations to the Member States within three months of the date of submission of the CAP Strategic Plan.
 - The Member State shall provide to the Commission all necessary additional information and, where appropriate, revise the proposed plan.

- 4. The Commission shall approve the proposed CAP Strategic Plan provided that the necessary information has been submitted and the Commission is satisfied that the Plan is compatible with Article 9 and the general principles of Union law, the other requirements set out in this Regulation and in Regulation (EU) [HzR] as well as, the provisions adopted pursuant to it and in Regulation (EU) [HzR] them.
- 5. The approval of each CAP Strategic Plan shall take place no later than eight six months following its submission by the Member State concerned.

The approval shall not cover the information referred to in point (c) of Article 101 and in Annexes I to IV to the CAP Strategic Plan referred to in points (a) to (d) of Article 95(2).

In duly justified cases, the <u>a</u> Member State may ask the Commission to approve a CAP Strategic Plan which does not contain all elements. In that case the Member State concerned shall indicate the parts of the CAP Strategic Plan that are missing and provide indicative targets and financial plans as referred to in Article 100 for the whole CAP Strategic Plan in order to show the overall consistency and coherence of the plan. The missing elements of the CAP Strategic Plan shall be submitted to the Commission as an amendment of the plan in accordance with Article 107.

- 6. Each CAP Strategic Plan shall be approved by the Commission by means of an implementing decision without applying the Committee procedure referred to in Article 139.
- 7. The CAP Strategic Plans shall only have legal effects after their approval by the Commission.

Article 110

Managing Authority

1. <u>Each</u> Member States shall designate a <u>managing authority (referred to in this Regulation as the 'Managing Authority')</u> for their its CAP Strategic Plans, which shall be the sole interlocutor for the Commission.

Member States may, taking into account their constitutional provisions, designate authorities at regional level to be responsible for some or all of the tasks referred to in paragraph 2.

Member States shall ensure that the relevant management and control system has been set up in such a way that it ensures a clear allocation and separation of functions between the Managing Authority and other <u>authorities and</u> bodies. Member States shall be responsible for ensuring that the system functions effectively throughout the CAP Strategic Plan period.

- 2. The Managing Authority shall be responsible for managing and implementing the CAP Strategic Plan in an efficient, effective and correct way. In particular, it shall ensure that:
 - (a) there is an appropriate secure electronic <u>information</u> system to record, maintain, manage and report statistical information on the plan and its implementation required for the purposes of monitoring and evaluation and, in particular, information required to monitor progress towards the defined objectives and targets <u>as referred to in Article</u> 117;
 - (b) beneficiaries and other bodies involved in the implementation of interventions:
 - (i) are informed of their obligations resulting from the aid granted, and maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation, where relevant;
 - (ii) are aware of the requirements concerning the provision of data to the Managing Authority and the recording of outputs and results;
 - (c) the beneficiaries concerned are provided, where appropriate by the use of electronic means, with the list of clear and precise information on the statutory management requirements and the minimum <u>GAEC</u> standards of good agricultural and environmental condition established pursuant to Section 2 of Chapter I of Title III to be applied at farm level, as well as clear and precise information thereon;

- (d) the ex-ante evaluation referred to in Article 125 conforms to the evaluation and monitoring system and that it is accepted and submitted to the Commission;
- (e) the evaluation plan referred to in Article 126 is in place, that the ex_post evaluation referred to in that Article is conducted within the time limits laid down in this Regulation, ensuring that such evaluations conform to the monitoring and evaluation system and that they are submitted to the Monitoring Committee referred to in Article 111 and the Commission;
- (f) the Monitoring Committee is provided with the information and documents needed to monitor the implementation of the CAP Strategic Plan in the light of its specific objectives and priorities;
- (g) the annual performance report is drawn up, including aggregate monitoring tables, and, after consultation of the report has been submitted to the Monitoring Committee for opinion, is submitted to the Commission in accordance with Article 8(3)(b) of Regulation (EU) No [HRZ];
- (h) relevant follow-up actions on Commission's observations on the annual performance reports are taken;
- the paying agency receives all necessary information, in particular on the procedures operated and any controls carried out in relation to interventions selected for funding, before payments are authorised;
- (j) beneficiaries under interventions financed by the EAFRD, other than area- and animalrelated interventions, acknowledge the financial support received, including the appropriate use of the Union emblem in accordance with the rules laid down by the Commission in accordance with paragraph 5;

- (k) publicity is made for the CAP Strategic Plan, including through the national CAP network, by informing:
 - (i) potential beneficiaries, professional organisations, the economic and social partners, bodies involved in promoting equality between men and women, and the non-governmental organisations concerned, including environmental organisations, of the possibilities offered by the CAP Strategic Plan and the rules for gaining access to the CAP Strategic Plan funding as well as and
 - (ii) by informing beneficiaries and the general public of the Union support for agriculture and rural development through the CAP Strategic Plan.

For support financed by the EAGF, where relevant, Member States shall use the visibility and communication tools and structures used by the EAFRD.

- 3. The Member State or Where authorities at regional level referred to in the second subparagraph of paragraph 1 are responsible for the tasks referred to in paragraph 2, the
 Managing Authority may designate one or more intermediate bodies including local
 authorities, regional development bodies or non-governmental organisations, to carry out the
 management and implementation of shall ensure appropriate coordination between these
 authorities with a view to guaranteeing the coherence and consistency of the CAP
 Strategic Plan interventions design and implementation.
- 4. When a part of its tasks is delegated to another body, the The Managing Authority or the authorities at regional level, as referred to in the second sub-paragraph of paragraph 1, may delegate tasks to intermediate bodies. In that case, the delegating authority shall retain full responsibility for the efficiency and correctness of the management and implementation of those tasks and The Managing Authority shall ensure that appropriate provisions are in place to allow the other body to obtain all necessary data and information for the execution of those tasks.

5. The Commission shall be empowered to <u>may</u> adopt delegated <u>implementing</u> acts in accordance with Article 138, supplementing this Regulation with detailed rules on <u>laving</u> <u>down uniform conditions for</u> the application of the information, publicity and visibility requirements referred to in points (j) and (k) of paragraph 2.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 139(2).

Article 121a

Biennial performance review

- 1. The Commission shall carry out a biennial performance review based on the information provided in the annual performance reports.
- 2. Where the reported value of one or more result indicators that are part of the performance review as set in point (da) of Article 99 reveals a shortfall of more than 45% from the respective milestone for financial year 2025 and 35% for financial year 2027, Member States shall submit justification for this deviation. Following the assessment of the justifications submitted, where necessary, the Commission may ask the Member State concerned to submit an action plan in accordance with Article 39(1) of Regulation (EU) [HzR], describing the intended remedial actions and the expected timeframe.

Article 122a

Annual reporting

By 31 October 2025 and 31 October of each subsequent year until and including 2032 the Member States shall provide to the Commission with the following information on the implementation of the crop-specific payment for cotton laid down in Subsection 2 of Section 3 of Chapter II of Title III: number of beneficiaries, amount of payment per hectare and number of hectares paid.

Article 123

Performance bonus

- 1. A performance bonus may be attributed to Member States in the year 2026 to reward satisfactory performance in relation to the environmental and climate targets provided that the Member State concerned has met the condition set out in Article 124(1).
- 2. The performance bonus shall be equal to [5%] of the amount per Member State for financial year 2027 as set out in [Annex IX].

Resources transferred between the EAGF and the EAFRD under Articles 15 and 90 are excluded for the purpose of calculating the performance bonus.

Article 124

Attribution of the performance bonus

- 1. Based on the performance review of the year 2026, the performance bonus withheld from a Member State's allocation following the second paragraph of Article 123 shall be attributed to this Member State if the result indicators applied to the specific environmental- and climate-related objectives set out in points (d), (e) and (f) of Article 6(1) in its CAP Strategic Plan have achieved at least [90%] of their target value for the year 2025.
- 2. The Commission shall within two months of the receipt of the annual performance report in the year 2026 adopt an implementing act without applying the Committee procedure referred to in Article 139 to decide for each Member State whether the respective CAP Strategic Plans have achieved the target values referred to in paragraph 1 of this Article.
- 3. Where the target values referred to in paragraph 1 are achieved, the amount of the performance bonus shall be granted by the Commission to the Member States concerned and considered to be definitely allocated to financial year 2027 on the basis of the decision referred to in paragraph 2.

- 4. Where the target values referred to in paragraph 1 are not achieved, the commitments for financial year 2027 relating to the amount of the performance bonus of the Member States concerned shall [not] be granted by the Commission.
- 5. When attributing the performance bonus, the Commission may take into consideration cases of force majeure and serious socio-economic crises impeding the achievement of the relevant milestones.
- 6. The Commission shall adopt implementing acts laying down the detailed arrangements to ensure a consistent approach for determining the attribution of the performance bonus to Member States. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 139(2).

Article 127

Performance assessment and evaluation

- The Commission shall establish a multiannual evaluation plan of the CAP to be carried out under its responsibility. <u>That evaluation shall also cover the measures under Regulation</u> (EU) No 1308/2013.
- 2. The Commission shall carry out an interim evaluation to examine the effectiveness, efficiency, relevance, coherence and Union added value of the EAGF and the EAFRD by the end of the third year following the start of implementation of the CAP Strategic Plans 2026 taking into account the indicators set out in Annex I. The Commission may make use of all relevant information already available in accordance with Article [128] of the [New Financial Regulation] Regulation (EU, Euratom) 2018/1046.
- 3. The Commission shall carry out an ex<u>-</u>post evaluation to examine the effectiveness, efficiency, relevance, coherence and Union added value of the EAGF and the EAFRD.

4. Based on evidence provided in evaluations on the CAP, including evaluations on CAP Strategic Plans, as well as other relevant information sources, the Commission shall present an initial report on the implementation of this Article report on the interim evaluation, including first results on the performance of the CAP, to the European Parliament and the Council, after the completion of the interim evaluation by 30 June 2028. A second report including an assessment of the performance of the CAP shall be presented by 31 December 2031 2032.

Article 137

Processing and protection of personal data

- 1. Without prejudice to Articles [96, 97 and 98] of Regulation (EU) [HzR] Member States and the Commission shall collect personal data for the purpose of carrying out their respective management control, monitoring and evaluation obligations under this Regulation, and in particular those laid down in Titles VI and VII, and shall not process this data in a way which is incompatible with this purpose.
- 2. Where personal data are processed for monitoring and evaluation purposes under Title VII using the secure electronic system referred to in Article 136, they shall be made anonymous, and processed in aggregated form only.
- 3. Personal data shall be processed in accordance with the rules of Regulations (EC) No 45/2001 2018/1725 and (EU) No 2016/679. In particular, such data shall not be stored in a form which permits identification of data subjects for longer than is necessary for the purposes for which they were collected or for which they are further processed, taking into account the minimum retention periods laid down in the applicable national and Union law.
- 4. Member States shall inform the data subjects that their personal data may be processed by national and Union bodies in accordance with paragraph 1 and that in this respect they enjoy the data protection rights provided by Regulations (EC) No 45/2001 2018/1725 and (EU) No 2016/679.

Article 139

Committee procedure

- 1. The Commission shall be assisted by a committee called 'Common Agricultural Policy Committee'. That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
- 2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
 - In the case of acts referred to in Articles 15(4), 23, 105, 120, 121(11), 129(4) and 134(1) where the Committee delivers no opinion, the Commission shall not adopt the draft implementing act and the third subparagraph of Article 5(4) of Regulation (EU) No 182/2011 shall apply.
- 3. Where reference is made to this paragraph, Article 8 of Regulation (EU) No 182/2011, in conjunction with Article 5 thereof, shall apply.

Article 140a

Eligibility of certain types of expenditure relating to the CAP Strategic Plan period

- 1. Expenditure relating to legal commitments to beneficiaries incurred under the measures referred to in Article 31 of Regulation (EC) No 1257/1999 or in Articles 39 or 43 of Council Regulation (EC) No 1698/2005 which are receiving support under Regulation (EU) No 1305/2013 may continue to be eligible for an EAFRD contribution in the period 2023-2027, subject to the following conditions:
 - (a) such expenditure is provided for in the respective CAP Strategic Plan in accordance with this Regulation and complies with Regulation (EU) [HzR];
 - (b) the EAFRD contribution rate of the intervention set in the CAP Strategic Plan in accordance with this Regulation to cover those measures, 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 areaand animal-based types of interventions listed in Chapters II and IV of Title III of
 this 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].
- 2. Expenditure relating to legal commitments to beneficiaries incurred under the measures referred to in Article 23 of Council Regulation (EC) No 1698/2005 may continue to be eligible for an EAFRD contribution in the period 2023-2027, subject to the conditions that:
 - (a) such expenditure is notified to the Commission as an additional information in the part of the CAP Strategic Plan dedicated to the intervention strategy, referred to in Article 97, and by indicating the expenditure in the financial plan of the CAP Strategic Plan referred to in Article 100(2);
 - (aa) it complies with Regulation (EU) No 1306/2013 that shall continue to apply with regard to such expenditure*, and
 - (b) the EAFRD contribution rate established in the CAP Strategic Plan pursuant to Article 85(2)(d) of this Regulation applies.
- 3. Expenditure relating to legal commitments to beneficiaries incurred under the multiannual measures referred to in Articles 22, 28, 29, 33 and 34 of Regulation (EU) No 1305/2013 may be eligible for an EAFRD contribution in the period 2023-2027, subject to the following conditions:
 - (a) such expenditure is provided for in the respective CAP Strategic Plan in accordance with this Regulation and complies with Regulation (EU) [HzR];

^{*} The question of where to introduce the continued application of Regulation (EU) No. 1306/2013 needs to be further examined from a legal-technical point of view.

- (b) the EAFRD contribution rate of the intervention set in the CAP Strategic Plan in accordance with this Regulation to cover those measures, 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 this 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].
- 4. Expenditure relating to legal commitments to beneficiaries incurred under the measures referred to in Articles 14 to 18, points (a) and (b) of Article 19(1), Article 20, Articles 23 to 27, 35, 38, 39 and 39a of Regulation (EU) No 1305/2013, Article 35 of Regulation (EU) No 1303/2013 [and Article 4 of Regulation EU [XXXX/XXXX] [Transitional Regulation]]** for a time period going beyond 1 January 2026 may be eligible for an EAFRD contribution in the period 2023-2027, subject to the following conditions:
 - (a) such expenditure is provided for in the respective CAP Strategic Plan in accordance with this Regulation with the exception of Article 68(3)(g) and complies with Regulation (EU) [HzR];
 - (b) the EAFRD contribution rate of the intervention set in the CAP Strategic Plan in accordance with this Regulation to cover those measures, applies.

^{**} Dependant of the fact that Art. 4 will be part of the Transitional Regulation or not (dependant on adoption of new CPR Regulation).

Article 140b

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. Recognised producer organisations or their associations 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 2022 shall, by 15 September 2022, submit a request to that Member State to the effect that its operational programme:
 - (a) be modified to meet the requirements of this Regulation; or
 - (b) be replaced by a new operational programme approved under this Regulation; or
 - (c) continues to operate until its end under the conditions applicable under Regulation (EU) No 1308/2013.

Where such recognised producer organisations or their associations do not submit such request by 15 September 2022, their operational programme approved under Regulation (EU) No 1308/2013 shall end on 31 December 2022.

2. The support programmes in the wine sector referred to in Article 40 of Regulation (EU)

No 1308/2013 shall continue to apply until 15 October 2023. Articles 39 to 54 of

Regulation (EU) No 1308/2013 shall continue to apply after 31 December 2022 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.

- 3. As from the date from which a CAP Strategic Plan has legal effects in accordance with Article 106(7) of this 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 types of interventions for certain sectors referred to in points (b) to (e) of Article 39 of this Regulation shall not exceed the financial allocations laid down for each financial year for each of the types of interventions for certain sectors referred to in points (b) to (e) of Article 39 of this Regulation.
- 5. With regard to the aid schemes referred to in paragraphs 1(c) and 2 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 shall continue to apply after 31 December 2022 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 1(c) and 2 of this Article.

ANNEX I

IMPACT, RESULT, CONTEXT*** AND OUTPUT INDICATORS PURUSUANT TO ARTICLE 7

Assessment of the performance of the policy (multi-annual) - IMPACT

Objectives and their respective impact indicators.*

Annual pPerformance review - RESULT*

Only based on interventions supported by the CAP¹²

Annual performance clearance - OUTPUT

Broad tTypes of interventions and their output indicators.*

EU <u>cross-cutting</u> objective: Modernisation	I <u>mpact i</u> ndicator <u>s</u>	Result indicators* (only based on interventions supported by the CAP)	Agricultural Knowledge and Innovation Systems (AKIS) Type(s) of interventions	Output indicators
Modernising the sector by Ffostering knowledge, innovation and digitalisation in agriculture and rural areas and encouraging	I.1 Sharing knowledge and innovation: Share of CAP budget for knowledge sharing and innovation	R.1 ^{PR} Enhancing performance through knowledge and innovation: Share of farmers Number of persons receiving benefitting from support for advice, training, knowledge exchange, or participation in EIP operational groups or other cooperation groups/actions to enhance economic, environmental, climate and resource efficiency performance.	European Innovation Partnership for agricultural knowledge and innovation	O.1 Number of EIP (European Innovation Partnership) operational group projects

Result indicators which are mandatory for performance review are marked with PR.

[&]quot;No double counting principle" to be explicitly described in indicator fishes.

their uptake		(EIP)** Cooperation (Art. 71)	
	R.2 Linking advice and knowledge systems: #Number of advisors receiving support to be integrated within Agricultural Knowledge and Innovation Systems (AKIS)* (compared to total number of farmers)		O.2 Number of advisors setting up or participating in EIP operational groups
	R.3 Digitalising agriculture: Share of farmers benefitting from support to precision digital farming technology through CAP		

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^{*} Counting to be simplified, to count in only number of advisors, not quantity of support.

EU Specific objectives	Impact indicators	Result indicators (only based on interventions supported by the CAP)	Broad tType of interventions
	I.2 Reducing income disparities: Evolution of agricultural income compared to the general economy	R.4PR Linking income support to standards and good practices: Share of Utilised Agricultural Area (UAA) covered by income support and subject to conditionality	CAP support
	I.3 Reducing farm income variability: Evolution of agricultural income	R.5 Risk Management: Share of farms with supported CAP risk management tools	Decoupled direct support_Basic income support for sustainability (Art. 17)
Support viable farm income and resilience across the Union to enhance food security	I.4 Supporting viable farm income: Evolution of agricultural income level by sectors type of farming (compared to the average in agriculture)	R.6 Redistribution to smaller farms: Percentage additional support direct payments per hectare for eligible farms below average farm size (compared to average)	Payment for small farmers (Art. 25)
	I.5 Contributing to territorial balance: Evolution of agricultural income in areas with natural constraints (compared to the average)	R.7 Enhancing support to farms in areas with specific needs: Percentage additional support per hectare in areas with higher needs (compared to average)	Complementary income support for young farmers (Art. 27)

Output indicators (per

intervention)

O.4 Number of ha for decoupled DP

O.5 Number of beneficiaries fof

O.6 Number of ha subject to enhanced complementary income

support for young farmers

young farmers

decoupled DP payments for small

O.7 Number of beneficiaries subject to enhanced income support for

O.3 Number of CAP support

basic income support for

beneficiaries

sustainability

farmers

			Complementary redistributive income support for sustainability (Art. 26)	O.6a Number of ha for complementary redistributive income support
			Schemes for the climate and the environment (Art. 28)	O.6b Number of units (ha or livestock units) for eco-schemes
Enhance market orientation and increase competitiveness, including greater	I.6 Increasing farm productivity: Total factor productivity in agriculture	R.8 Targeting farms in <u>specific</u> sectors in <u>difficulties</u> : Share of farmers benefitting from coupled <u>income</u> support for improving competitiveness, sustainability or quality	Risk management tools (Art. 70)	O.8 Number of farmers-units covered by supported risk management instruments insurance schemes

		Risk management (Art. 70)	O.8a Number of mutual funds for agricultural, climate and sanitary risk management receiving support under EAFRD (by type of hazards)
I.7 Harnessing Agri-food trade: Agri-food trade imports and exports	R.9 ^{PR} Farm modernisation: Share of farmers receiving investment support to restructure and modernise, including to improve resource efficiency	Coupled income support (Art. 29)	O.9 Number of ha benefitting from coupled <u>income</u> support O.10 Number of heads benefitting from coupled <u>income</u> support

Improve the farmers' position in the value chain	I.8 Improving farmers' position in the food chain: Value added for primary producers in the food chain	R.10 PR Better supply chain organisation: Share of farmers participating in supported Producer Groups, Producer Organisations, local markets, short supply chain circuits and quality schemes supported by the CAP R.11 Concentration of supply: Share of value of marketed production by sectoral Producer Organisations or producer groups with operational programmes*	Payments for nNatural constraints and or other region area-specific constraints (Art. 66)	O.11 Number of ha receiving ANC top up support for areas facing natural or specific constraints (3 all categories)
Contribute to climate change mitigation and adaptation, as well as	I.9 Improving farm the resilience of agriculture to climate change: Index Agricultural sector resilience progress indicator	R.12 ^{PR} Mitigation and aAdaptation to climate change: Share of Utilised aAgricultural Area (UAA) land and/or livestock units (LU) under support to reduce ammonia and GHG emissions, maintaining/enhancing carbon storage, including commitments to improve climate change adaptation (with breakdown by mitigation and adaptation)	Area-specific disadvantages resulting from certain mandatory requirements (Art. 67)	O.12 Number of ha receiving support under Natura 2000 or O.12a Number of ha receiving support under the Water Framework Directive
sustainable energy	I.10 Contributeing to climate change mitigation: Reducing Greenhouse gases (GHG) emissions from agriculture I.11 Enhancing carbon sequestration: Increase the sSoil organic carbon in agricultural land	R.13 Reducing emissions in the livestock sector: Share of livestock units under support to reduce GHG emissions and/or ammonia, including manure management R.14 Carbon storage in soils and biomass: Share of agricultural land under commitments to reducing emissions, maintaining and/or enhancing earbon storage (permanent grassland, agricultural land in peatland, forest, etc.) R.15 Green energy from agriculture and forestry and	Payments for management commitments (eEnvironmental climate, genetic resources,	O.13 Number of ha (agricultural excluding forestry) covered by environment/climate commitments going beyond mandatory requirements O.14 Number of ha (forestry)

^{*} Specific guidelines from the Commission would be required concerning the way of planning for this result indicator.

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LIFE.1 EN

I.12 Increaseing sustainable energy in agriculture: Production of renewable energy from agriculture and forestry

 $\underline{\text{from other renewable sources}}$: $\underline{\text{Supported 4i}}$ nvestments in renewable energy production capacity, including bio-based (M $\underline{\text{Wegawatt}}$)

R.16 Enhance energy efficiency: Energy savings in agriculture

R16a Investments related to climate: Share of farms
benefitting from CAP investment support contributing to
climate change mitigation and adaptation, and to
renewable energy or biomaterials production

R 17 Afforested land: Area supported for afforestation and ereation of woodland, (including agroforestry) and reforestation

R.17a Investment support to the forest sector: Total investment to improve the performance of the forestry sector

covered by environment/climate animal welfare) commitments going beyond and other mandatory requirements management commitments O.14a Number of units other than (Art. 65) ha covered by environment/climate commitments going beyond mandatory requirements **O.15** Number of ha with support for organic farming O.15a Number of units other than ha supported for organic farming

EU Specific objectives	Impact indicators	Result indicators (only based on interventions supported by the CAP)	Broad type of intervention	Output indicators (per intervention)
Foster sustainable development and efficient management of natural resources such	I.13 Reducing soil erosion: Percentage of agricultural land in moderate and severe soil erosion on agricultural land I.14 Improving air quality: Reduce aAmmonia emissions from agriculture I.15 Improving water quality: Gross nutrient balance on agricultural land	R.18 ^{PR} Improving soils: Share of <u>Utilised aAgricultural Area</u> (<u>UAA</u>) land-under management supported commitments beneficial for soil management R.19 ^{PR} Improving air quality: Share of <u>Utilised aAgricultural Area (UAA) land under supported</u> commitments to reduce ammonia emission R.20 ^{PR} Protecting water quality: Share of <u>Utilised aAgricultural Area (UAA) land under management supported commitments for water quality</u>	Environmental, climate and other	O.16 Number of livestock units covered by support for animal welfare, health or increased
as water, soil and air	I.16 Reducing nutrient leakage: Nitrates in ground water—Percentage of ground water stations with N concentration over 50 mg/l as per the Nitrate directive	R.21 Sustainable nutrient management: Share of agricultural land under commitments related to improved nutrient management	management commitments (Article 65) Sectoral interventions (Art. 60a) Environmental, climate and other management commitments (Article 65)	O.17 Number of projects operations or units supporting genetic resources

	1		1
I.17 Reducing pressure on water resource: Water Exploitation Index Plus	R.22 Sustainable water use: Share of irrigated land Utilised Agricultural Area (UAA) under supported commitments to	Investments (Art. 68)	O.18 Number of supported on-farm productive investments operations or
(WEI+)	improve water balance	(A11. 00)	units under EAFRD
	R.22a Environmental performance in the livestock sector:		O.18a Number of supported on-
	Share of livestock units (LU) under supported commitments		farm non-productive investment
	to improve environmental sustainability		operations or units under EAFRD
	R.23 Investments related to Environment /climate related		0.19 Number of supported local
	performance through investment natural resources: Share of		infrastructures investment operations
	farmers with support in benefitting from CAP investments		or units under EAFRD
	support related to care for the environment or climate natural		
	resources		
	R.23a Environment-/climate-related performance through		
	investment in rural areas: Number of operations contributing		
	to environmental sustainability, climate mitigation and		
	adaptation goals in rural areas		
	R.24 Environmental/climate performance through		O.20 Number of supported off-farm
	knowledge: Share Number of farmers persons receiving support		non-productive investments
	for benefitting from advice/, training, knowledge exchange		operations or units under EAFRD
	supported by the CAP related to environmental-climate performance		O.21 Number of <u>supported</u> off-farm
	performance		productive investments operations or
			units under EAFRD

EU Specific objectives	Impact indicators	Result indicators (only based on interventions supported by the CAP)	Broad type of intervention	Output indicators (per intervention)
Contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and	I.18 Increasing farmland bird populations: Farmland Bird Index I.19 Enhanceding biodiversity protection: Percentage of species and habitats of Community interest related to agriculture with stable or increasing trends	R.25 Supporting sustainable forest management: Share of forest land under management commitments to support forest protection and management. R.26 Protecting Supporting sustainable forest ecosystems management: Share of forest land under management commitments for to supporting landscape, biodiversity forest protection and management of ecosystem services	Installation grants of young farmers, rural business start-up and development of small farms (Art. 69)	O.22 Number of young farmers receiving installation grants support under EAFRD O.23 Number of rural entrepreneurs businesses receiving installation grants support for start up O.23a Number of small farms
landscapes	I.20 Enhanceding provision of ecosystem services: sShare of Utilised Agricultural Area (UAA) covered with landscape features	R.27 ^{PR} Preserving habitats and species: Share of <u>Utilised</u> aAgricultural Area (UAA) land under management commitments supporting biodiversity conservation or restoration R.27a Investments related to biodiversity: Share of farms benefitting from CAP investment support contributing to biodiversity	Cooperation (Art. 71)	receiving development support under EAFRD O.24 Number of supported producer groups/organisations under EAFRD O.25 Number of farmers beneficiaries receiving support to participate in EU official quality schemes under EAFRD

		R.28 Supporting Improving Natura 2000 management: Share of Area in total Natura 2000 sites area under supported commitments for protection, maintenance and restoration set up and financed under EAFRD R.29 Preserving landscape features: Share of agriculture land under commitments for managing landscape features, including hedgerows		O.26 Number of supported operations or units for generational renewal projects (young/non-young farmers) (excluding installation support) O.27 Number of supported local development strategies (LEADER) or preparatory actions O.28 Number of other cooperation groups operations or units supported under EAFRD (excluding EIP reported under O.1)
Attract and sustain young farmers and facilitate business development in rural areas	I.21 Attracting young farmers: Evolution of number of new farm managers	R.30 PR Generational renewal: Number of young farmers beneficiaries setting up a farm with support from the CAP	Knowledge exchange and information (Art. 72)	O.29 Number of training and advice farmers trained/given advice operations or units supported by EAFRD

EU Specific objectives	Impact indicators	Result indicators (only based on interventions supported by the CAP)	Broad type of intervention	Output indicators (per intervention)
	I.22 Contributing to jobs in rural areas: Evolution of the employment rate in predominantly rural areas	R.31 Growth and jobs in rural areas: New jobs <u>supported</u> in supported projects R.31a ^{PR} LEADER coverage: Share of rural population covered by local development strategies*		O.29a Number of plans, studies or awareness actions supported by EAFRD O.30 Number of non-farmers trained/given advice
Promote employment, growth, gender equality, social inclusion and local development in rural	I.23 Contributing to growth in rural areas: Evolution of GDP per head in predominantly rural areas	R.32 Developing the rural bioeconomy: Number of <u>rural</u> businesses including bio-economy businesses developed with CAP support	Horizontal indicators	O.31 Number of ha under environmental practices (synthesis indicator on physical area covered by conditionality, ELS, AECM, forestry measures, organic farming
areas, including bio- economy and sustainable forestry	I.24 A fairer CAP: Improve the dDistribution of CAP support	R.33 Digitising Smart transition of the rural economy: Number of Rural population covered by a supported Smart Villages strategyies		O.32 Number of ha subject to conditionality (broken down by GAEP practice)
	I.25 Promoting rural inclusion: Evolution of poverty index in rural areas	R.34 Connecting rural Europe: Share of rural population benefitting from improved access to services and infrastructure through CAP support**	Sectorial programmestype s of interventions (Art. 39-63)	O.33 Number of producer groups/organisations (or associations of producer organisations) setting up an operational fund/program

Specific guidelines from the Commission would be required concerning the way of planning for this result indicator, and possibly other LEADER-related result indicators. A precise common methodology for this indicator is required.

		R.35 Promoting social inclusion: Number of people from minority and/or vulnerable groups benefitting from supported social inclusion projects		
Improve the response of EU agriculture to societal demands on	1.26 Limiting antibiotic microbial use in agriculture farmed animals: sales/use of antimicrobials in food producing animals	R.36 Limiting antimicrobial biotic use: Share of livestock units (LU) concerned by supported actions to limit the use of antimicrobial biotics (prevention/reduction)		
food and health, including safe, <u>and</u> nutritious and sustainable food	I.27 Sustainable use of pesticides: Reduce rRisks and impacts of pesticides**	R.37 PR Sustainable pesticide use: Share of <u>Utilised</u> aAgricultural Area (UAA) land concerned by supported specific actions commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides		
produced in a sustainable way, food waste, as well as animal welfare	1.28 Responding to consumer demand for quality food: Value of production under EU quality schemes (incl.and organics)	R.38 Improving animal welfare: Share of livestock units covered by supported actions to improve animal welfare R.39 Organic farming: Share of Utilised Agricultural Ar (UAA) supported by the CAP for organic farming maintenance or conversion.		
		maintenance or conversion		

	O.34 Number of promotion and
	information actions, and market
	monitoring
	O.34a Number of actions or units
	supported in the wine sector
<u>Sectoral</u>	O.35 Number of actions or units for
interventions	beekeeping
(Art. 49)	preservation/improvement

- * Most of impact indicators are already collected via other channels (European statistics, JRC, EEA...) and used in the framework of other EU legislation or SDGs. The data collection frequency is not always annual and there might be 2/3 years delay. ** Directive on sustainable use of pesticides
- * Proxies for results. Data notified annually by MS to monitor the progress towards the targets they established in the CAP **Strategic** pPlans.
- *Data notified annually for their declared expenditure.
- **Support to operational Groups under EIP falls under the provisions of cooperation.

*** CONTEXT INDICATORS

	Indicator No.	Context indicator
Population	<u>C.01</u>	Population numbers
	<u>C.02</u>	Population density
	<u>C.03</u>	Age structure of the population
Total area	<u>C.04</u>	Total area
	<u>C.05</u>	<u>Land cover</u>
Labour market	<u>C.06</u>	Rural employment rate
	<u>C.07</u>	Rural unemployment rate
	<u>C.08</u>	Employment (by sector, by type of region, by economic activity)
Economy	<u>C.09</u>	GDP per capita
	<u>C.10</u>	Poverty rate
	<u>C.11</u>	Gross value added by sector, by type of region, in agriculture and for primary producers
Farms and farmers	<u>C.12***</u>	Agricultural holdings (farms)
	<u>C.13</u>	Farm labour force
	<u>C.14</u>	Age structure of farm managers
	<u>C.15</u>	Agricultural training of farm managers
	<u>C.16</u>	New farm managers

	Indicator No.	Context indicator
Agricultural land	<u>C.17***</u>	Agricultural area
	<u>C.18</u>	Irrigable land
	<u>C.19</u>	Farming in Natura 2000 areas
	<u>C.20</u>	Areas facing natural and other specific constraints (ANCs)
	<u>C.21</u>	Agricultural land covered with landscape features
Livestock	<u>C.22</u>	<u>Livestock units</u>
	<u>C.23</u>	<u>Livestock density</u>
Agricultural and farm income	<u>C.24</u>	Agricultural factor income
	<u>C.25</u>	Comparison of agricultural income with non-agricultural labour cost
	<u>C.26</u>	Farm income by type of farming, by region, by farm size, in areas facing natural and other specific constraints
	<u>C.27</u>	Gross fixed capital formation in agriculture
Agricultural productivity	<u>C.28</u>	Total factor productivity in agriculture
	<u>C.29</u>	Labour productivity in agriculture, in forestry and in the food industry
Agricultural trade	<u>C.30</u>	Agricultural imports and exports
Other gainful activities	<u>C.31</u>	Tourism infrastructure

	Indicator No.	Context indicator
Farming practices	<u>C.32</u>	Agricultural area under organic farming
	<u>C.33</u>	Farming intensity
	<u>C.34</u>	Value of production under EU quality schemes
Biodiversity	<u>C.35</u>	Farmland birds index (FBI)
	<u>C.36</u>	Percentage of species and habitats of Community interest related to agriculture with stable or increasing trends
Water	<u>C.37</u>	Water use in agriculture
	<u>C.38</u>	Water quality
		Gross nutrient balance – nitrogen
		Gross nutrient balance – phosphorus
		Nitrates in ground water
Soil	<u>C.39</u>	Soil organic carbon in agricultural land
	<u>C.40</u>	Soil erosion by water
Energy	<u>C.41</u>	Production of renewable energy from agriculture and forestry
	<u>C.42</u>	Energy use in agriculture, forestry and food industry

	Indicator No.	Context indicator
<u>Climate</u>	<u>C.43*</u>	Greenhouse gas emissions from agriculture
	<u>C.44**</u>	Agricultural sector resilience progress indicator
	<u>C.45</u>	<u>Direct agricultural loss attributed to disasters</u>
<u>Air</u>	<u>C.46*</u>	Ammonia emissions from agriculture
<u>Health</u>	<u>C.47</u>	Antimicrobials sales in food producing animals
	<u>C.48</u>	Risk and impacts of pesticides

^{*} Values communicated by the European Commission should be attached to relevant measurement units so that the context indicators shared by all Member States may be objectively compared.

^{**} The compounded nature of this indicator raises questions; the conception of this indicator is based on two context indicators (C.39 and C.40), which raises methodological questions which shall be dealt with in the GREXE expert group.

^{***} The definition of the denominator is not considered precise enough, which shall be dealt with in the GREXE expert group.

ANNEX II

WTO DOMESTIC SUPPORT PURSUANT TO ARTICLE 10

Type of intervention	Reference in this Regulation	Paragraph of Annex 2 to the WTO Agreement on Agriculture ("Green Box")
Basic income support for sustainability	Title III, Chapter 2 Section 1 Sub- Section 2	5 (if implementation is not based on payment entitlements) 6 (if implementation is based on payment entitlements)
Complementary redistributive income support for sustainability	Title III, Chapter 2 Section 1 Sub- Section 3	5 (if implementation of the related basic income support for sustainability is not based on payment entitlements) 6 (if implementation of the related basic income support for sustainability is based on payment entitlements)
Complementary income support for young farmers	Article 27	5 (if implementation of the related basic income support for sustainability is not based on payment entitlements) 6 (if implementation of the related basic income support for sustainability is based on payment entitlements)

Type of intervention	Reference in this Regulation	Paragraph of Annex 2 to the WTO Agreement on Agriculture ("Green Box")
Schemes for the climate and the environment "eco schemes"	Article 28(6)(a)	5 (if granted only to farmers who are entitled to a basic income support for sustainability and implementation of the related basic income support for sustainability is not based on payment entitlements) 6 (if granted only to farmers who are entitled to a basic income support for sustainability and implementation of the related basic income support for sustainability is based on payment entitlements) 12 (if not if granted to farmers who are entitled to a basic income support for sustainability)
Schemes for the climate and the environment "eco-scheme"	Article 28(6)(b)	12
Fruit and vegetables – investments	Article 43(1)(a)	2, 11 or 12
Fruit and vegetables – research and experimental production	Article 43(1)(b)	2

Type of intervention	Reference in this Regulation	Paragraph of Annex 2 to the WTO Agreement on Agriculture ("Green Box")
Fruit and vegetables – organic production	Article 43(1)(c)	12
Fruit and vegetables - integrated production	Article 43(1)(d)	12
Fruit and vegetables – soil conservation and carbon enhancement	Article 43(1)(e)	12
Fruit and vegetables – creating and maintaining habitats or maintaining landscape	Article 43(1)(f)	12
Fruit and vegetables - energy saving and efficiency, renewable energy	Article 43(1)(g)	11 or 12
Fruit and vegetables – pest resilience	Article 43(1)(h)	2, 11 or 12
Fruit and vegetables – water use and management	Article 43(1)(i)	2 or 11
Fruit and vegetables – reduce waste production and waste management	Article 43(1)(j)	11 or 12

Type of intervention	Reference in this Regulation	Paragraph of Annex 2 to the WTO Agreement on Agriculture ("Green Box")
Fruit and vegetables – transport and storage	Article 43(1)(k)	11
Fruit and vegetables – climate change adaptation and mitigation	Article 43(1)(1)	11 or 12
Fruit and vegetables - quality schemes	Article 43(1)(m) and 43(2)(j)	2
Fruit and vegetables – promotion and communication	Article 43(1)(n)	2
Fruit and vegetables – advisory services and technical assistance	Article 43(1)(o)	2
Fruit and vegetables – training and exchange of best practices	Article 43(1)(p)	2
Fruit and vegetables - mutual funds	Article 43(2)(a)	8
Fruit and vegetables - investments	Article 43(2)(b)	11
Fruit and vegetables - orchard replanting	Article 43(2)(c)	8
Fruit and vegetables - Coaching	Article 43(2)(h)	2

Type of intervention	Reference in this Regulation	Paragraph of Annex 2 to the WTO Agreement on Agriculture ("Green Box")
Fruit and vegetables - implementation and management of third country phytosanitary protocols	Article 43(2)(i)	2
Fruits and vegetables – advisory services and technical assistance	Article 43(2)(k)	2
Apiculture – technical assistance	Article 49(1)(a)	2
Apiculture - combating beehive invaders and diseases	Article 49(1)(b)	2
Apiculture – support laboratories	Article 49(1)(d)	2
Apiculture – research programmes	Article 49(1)(f)	2
Apiculture – market monitoring	Article 49(1)(g)	2
Apiculture – enhancing product quality	Article 49(1)(h)	2

Type of intervention	Reference in this Regulation	Paragraph of Annex 2 to the WTO Agreement on Agriculture ("Green Box")
Wine – restructuring and conversion	Article 52(1)(a)	8
Wine – investments in processing facilities and winery infrastructure	Article 52(1)(b)	11
Wine – investments in innovation	Article 52(1)(e)	11
Wine – information actions	Article 52(1)(g)	2
Wine – promotion	Article 52(1)(h)	2
Wine – administrative costs of mutual funds	Article 52(1)(i)	2
Other sectors (and hops and olive oil and table olives if used for those sectors) – investments, research and experimental production	Article 60(1)(a)	2, 11 or 12
Other sectors (and hops and olive oil and table olives if used for those sectors) – advisory services and technical assistance	Article 60(1)(b)	2

Type of intervention	Reference in this Regulation	Paragraph of Annex 2 to the WTO Agreement on Agriculture ("Green Box")
Other sectors (and hops and olive oil and table olives if used for those sectors) – training and exchange of best practices	Article 60(1)(c)	2
Other sectors (and hops and olive oil and table olives if used for those sectors) – organic production	Article 60(1)(d)	12
Other sectors (and hops and olive oil and table olives if used for those sectors) – sustainable transport and storage	Article 60(1)(e)	2 or 12
Other sectors (and hops and olive oil and table olives if used for those sectors) – promotion and communication	Article 60(1)(f)	2
Other sectors (and hops and olive oil and table olives if used for those sectors) – quality schemes	Article 60(1)(g)	2

Type of intervention	Reference in this Regulation	Paragraph of Annex 2 to the WTO Agreement on Agriculture ("Green Box")
Other sectors (and hops and olive oil and table olives if used for those sectors) – traceability and certification systems	Article 60(1)(h)	2
Other sectors (and hops and olive oil and table olives if used for those sectors) – mutual funds	Article 60(2)(a)	2 or 8
Other sectors (and hops and olive oil and table olives if used for those sectors) - Investments in volume management	Article 60(2)(b)	11
Other sectors (and hops and olive oil and table olives if used for those sectors) – orchard replanting	Article 60(2)(d)	8
Environmental, climate and other management commitments	Article 65	12
Natural or other area-specific constraints; area-specific disadvantages resulting from certain mandatory requirements	Articles 66 , 67	13

Type of intervention	Reference in this Regulation	Paragraph of Annex 2 to the WTO Agreement on Agriculture ("Green Box")
Area-specific disadvantages resulting from certain mandatory requirements	Article 67	12
Investments	Article 68	11 <u>or 8</u>
Co-operation	Article 71	2
Knowledge exchange and innovation information	Article 72	2

ANNEX III

RULES ON CONDITIONALITY PURSUANT TO ARTICLE 11: OBJECTIVES, STANDARDS AND REQUIREMENTS

SMR: Statutory Management Requirement

GAEC: Standards for good agricultural and environmental condition of land

Areas	Main Issue	Requirements and standards		Main objective of the standard
Climate and environment			Maintenance of permanent grassland based on a ratio of permanent grassland in relation to agricultural area at national, regional, subregional, group-of-holdings or holding level. This ratio shall not decrease by more than 5% compared to reference year 2015.	General safeguard against conversion to other agricultural uses to preserve carbon stock
		GAEC 2	Appropriate Minimum protection of wetland and peatland at the latest by 2024	Protection of carbon-rich soils
		GAEC 3	Ban on burning arable stubble, except for plant health reasons	Maintenance of soil organic matter
	Water	SMR 1	Directive 2000/60/EC of 23 October 2000 of the European Parliament and of the Council establishing a framework for Community action in the field of water policy: Article 11(3)(e) and Article 11(3)(h) as regards mandatory requirements to control diffuse sources of pollution by phosphates	
		SMR 2	Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources (OJ L 375, 31.12.1991, p. 1): Articles 4 and 5	
		GAEC 4	Establishment of buffer strips along water courses ¹³	Protection of river courses against pollution and run-off

The GAEC buffer strips must respect, both within and outside vulnerable zones designated pursuant to Article 3(2) of Directive 91/676/EEC, at least the requirements relating to the conditions for land application of fertiliser near water courses, referred to in point A.4 of Annex II to Directive 91/676/EEC to be applied in accordance with the action programmes of Member States established under Article 5(4) of Directive 91/676/EEC

Areas	Main Issue	Requirem	ents and standards	Main objective of the standard
		GAEC 5	Use of Farm Sustainability Tool for Nutrients ¹⁴	Sustainable management of nutrients
	Soil (protection and quality)	GAEC 6	Tillage management or other appropriate cultivation techniques to limit reducing the risk of soil degradation, including taking into account the slope consideration gradient	Minimum land management reflecting site specific conditions to limit erosion
		GAEC 7	No bare Minimum soil cover in period(s) and areas that are most sensitive period(s)	Protection of soils in period(s) and areas that are most sensitive winter
		GAEC 8	Crop rotation or other practices aiming at preserving the soil potential, such as crop diversification	Preserve the soil potential
	Biodiversity and landscape (protection and quality)	SMR 3	Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7):	
			Article 3(1), Article 3(2)(b), Article 4(1), (2) and (4)	
		SMR 4	Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild flora and fauna (OJ L 206, 22.7.1992, p. 7):	
			Article 6(1) and (2)	

The Tool shall provide at least for the following elements and functionalities:

a) Elements

- Relevant farm information based on LPIS and IACS;
- Information from the soil sampling, on an appropriate spatial and temporal scale;
- Information on relevant management practices, crop history, and yield goals;
- Indications regarding legal limits and requirements relevant to farm nutrients management;
- A complete nutrient budget.

b) Functionalities

- Automatic integration of data from various sources (LPIS and IACS, farmer-generated data, soil analyses etc.) as far as possible, to avoid data input duplication for farmers;
- Two-way communication between PA/MAs and farmers allowed;
- Modularity and possibility to support further sustainability objectives (e.g. emissions management, water management)
- Respect of EU data inter-operability, openness and re-use principles;
- Guarantees for data security and privacy in line with best current standards.

Areas	Main Issue	Requireme	ents and standards	Main objective of the standard	
		GAEC 9	Minimum share of agricultural area [x]% of arable land at holding-level ¹⁵ devoted to: (i) non-productive areas and features or (ii) catch crops or nitrogen fixing crops, cultivated without plant protection products For Member States using only non-productive areas and features the minimum share is 3%. For catch crops a weighting factor of 0.3 is to be used. Retention of landscape features Ban on cutting hedges and trees during the bird breeding and rearing season As an option, measures for avoiding invasive plant species	Maintenance of non- productive features and area to improve on-farm biodiversity	
		GAEC 10	Ban on converting or ploughing permanent grassland in Natura 2000 sites designated as environmentally-sensitive permanent grasslands in Natura 2000 sites.	Protection of habitats and species	
Public health, animal health and plant health	Food safety	SMR 5	Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety (OJ L 31, 1.2.2002, p. 1):		
			Articles 14 and 15, Article 17(1) ¹⁶ and Articles 18, 19 and 20		

Member States may exempt from this requirement holdings:

[—] in forested areas fulfilling the requirements laid down in Article 46 (7) of Regulation (EU) No 1307/2013,

[—] with permanent grassland fulfilling the requirements laid down in Article 46(4) (a) and (b) of Regulation (EU) No 1307/2013, or

[—] with a size of arable land up to 5 hectares declared in accordance with Article 67(1) of Regulation (EU) [HzR] of the European Parliament and of the Council.

As implemented in particular by:

[—] Article 14 of Regulation (EC) No 470/2009 and the Annex of Regulation (EC) No 37/2010,

[—] Regulation (EC) No 852/2004: Article 4(1) and Annex I part A (II 4 (g, h, j), 5 (f, h), 6; III 8 (a, b, d, e), 9 (a, c)),

[—] Regulation (EC) No 853/2004: Article 3(1) and Annex III Section IX Chapter 1 (I-1 b, c, d, e; I-2 a (i, ii, iii), b (i, ii), c; I-3; I-4; I-5; II-A 1, 2, 3, 4; II-B 1(a, d), 2, 4 (a, b)), Annex III Section X Chapter 1(1),

[—] Regulation (EC) No 183/2005: Article 5(1) and Annex I, part A (I-4 e, g; II-2 a, b, e), Article 5(5) and Annex III (under the heading 'FEEDING', point 1 entitled 'Storage', first and last sentences, and point 2 entitled 'Distribution', third sentence), Article 5(6), and

[—] Regulation (EC) No 396/2005: Article 18.

Areas	Main Issue	Requirem	ents and standards	Main objective of the standard	
		SMR 6	Council Directive 96/22/EC of 29 April 1996 concerning the prohibition on the use in stockfarming of certain substances having a hormonal or thyrostatic action and betaagonists, and repealing Directives 81/602/EEC, 88/146/EEC and 88/299/EEC (OJ L 125, 23.5.1996, p. 3): Article 3(a), (b), (d) and (e) and Articles 4, 5 and 7		
	Identification and registration of animals	SMR 7	Council Directive 2008/71/EC of 15 July 2008 on identification and registration of pigs (OJ L 213, 8.8.2005, p. 31): Articles 3, 4 and 5		
		SMR-8	Regulation (EC) No 1760/2000 of the European Parliament and of the Council of 17 July 2000 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products and repealing Council Regulation (EC) No 820/97(OJ L 204, 11.8.2000, p. 1): Articles 4 and 7		
		SMR 9	Council Regulation (EC) No 21/2004 of 17 December 2003 establishing a system for the identification and registration of ovine and caprine animals and amending Regulation (EC) No 1782/2003 and Directives 92/102/EEC and 64/432/EEC (OJ L 5, 9.1.2004, p. 8): Articles 3, 4 and 5		
	Animal diseases	SMR 10	Regulation (EC) No 999/2001 of the European Parliament and of the Council of 22 May 2001 laying down rules for the prevention, control and eradication of certain transmissible spongiform encephalopathies (OJ L 147, 31.5.2001, p. 1): Articles 7, 11, 12, 13 and 15		
		SMR 11	Regulation (EU) 2016/429 of the European Parliament and of the Council of 9 March 2016 on transmissible animal diseases (OJ L 84, 31.3.2016, p.1)		
			Article 18(1), limited to foot and mouth disease, swine vesicular disease and blue tongue.		

Areas	Main Issue	Requirem	nents and standards	Main objective of the standard
	Plant protection products	SMR 12	Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC (OJ L 309, 24.11.2009, p. 1): Article 55, first and second sentence	
		SMR 13	Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides (OJ L 309, 24.11.2009, p. 71):	
			Article 5(2) and Article 8(1) to (5) Article 12 with regard to restrictions on the use of pesticides in protected areas defined on the basis of the Water Framework Directive and Natura 2000 legislation.	
			Article 13(1) and (3) on handling and storage of pesticides and disposal of remnants.	
Animal welfare	Animal welfare	SMR 14	Council Directive 2008/119/EC of 18 December 2008 laying down minimum standards for the protection of calves (OJ L 10, 15.1.2009, p. 7): Articles 3 and 4	
		SMR 15	Council Directive 2008/120/EC of 18 December 2008 laying down minimum standards for the protection of pigs (OJ L 47, 18.2.2009, p. 5):	
			Article 3 and Article 4	
		SMR 16	Council Directive 98/58/EC of 20 July 1998 concerning the protection of animals kept for farming purposes(OJ L 221, 8.8.1998, p. 23):	

ANNEX IV

MEMBER STATES ALLOCATIONS FOR DIRECT PAYMENTS REFERRED TO IN THE FIRST SUBPARAGRAPH OF ARTICLE 81(1)

(current prices in EUR)

Calendar year	2021	2022	2023	2024	2025	2026	2027 and the subsequent years
Belgium	485 603 95 4	485 603 954	485 603 954	485 603 95 4	485 603 954	485 603 954	485 603 954
Bulgaria	776 281 570	784 748 620	793-215-670	801 682 719	810 149 769	818 616 819	818 616 819
Czech Republic	838 844 295						
Denmark	846 124 520						
Germany	4 823 107 939	4 823 107 939	4 823 107 939	4 823 107 939	4 823 107939	4 823 107 939	4 823 107 939
Estonia	167-721-513	172 667 776	177 614 039	182 560 302	187 506 565	192 452 828	192 452 828
Ircland	1 163 938 279						
Greece	2 036 560 894						
Spain	4 768 736 743	4 775 898 870	4 783 060 997	4 790 223 124	4 797 385 252	4 804 547 379	4 804 547 379
France	7 147 786 964						
Croatia	344-340-000	367 711 409	367-711-409	367-711-409	367-711-409	367 711 409	367-711-409
Italy	3 560 185 516						
Cyprus	46 750 094						

Calendar year	2021	2022	2023	2024	2025	2026	2027 and the subsequent years
Latvia	299 633 591	308 294 625	316 955 660	325 616 694	334 277 729	342 938 763	342 938 763
Lithuania	510 820 241	524 732 238	538 644 234	552 556 230	566 468 227	580 380 223	580 380 223
Luxembourg	32 131 019						
Hungary	1 219 769 672						
Malta	4 507 492						
Netherlands	703 870 373						
<u>Austria</u>	664 819 537						
Poland	2 972 977 807	3 003 574 280	3 034 170 753	3 064 767 227	3 095 363 700	3 125 960 174	3 125 960 174
Portugal	584 824 383	593 442 972	602 061 562	610 680 152	619 298 742	627 917 332	627 917 332
Romania	1 856 172 601	1 883 211 603	1 910 250 604	1 937 289 605	1 964 328 606	1 991 367 607	1 991 367 607
. Slovenia	129 052 673						
Slovakia	383 806 378	388 574 951	393 343 524	398 112 097	402 880 670	407 649 243	407 649 243
Finland	505 999 667	507 783 955	509 568 242	511 352 530	513-136-817	514 921 104	514 921 104
Sweden	672 760 909	672 984 762	673-208-615	673-432-468	673 656 321	673 880 175	673 880 175

<u>Calendar year</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	2027 and the subsequent vears
<u>Belgium</u>	<u>494 925 924</u>	494 925 924	494 925 924	494 925 924	494 925 924
<u>Bulgaria</u>	808 442 754	817 072 343	<u>825 701 932</u>	<u>834 331 520</u>	<u>834 331 520</u>
Czech Republic	<u>854 947 297</u>	<u>854 947 297</u>	<u>854 947 297</u>	<u>854 947 297</u>	<u>854 947 297</u>
<u>Denmark</u>	862 367 277	862 367 277	862 367 277	<u>862 367 277</u>	862 367 277
<u>Germany</u>	4 915 695 459	4 915 695 459	<u>4 915 695 459</u>	4 915 695 459	4 915 695 459
Estonia	<u>196 436 567</u>	<u>199 297 294</u>	202 158 021	205 018 748	205 018 748
<u>Ireland</u>	<u>1 186 281 996</u>	<u>1 186 281 996</u>	<u>1 186 281 996</u>	<u>1 186 281 996</u>	<u>1 186 281 996</u>
<u>Greece</u>	2 075 656 043	<u>2 075 656 043</u>	<u>2 075 656 043</u>	2 075 656 043	2 075 656 043
<u>Spain</u>	4 874 879 750	4 882 179 366	4 889 478 982	4 896 778 599	4 896 778 599
<u>France</u>	7 285 000 537	<u>7 285 000 537</u>	<u>7 285 000 537</u>	<u>7 285 000 537</u>	7 285 000 537
<u>Croatia</u>	<u>374 770 237</u>	<u>374 770 237</u>	<u>374 770 237</u>	<u>374 770 237</u>	<u>374 770 237</u>
<u>Italy</u>	3 628 529 155	<u>3 628 529 155</u>	3 628 529 155	<u>3 628 529 155</u>	<u>3 628 529 155</u>
<u>Cyprus</u>	<u>47 647 540</u>	<u>47 647 540</u>	<u>47 647 540</u>	<u>47 647 540</u>	<u>47 647 540</u>
<u>Latvia</u>	<u>349 226 285</u>	<u>354 312 105</u>	<u>359 397 925</u>	<u>364 483 744</u>	<u>364 483 744</u>
<u>Lithuania</u>	<u>587 064 372</u>	<u>595 613 853</u>	604 163 335	<u>612 712 816</u>	<u>612 712 816</u>
<u>Luxembourg</u>	<u>32 747 827</u>	<u>32 747 827</u>	32 747 827	<u>32 747 827</u>	<u>32 747 827</u>

<u>Calendar year</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	2027 and the subsequent years
<u>Hungary</u>	<u>1 243 185 165</u>	<u>1 243 185 165</u>	<u>1 243 185 165</u>	<u>1 243 185 165</u>	<u>1 243 185 165</u>
<u>Malta</u>	<u>4 594 021</u>	<u>4 594 021</u>	<u>4 594 021</u>	<u>4 594 021</u>	<u>4 594 021</u>
<u>Netherlands</u>	717 382 327	<u>717 382 327</u>	<u>717 382 327</u>	717 382 327	717 382 327
<u>Austria</u>	<u>677 581 846</u>	<u>677 581 846</u>	<u>677 581 846</u>	<u>677 581 846</u>	<u>677 581 846</u>
Poland	3 092 416 671	<u>3 123 600 494</u>	<u>3 154 784 317</u>	<u>3 185 968 140</u>	<u>3 185 968 140</u>
<u>Portugal</u>	<u>613 619 128</u>	<u>622 403 166</u>	<u>631 187 204</u>	<u>639 971 242</u>	639 971 242
<u>Romania</u>	<u>1 946 921 018</u>	<u>1 974 479 078</u>	2 002 037 137	<u>2 029 595 196</u>	<u>2 029 595 196</u>
<u>Slovenia</u>	<u>131 530 052</u>	<u>131 530 052</u>	<u>131 530 052</u>	<u>131 530 052</u>	<u>131 530 052</u>
<u>Slovakia</u>	400 894 402	405 754 516	<u>410 614 629</u>	415 474 743	415 474 743
<u>Finland</u>	<u>519 350 246</u>	<u>521 168 786</u>	<u>522 987 325</u>	<u>524 805 865</u>	<u>524 805 865</u>
<u>Sweden</u>	<u>686 131 966</u>	<u>686 360 116</u>	<u>686 588 267</u>	<u>686 816 417</u>	<u>686 816 417</u>

ANNEX V

MEMBER STATES' ANNUAL ALLOCATIONS (PER FINANCIAL YEAR AS REFERRED TO IN ARTICLE 33 OF REGULATION (EU) [HZR]) FOR TYPES OF INTERVENTIONS IN THE WINE SECTOR AS REFERRED TO IN ARTICLE 82(1)

	EUR (current prices)
Bulgaria	25 721 000
Czech Republic	4 954 000
Germany	37 381 000
Greece	23 030 000
Spain	202 147 000
France	269 628 000
Croatia	10 410 000
Italy	323 883 000
Cyprus	4 465 000
Lithuania	43 000
Hungary	27 970 000
Austria	13 155 000
Portugal	62 670 000
Romania	45 844 000
Slovenia	4 849 000
Slovakia	4 887 000

ANNEX VI

MEMBER STATES ALLOCATIONS FOR COTTON REFERRED TO IN THE SECOND SUBPARAGRAPH OF ARTICLE 81(1)

(current prices in EUR)

Calendar year	2021	2022	2023	2024	2025	2026	2027 and the subsequent years
Bulgaria	2 509 615						
Greece	180 532 000	180-532-000	180 532 000				
Spain	58 565 040						
Portugal	174 239						

<u>Calendar year</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	2027 and the subsequent years
<u>Bulgaria</u>	2 557 820	2 557 820	2 557 820	2 557 820	<u>2 557 820</u>
<u>Greece</u>	<u>183 996 000</u>				
<u>Spain</u>	<u>59 690 640</u>				
<u>Portugal</u>	<u>177 589</u>				

ANNEX VII

MEMBER STATES ALLOCATIONS FOR DIRECT PAYMENTS WITHOUT COTTON AND BEFORE CAPPING TRANSFER REFERRED TO IN THE THIRD SUBPARAGRAPH OF ARTICLE 81(1)

(current prices in EUR)

Calendar year	2021	2022	2023	2024	2025	2026	2027 and the subsequent years
Belgium	485 603 954	485 603 954	485 603 954	485 603 954	485 603 954	485 603 954	485 603 954
Bulgaria	773 771 955	782 239 005	790 706 055	799 173 104	807 640 154	816 107 204	816 107 204
Czech Republic	838 844 295	838 844 295	838 844 295	838 844 295	838 844 295	838 844 295	838 844 295
Denmark	846 124 520	846 124 520	846 124 520	846 124 520	846 124 520	846 124 520	846 124 520
Germany	4 823 107 939	4 823 107 939	4 823 107 939	4 823 107 939	4 823 107 939	4 823 107 939	4 823 107 939
Estonia .	167 721 513	172 667 776	177 614 039	182 560 302	187 506 565	192 452 828	192 452 828
Ircland	1 163 938 279	1 163 938 279	1 163 938 279	1 163 938 279	1 163 938 279	1 163 938 279	1 163 938 279
Greece	1 856 028 894	1 856 028 894	1 856 028 894	1 856 028 894	1 856 028 894	1 856 028 894	1 856 028 894
Spain	4 710 171 703	4 717 333 830	4 724 495 957	4 731 658 084	4 738 820 212	4 745 982 339	4 745 982 339
France	7 147 786 96 4	7 147 786 964	7 147 786 96 4	7 147 786 964			
Croatia	344 340 000	367 711 409	367 711 409				
Italy	3-560-185-516	3 560 185 516	3-560-185-516				

Calendar year	2021	2022	2023	2024	2025	2026	2027 and the subsequent years
Cyprus	46 750 094						
Latvia	299 633 591	308 294 625	316 955 660	325 616 694	334 277 729	342 938 763	342 938 763
Lithuania	510 820 241	524 732 238	538 644 234	552 556 230	566 468 227	580 380 223	580 380 223
Luxembourg	32 131 019						
Hungary	1 219 769 672						
Malta	4-507-492	4 507 492					
Netherlands	703-870-373	703-870-373	703-870-373	703-870-373	703 870 373	703 870 373	703 870 373
<u>Austria</u>	664 819 537	664 819 537	664-819-537	664-819-537	664 819 537	664 819 537	664 819 537
Poland	2 972 977 807	3 003 574 280	3 034 170 753	3 064 767 227	3 095 363 700	3 125 960 174	3 125 960 174
Portugal	584 650 144	593 268 733	601 887 323	610 505 913	619 124 503	627 743 093	627 743 093
Romania	1 856 172 601	1 883 211 603	1 910 250 604	1 937 289 605	1 964 328 606	1 991 367 607	1 991 367 607
Slovenia	129 052 673						
Slovakia	383 806 378	388 574 951	393 343 524	398 112 097	402 880 670	407 649 243	407 649 243
Finland	505-999-667	507-783-955	509-568-242	511-352-530	513-136-817	514 921 104	514 921 104
Sweden	672 760 909	672 984 762	673 208 615	673 432 468	673 656 321	673 880 175	673 880 175

Calendar year	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	2027 and the subsequent years
<u>Belgium</u>	494 925 924	494 925 924	494 925 924	494 925 924	<u>494 925 924</u>
<u>Bulgaria</u>	<u>805 884 934</u>	<u>814 514 523</u>	823 144 112	831 773 700	831 773 700
Czech Republic	854 947 297	854 947 297	854 947 297	854 947 297	<u>854 947 297</u>
<u>Denmark</u>	862 367 277	862 367 277	862 367 277	862 367 277	862 367 277
<u>Germany</u>	4 915 695 459	4 915 695 459	4 915 695 459	4 915 695 459	4 915 695 459
<u>Estonia</u>	196 436 567	199 297 294	202 158 021	205 018 748	205 018 748
<u>Ireland</u>	<u>1 186 281 996</u>				
<u>Greece</u>	1 891 660 043	1 891 660 043	1 891 660 043	1 891 660 043	<u>1 891 660 043</u>
<u>Spain</u>	4 815 189 110	4 822 488 726	4 829 788 342	4 837 087 959	4 837 087 959
<u>France</u>	7 285 000 537	<u>7 285 000 537</u>	7 285 000 537	7 285 000 537	7 285 000 537
<u>Croatia</u>	374 770 237	374 770 237	374 770 237	374 770 237	374 770 237
<u>Italy</u>	3 628 529 155	3 628 529 155	3 628 529 155	3 628 529 155	<u>3 628 529 155</u>
<u>Cyprus</u>	<u>47 647 540</u>				

Calendar year	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	2027 and the subsequent years
<u>Latvia</u>	<u>349 226 285</u>	<u>354 312 105</u>	<u>359 397 925</u>	364 483 744	<u>364 483 744</u>
<u>Lithuania</u>	<u>587 064 372</u>	<u>595 613 853</u>	604 163 335	612 712 816	<u>612 712 816</u>
Luxembourg	32 747 827	32 747 827	32 747 827	32 747 827	32 747 827
Hungary	1 243 185 165	1 243 185 165	1 243 185 165	1 243 185 165	<u>1 243 185 165</u>
<u>Malta</u>	4 594 021	4 594 021	4 594 021	4 594 021	4 594 021
<u>Netherlands</u>	717 382 327	717 382 327	717 382 327	717 382 327	717 382 327
<u>Austria</u>	<u>677 581 846</u>	<u>677 581 846</u>	<u>677 581 846</u>	<u>677 581 846</u>	<u>677 581 846</u>
<u>Poland</u>	3 092 416 671	3 123 600 494	3 154 784 317	3 185 968 140	<u>3 185 968 140</u>
<u>Portugal</u>	613 441 539	622 225 577	631 009 615	639 793 653	<u>639 793 653</u>
<u>Romania</u>	<u>1 946 921 018</u>	<u>1 974 479 078</u>	2 002 037 137	2 029 595 196	<u>2 029 595 196</u>
<u>Slovenia</u>	131 530 052	131 530 052	131 530 052	131 530 052	<u>131 530 052</u>
<u>Slovakia</u>	400 894 402	405 754 516	410 614 629	415 474 743	415 474 743
<u>Finland</u>	<u>519 350 246</u>	<u>521 168 786</u>	<u>522 987 325</u>	<u>524 805 865</u>	<u>524 805 865</u>
<u>Sweden</u>	<u>686 131 966</u>	<u>686 360 116</u>	<u>686 588 267</u>	<u>686 816 417</u>	<u>686 816 417</u>

ANNEX VIII

MEMBER STATES' ANNUAL ALLOCATIONS (PER FINANCIAL YEAR AS REFERRED TO IN ARTICLE 33 OF REGULATION (EU) [HZR]) FOR TYPES OF INTERVENTIONS IN THE APICULTURE SECTOR AS REFERRED TO IN ARTICLE 82(2)

	EUR (current prices)
Belgium	422 967
Bulgaria	2 063 885
Czech Republic	2 121 528
Denmark	295 539
Germany	2 790 875
Estonia	140 473
Ireland	61 640
Greece	6 162 645
Spain	9 559 944
France	6 419 062
Croatia	1 913 290
Italy	5 166 537
Cyprus	169 653
Latvia	328 804
Lithuania	549 828
Luxembourg	30 621
Hungary	4 271 227
Malta	14 137
Netherlands	295 172
Austria	1 477 188
Poland	5 024 968
Portugal	2 204 232

	EUR (current prices)
Romania	6 081 630
Slovenia	649 455
Slovakia	999 973
Finland	196 182
Sweden	588 545

ANNEX IX

BREAKDOWN OF UNION SUPPORT FOR TYPES OF INTERVENTIONS FOR RURAL DEVELOPMENT (202<mark>13</mark> to 2027) REFERRED TO IN ARTICLE 83(3)

(current prices; in EUR)

Year	2021	2022	2023	2024	2025	2026	2027	TOTAL 2021- 2027
Belgium	67 178 046	470 246 322						
Bulgaria	281 711 396	1 971 979 772						
Czech Republic	258 773 203	1 811 412 421						
Denmark	75 812 623	530 688 361						
Germany	989 924 996	6 929 474 972						
Estonia	87 875 887	615-131-209						
Ireland	264 670 951	1 852 696 657						
Greece	509 591 606	3 567 141 242						
Spain	1 001 202 880	7 008 420 160						
France	1 209 259 199	8 464 814 393						
Croatia	281 341 503	281 341 503	281-341-503	281 341 503	281 341 503	281-341-503	281 341 503	1 969 390 521
Italy	1 270 310 371	8 892 172 597						
Cyprus	15 987 284	111 910 988						

Year	2021	2022	2023	2024	2025	2026	2027	TOTAL 2021- 2027
Latvia	117 307 269	821 150 883						
Lithuania	195 182 517	1 366 277 619						
Luxembourg	12 290 956	86 036 692						
Hungary	416 202 472	2 913 417 304						
Malta	12 207 322	85 451 254						
Netherlands	73 151 195	512 058 365						
Austria	480 467 031	3 363 269 217						
Poland	1 317 890 530	9 225 233 710						
Portugal	493 214 858	493 214 858	493-214-858	493 214 858	493 214 858	493 214 858	493 214 858	3 452 504 006
Romania	965 503 339	965 503 339	965-503-339	965 503 339	965-503-339	965-503-339	965 503 339	6 758 523 373
Slovenia	102 248 788	715 741 516						
Slovakia	227 682 721	1 593 779 047						
Finland	292 021 227	2 044 148 589						
Sweden	211 550 876	1 480 856 132						
Total EU-27	11 230 561 046	78 613 927 322						

Year	2021	2022	2023	2024	2025	2026	2027	TOTAL 2021- 2027
Technical assistance (0,25%)	28 146 770	28 146 770	28 146 770	28 146 770	28-146-770	28 146 770	28 146 770	197 027 390
Total	11 258 707 816	78 810 954 712						

<u>Year</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	Total 2023-2027
<u>Belgium</u>	<u>82 800 894</u>	82 800 894	82 800 894	82 800 894	82 800 894	414 004 470
<u>Bulgaria</u>	<u>282 162 644</u>	282 162 644	282 162 644	282 162 644	282 162 644	<u>1 410 813 220</u>
Czech Republic	<u>259 187 708</u>	259 187 708	259 187 708	259 187 708	259 187 708	1 295 938 540
<u>Denmark</u>	<u>75 934 060</u>	75 934 060	75 934 060	75 934 060	75 934 060	379 670 300
<u>Germany</u>	1 092 359 738	1 092 359 738	1 092 359 738	1 092 359 738	1 092 359 738	<u>5 461 798 690</u>
<u>Estonia</u>	<u>88 016 648</u>	<u>88 016 648</u>	<u>88 016 648</u>	<u>88 016 648</u>	<u>88 016 648</u>	440 083 240
<u>Ireland</u>	311 640 628	<u>311 640 628</u>	<u>311 640 628</u>	<u>311 640 628</u>	<u>311 640 628</u>	<u>1 558 203 140</u>
<u>Greece</u>	<u>556 953 600</u>	<u>556 953 600</u>	<u>556 953 600</u>	<u>556 953 600</u>	<u>556 953 600</u>	2 784 768 000
<u>Spain</u>	1 080 382 825	1 080 382 825	1 080 382 825	1 080 382 825	1 080 382 825	<u>5 401 914 125</u>
<u>France</u>	<u>1 459 440 070</u>	1 459 440 070	1 459 440 070	1 459 440 070	1 459 440 070	7 297 200 350
<u>Croatia</u>	297 307 401	297 307 401	297 307 401	297 307 401	297 307 401	<u>1 486 537 005</u>
<u>Italy</u>	1 349 921 375	1 349 921 375	1 349 921 375	1 349 921 375	1 349 921 375	<u>6 749 606 875</u>
<u>Cyprus</u>	23 770 514	23 770 514	23 770 514	23 770 514	23 770 514	<u>118 852 570</u>

<u>Latvia</u>	<u>117 495 173</u>	<u>117 495 173</u>	<u>117 495 173</u>	117 495 173	117 495 173	<u>587 475 865</u>
<u>Lithuania</u>	<u>195 495 162</u>	<u>195 495 162</u>	<u>195 495 162</u>	<u>195 495 162</u>	<u>195 495 162</u>	<u>977 475 810</u>
<u>Luxembourg</u>	<u>12 310 644</u>	<u>12 310 644</u>	<u>12 310 644</u>	<u>12 310 644</u>	<u>12 310 644</u>	61 553 220
<u>Hungary</u>	416 869 149	<u>416 869 149</u>	416 869 149	416 869 149	416 869 149	2 084 345 745
<u>Malta</u>	<u>19 984 497</u>	<u>19 984 497</u>	<u>19 984 497</u>	<u>19 984 497</u>	<u>19 984 497</u>	<u>99 922 485</u>
<u>Netherlands</u>	73 268 369	73 268 369	73 268 369	73 268 369	73 268 369	<u>366 341 845</u>
<u>Austria</u>	520 024 752	520 024 752	520 024 752	520 024 752	520 024 752	2 600 123 760
<u>Poland</u>	1 320 001 539	1 320 001 539	<u>1 320 001 539</u>	1 320 001 539	1 320 001 539	<u>6 600 007 695</u>
<u>Portugal</u>	<u>540 550 620</u>	<u>540 550 620</u>	<u>540 550 620</u>	<u>540 550 620</u>	<u>540 550 620</u>	2 702 753 100
<u>Romania</u>	967 049 892	967 049 892	<mark>967 049 892</mark>	<mark>967 049 892</mark>	<mark>967 049 892</mark>	4 835 249 460
<u>Slovenia</u>	<u>110 170 192</u>	<u>110 170 192</u>	<u>110 170 192</u>	<u>110 170 192</u>	<u>110 170 192</u>	<u>550 850 960</u>
<u>Slovakia</u>	259 077 909	259 077 909	259 077 909	259 077 909	259 077 909	1 295 389 545
Finland	<u>354 549 956</u>	<u>354 549 956</u>	<u>354 549 956</u>	<u>354 549 956</u>	354 549 956	1 772 749 780
<u>Sweden</u>	<u>211 889 741</u>	<u>211 889 741</u>	<u>211 889 741</u>	<u>211 889 741</u>	<u>211 889 741</u>	<u>1 059 448 705</u>
Total EU-27	12 078 615 700	<u>12 078 615 700</u>	12 078 615 700	12 078 615 700	12 078 615 700	60 393 078 500

Technical assistance (0,25%)	<u>30 272 220</u>	<u>30 272 220</u>	<u>30 272 220</u>	<u>30 272 220</u>	<u>30 272 220</u>	<u>151 361 100</u>
<u>Total</u>	12 108 887 920	<u>12 108 887 920</u>	<u>12 108 887 920</u>	12 108 887 920	12 108 887 920	60 544 439 600

ANNEX IXa

BREAKDOWN OF UNION SUPPORT FOR TYPES OF INTERVENTIONS FOR RURAL DEVELOPMENT (2021 to 2027) REFERRED TO IN ARTICLE 83(3)

(2018 prices 17: in EUR)

						(2010 prices	, in Bory	
Year	2021	2022	2023	2024	2025	2026	2027	TOTAL 2021- 2027
Belgium	63 303 373	62 062 131	60 845 226	59 652 182	58 482 532	57 335 815	56 211 584	417 892 843
Bulgaria	265 462 940	260 257 785	255 154 691	250 151 658	245 246 723	240 437 964	235 723 494	1 752 435 255
Czech Republic	243 847 768	239 066 440	234 378 862	229 783 198	225 277 645	220 860 437	216 529 840	1 609 744 190
Denmark	71 439 928	70 039 145	68 665 828	67 319 440	65 999 451	64 705 344	63 436 611	471 605 747
Germany	932 828 433	914 537 679	896 605 568	879 025 067	861 789 281	844 891 452	828 324 953	6 158 002 433
Estonia	82 807 411	81 183 737	79 591 899	78 031 273	76 501 248	75 001 224	73 530 611	546 647 403
Ireland	249 405 348	244 515 047	239 720 635	235 020 230	230 411 990	225 894 108	221 464 812	1 646 432 170
Greece	480 199 552	470 783 875	461 552 818	452 502 763	443 630 160	434 931 529	426 403 460	3 170 004 157
Spain	943 455 836	924 956 702	906 820 296	889 039 505	871 607 358	854 517 018	837 761 782	6 228 158 497
France	1 139 511 952	1 117 168 580	1 095 263 314	1 073 787 562	1 052 732 904	1 032 091 083	1 011 854 003	7 522 409 398
Croatia Croatia	265 114 382	259 916 061	254 819 668	249 823 204	244 924 709	240 122 264	235 413 984	1 750 134 272

EN

¹⁷ The figures in "2018 prices" are included for information purposes; they are indicative and are not legally binding.

Year	2021	2022	2023	2024	2025	2026	2027	TOTAL 2021- 2027
Italy	1 197 041 834	1 173 570 426	1 150 559 241	1 127 999 256	1 105 881 623	1 084 197 670	1 062 938 892	7 902 188 942
Cyprus	15 065 175	14 769 779	14 480 176	14 196 251	13 917 893	13 644 993	13 377 444	99 451 711
Latvia	110 541 260	108 373 784	106 248 808	104 165 498	102 123 037	100 120 625	98 157 475	729 730 487
Lithuania	183 924 845	180 318 475	176 782 819	173 316 489	169 918 127	166 586 399	163 319 999	1 214 167 153
Luxembourg	11 582 043	11 354 944	11-132-298	10 914 018	10 700 017	10 490 213	10 284 523	76 458 056
Hungary	392 196 885	384 506 750	376 967 402	369 575 884	362 329 298	355 224 802	348 259 610	2 589 060 631
Malta	11 503 233	11 277 679	11 056 548	10 839 753	10 627 209	10 418 832	10 214 541	75 937 795
Netherlands	68 932 004	67 580 397	66 255 291	64 956 167	63 682 517	62 433 840	61 209 647	455 049 863
Austria	452 754 814	443 877 269	435 173 793	426 640 974	418 275 464	410 073 985	402 033 318	2 988 829 617
Poland	1 241 877 681	1 217 527 138	1 193 654 057	1-170-249-075	1 147 303 015	1 124 806 877	1-102-751-840	8 198 169 683
Portugal	464 767 377	455 654 291	446 719 893	437 960 679	429 373 215	420 954 132	412 700 130	3 068 129 717
Romania	909 815 361	891 975 844	874 486 121	857 339 335	840 528 760	824 047 803	807 890 003	6 006 083 227
Slovenia	96 351 317	94 462 075	92 609 878	90 793 998	89 013 723	87 268 356	85 557 212	636-056-559
Slovakia	214 550 513	210 343 640	206 219 255	202 175 740	198 211 510	194 325 010	190 514 716	1 416 340 384
Finland	275 178 124	269 782 474	264 492 622	259 306 492	254 222 051	249 237 305	244 350 299	1 816 569 367
Sweden	199 349 116	195 440 310	191 608 147	187 851 124	184 167 769	180 556 636	177 016 310	1 315 989 412
Total EU-27	10 582 808 505	10 375 302 457	10 171 865 154	9 972 416 815	9 776 879 229	9 585 175 716	9 397 231 093	69 861 678 969

Year	2021	2022	2023	2024	2025	2026	2027	TOTAL 2021- 2027
Technical assistance (0,25%)	26 523 330	26 003 264	25 493 396	24 993 526	24 503 457	24 022 997	23 551 958	175 091 928
Total	10 609 331 835	10 401 305 721	10 197 358 550	9 997 410 341	9 801 382 686	9 609 198 713	9 420 783 051	70 036 770 897

ANNEX X

MINIMUM AMOUNTS RESERVED FOR THE OBJECTIVE "ATTRACT <u>AND SUSTAIN</u> YOUNG FARMERS AND FACILITATE BUSINESS DEVELOPMENT <u>IN RURAL AREAS</u>" AS REFERRED TO IN <u>POINT (g) OF</u> ARTICLE <u>86(5)6</u>

(current prices, in EUR)

Calendar year	2021	2022	2023	2024	2025	2026	2027 and the subsequent years
Belgium	9 712 079						
Bulgaria	15 475 439	15 644 780	15 814 121	15 983 462	16 152 803	16 322 144	16 322 144
Czech Republic	16 776 886						
Denmark	16 922 490						
Germany	96 462 159						
Estonia	3 354 430	3 453 356	3 552 281	3 651 206	3 750 131	3 849 057	3 849 057
Ireland	23 278 766	23 278 766	23-278-766	23 278 766	23 278 766	23 278 766	23 278 766

Calendar year	2021	2022	2023	2024	2025	2026	2027 and the subsequent years
Greece	37 120 578	37 120 578	37 120 578				
Spain	94 203 434	94 346 677	94 489 919	94 633 162	94 776 404	94 919 647	94 919 647
France	142 955 739	142 955 739	142 955 739				
Croatia	6 886 800	7 354 228	7 354 228	7 354 228	7 354 228	7 354 228	7 354 228
Italy	71 203 710	71 203 710	71 203 710				
Cyprus	935 002	935-002	935 002	935 002	935 002	935 002	935 002
Latvia	5 992 672	6 165 893	6 339 113	6 512 334	6 685 555	6 858 775	6 858 775
Lithuania	10 216 405	10 494 645	10 772 885	11 051 125	11 329 365	11 607 604	11 607 604
Luxembourg	642-620	642-620	642-620	642 620	642 620	642 620	642-620
Hungary	24 395 393	24 395 393	24 395 393				
Malta	90 150	90-150	90 150	90-150	90 150	90 150	90 150

Calendar year	2021	2022	2023	2024	2025	2026	2027 and the subsequent years
Netherlands	14 077 407						
<u>Austria</u>	13 296 391						
Poland	59 459 556	60 071 486	60 683 415	61 295 345	61 907 274	62 519 203	62 519 203
Portugal	11 693 003	11 865 375	12 037 746	12 210 118	12 382 490	12 554 862	12 554 862
Romania	37 123 452	37 664 232	38 205 012	38 745 792	39 286 572	39 827 352	39 827 352
Slovenia	2 581 053						
Slovakia	7 676 128	7 771 499	7 866 870	7 962 242	8 057 613	8 152 985	8 152 985
Finland	10 119 993	10 155 679	10 191 365	10 227 051	10 262 736	10 298 422	10 298 422
Sweden	13 455 218	13 459 695	13 464 172	13 468 649	13 473 126	13 477 604	13 477 604

<u>Calendar year</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	2027 and the subsequent years
<u>Belgium</u>	9 898 518	9 898 518	9 898 518	<u>9 898 518</u>	<u>9 898 518</u>
<u>Bulgaria</u>	<u>16 117 699</u>	<u>16 290 290</u>	<u>16 462 882</u>	<u>16 635 474</u>	<u>16 635 474</u>
Czech Republic	<u>17 098 946</u>	<u>17 098 946</u>	<u>17 098 946</u>	<u>17 098 946</u>	<u>17 098 946</u>
<u>Denmark</u>	<u>17 247 346</u>	<u>17 247 346</u>	17 247 346	<u>17 247 346</u>	<u>17 247 346</u>
Germany	98 313 909	98 313 909	98 313 909	98 313 909	98 313 909
<u>Estonia</u>	3 928 731	3 985 946	4 043 160	4 100 375	<u>4 100 375</u>
<u>Ireland</u>	23 725 640	23 725 640	23 725 640	23 725 640	23 725 640
<u>Greece</u>	37 833 201	37 833 201	37 833 201	<u>37 833 201</u>	37 833 201
<u>Spain</u>	96 303 782	<u>96 449 775</u>	<u>96 595 767</u>	<u>96 741 759</u>	<u>96 741 759</u>
<u>France</u>	<u>145 700 011</u>	<u>145 700 011</u>	<u>145 700 011</u>	<u>145 700 011</u>	<u>145 700 011</u>
Croatia	7 495 405	7 495 405	7 495 405	<u>7 495 405</u>	<u>7 495 405</u>
<u>Italy</u>	<u>72 570 583</u>	<u>72 570 583</u>	72 570 583	<u>72 570 583</u>	<u>72 570 583</u>
<u>Cyprus</u>	<u>952 951</u>	<u>952 951</u>	<u>952 951</u>	<u>952 951</u>	<u>952 951</u>

<u>Latvia</u>	<u>6 984 526</u>	7 086 242	7 187 959	7 289 675	7 289 675
<u>Lithuania</u>	11 741 287	<u>11 912 277</u>	12 083 267	12 254 256	12 254 256
<u>Luxembourg</u>	<u>654 957</u>	<u>654 957</u>	<u>654 957</u>	<u>654 957</u>	<u>654 957</u>
Hungary	24 863 703	24 863 703	24 863 703	24 863 703	<u>24 863 703</u>
<u>Malta</u>	<u>91 880</u>	<u>91 880</u>	<u>91 880</u>	<u>91 880</u>	<u>91 880</u>
<u>Netherlands</u>	<u>14 347 647</u>	<u>14 347 647</u>	<u>14 347 647</u>	14 347 647	14 347 647
<u>Austria</u>	<u>13 551 637</u>	<u>13 551 637</u>	<u>13 551 637</u>	<u>13 551 637</u>	13 551 637
<u>Poland</u>	61 848 333	<u>62 472 010</u>	<u>63 095 686</u>	<u>63 719 363</u>	<u>63 719 363</u>
<u>Portugal</u>	<u>12 268 831</u>	<u>12 444 512</u>	<u>12 620 192</u>	<u>12 795 873</u>	<u>12 795 873</u>
<u>Romania</u>	38 938 420	39 489 582	40 040 743	<u>40 591 904</u>	40 591 904
<u>Slovenia</u>	<u>2 630 601</u>	<u>2 630 601</u>	<u>2 630 601</u>	<u>2 630 601</u>	<u>2 630 601</u>
<u>Slovakia</u>	8 017 888	<u>8 115 090</u>	8 212 293	8 309 495	<u>8 309 495</u>
Finland Finland	10 387 005	10 423 376	10 459 747	<u>10 496 117</u>	<u>10 496 117</u>
<u>Sweden</u>	13 722 639	13 727 202	<u>13 731 765</u>	13 736 328	13 736 328

ANNEX XI

EU LEGISLATION CONCERNING THE ENVIRONMENT AND CLIMATE TO WHOSE OBJECTIVES MEMBER STATES' CAP STRATEGIC PLANS SHOULD CONTRIBUTE PURSUANT TO ARTICLES 96, 97 AND 103:

- Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds;
- Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora;
- Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy;
- Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources;
- Directive 2008/50/EC of the European Parliament and of the Council on ambient air quality and cleaner air for Europe;
- Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC;
- [Regulation XXXX of the European Parliament and of the Council on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry into the 2030 climate and energy framework and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change];
- [Regulation XXX of the European Parliament and of the Council on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change];
- Directive 2009/28/EC on the promotion of the use of energy from renewable sources;

- [Directive XXX of the European Parliament and of the Council amending Directive 2012/27/EU on energy efficiency];
- [Regulation XXXX of the European Parliament and of the Council on the Governance of the Energy Union, amending Directive 94/22/EC, Directive 98/70/EC, Directive 2009/31/EC, Regulation (EC) No 663/2009, Regulation (EC) No 715/2009, Directive 2009/73/EC, Council Directive 2009/119/EC, Directive 2010/31/EU, Directive 2012/27/EU, Directive 2013/30/EU and Council Directive (EU) 2015/652 and repealing Regulation (EU) No 525/2013];
- Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009
 establishing a framework for Community action to achieve the sustainable use of
 pesticides.

ANNEX XII

REPORTING BASED ON CORE SET OF INDICATORS PURSUANT TO ARTICLE 128

<u>Indicators for the European Agriculture Guarantee Fund (EAGF)</u> and the European Agriculture Fund for Rural Development (EAFRD)

Objectives	Core set of indicators
Support viable farm income and resilience across the Union to enhance food security;	O.3 Number of CAP support beneficiaries R.4 Linking income support to standards and good practices: Share of Utilised Agricultural Area (UAA) covered by income support and subject to conditionality R.6 Redistribution to smaller farms: Percentage additional support per hectare for eligible farms below average farm size (compared to average)
Enhance market orientation and increase competitiveness, including through a greater focus on and uptake of research, innovative solutions, technology and digitalisation; Improve the farmers' position in the value chain;	R.9 Farm modernisation: Share of farmers receiving investment support to restructure and modernise, including to improve resource efficiency R.10 Better supply chain organisation: Share of farmers participating in supported Producer Groups, Producer Organisations, local markets, short supply chain circuits and
Contribute to climate change mitigation and adaptation, as well as sustainable energy;	R.14 Carbon storage in soils and biomass: Share of agricultural land under commitments to reducing emissions, maintaining and/or enhancing carbon storage (permanent grassland, agricultural land in peatland, forest, etc.) R.12 Mitigation and adaptation to climate change: Share of Utilised Agricultural Area (UAA) and/or livestock units (LU) under support to reduce ammonia and GHG emissions, maintaining/enhancing carbon storage, including commitments to improve climate change adaptation (with breakdown by mitigation and adaptation)

Objectives	Core set of indicators
Foster sustainable development and efficient management of natural resources such as water, soil and air;	O.13 Number of ha (agricultural) covered by environment/climate commitments going beyond mandatory requirements
	R.4 Linking income support to standards and good practices: Share of UAA covered by income support and subject to conditionality
	R.18 Improving soils: Share of Utilised Agricultural Area (UAA) under supported commitments beneficial for soil management
	R.19 Improving air quality: Share of Utilised Agricultural Area (UAA) under supported commitments to reduce ammonia emission
	R.20 Protecting water quality: Share of Utilised Agricultural Area (UAA) under supported commitments for water quality
Contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes	R.27 Preserving habitats and species: Share of <u>Utilised</u> <u>aAgricultural Area (UAA) land</u> under management commitments supporting biodiversity conservation or restoration
Attract <u>and sustain</u> young farmers and facilitate business development <u>in</u> <u>rural areas</u> ;	R.30 Generational renewal : Number of young farmers beneficiaries setting up a farm with support from the CAP
Promote employment, growth,	R.31 Growth and jobs in rural areas: New jobs in supported projects
gender equality, social inclusion and local development in rural areas, including bio-economy and	R.34 Connecting rural Europe: Share of rural population benefitting from improved access to services and infrastructure through CAP support
sustainable forestry;	R.31a LEADER coverage: Share of rural population covered by local development strategies

Objectives	Core set of indicators
Improve the response of EU agriculture to societal demands on food and health, including safe, and nutritious and sustainable food produced in a sustainable way, food waste, as well as animal welfare.;	O.16 Number of livestock units covered by support for animal welfare, health or increased biosecurity measures R.37 Sustainable pesticide use: Share of Utilised Agricultural Area (UAA) concerned by supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides
Modernising the sector by fostering knowledge, innovation and digitalisation in agriculture and rural areas and encouraging their uptake.	R.1 Enhancing performance through knowledge and innovation: Number of persons benefitting from support for advice, training, knowledge exchange, or participating in EIP operational groups or other cooperation groups/actions

ANNEX [X]

List of products referred to in Article 39(f) of this Regulation

CN code // Description

<u>ex 0101</u> <u>Live horses, asses, mules and hinnies:</u>

– Horses

<u>0101 21 00</u> —— Pure-bred breeding animals (a):

<u>0101 29</u> <u>-- Other:</u>

<u>0101 29 90</u> ___ Other

<u>0101 30 00</u> <u>- Asses</u>

<u>0101 90 00</u> <u>– Other</u>

ex 0103 Live swine:

<u>O103 10 00</u> — Pure-bred breeding animals (b)

ex 0106 Other live animals:

<u>0106 14 10</u> <u>– Domestics rabbits</u>

ex 0106 19 00 —— Other: reindeers and deers

0106 33 00 — Ostriches; emus (*Dromaius novaehollandiae*)

¹⁸ Entry under this subheading is subject to conditions laid down in the relevant Union provisions (see Articles 291 to 300 of Regulation (EEC) No 2454/93).

<u>ex 0205 00</u> <u>Meat of horses, fresh, chilled or frozen</u>

<u>ex 0208</u> Other meat and edible meat offal, fresh, chilled or frozen:

<u>ex 0208 10 10</u> <u>— Meat of domestic rabbits</u>

<u>ex 0208 90 10</u> <u>—— Meat of domestic pigeons</u>

<u>ex 0208 90 30</u> —— Met of game other than rabbits or hares

<u>ex 0208 90 60</u> <u>— Meat of reindeers</u>

<u>ex 0407</u> <u>Birds' eggs, in shell, fresh, preserved or cooked:</u>

<u>0407 19 90</u> <u>– Fertilised, other than of poultry</u>

<u>0407 29 90</u> — Other fresh eggs, other than of poultry

<u>0407 90 90</u> — Other eggs, other than of poultry

<u>0701</u> Potatoes, fresh or chilled

ex 0713 Dried leguminous vegetables, shelled, whether or not skinned or split:

ex 0713 10 — Peas (*Pisum sativum*):

<u>0713 10 90</u> —— Other than for sowing

<u>ex 0713 20 00</u> <u>– Chickpeas (garbanzos):</u>

-- Other than for sowing

- Beans (Vigna spp., Phaseolus spp.):

<u>ex 0/13 31 00</u>	—— Beans of the species Vigna mungo (L) Hepper or Vigna radiata (L) Wilczek:
	Other than for sowing
<u>ex 0713 32 00</u>	—— Small red (Adzuki) beans (<i>Phaseolus</i> or <i>Vigna angularis</i>):
	Other than for sowing
<u>ex 0713 33</u>	—— Kidney beans, including white pea beans (<i>Phaseolus vulgaris</i>):
<u>0713 33 90</u>	Other than for sowing
<u>ex 0713 34 00</u>	– – Bambara beans (Vigna subterranea or Voandzeia subterranea)
	Other than for sowing
<u>ex 0713 35 00</u>	– – Cow peas (Vigna unguiculata):
	Other than for sowing
<u>ex 0713 39 00</u>	<u> Other:</u>
	Other than for sowing
<u>ex 0713 40 00</u>	<u>– Lentils:</u>
	—— Other than for sowing
<u>ex 0713 50 00</u>	— Broad beans (Vicia faba var. major) and horse beans (Vicia faba var. equina and Vicia faba var. minor):
	- Other than for sowing
ex 0713 60 00	- Pigeon peas (Cajanus cajan):
2	Other than for sowing

ex 0713 90 00 - Other: -- Other than for sowing <u>1201 90 00</u> Soya beans, whether or not broken, other than seed **1202 41 00** Groundnuts, not roasted or otherwise cooked, in shell, other than seed 1202 42 00 Ground-nuts, not roasted or otherwise cooked, shelled, whether or not broken, other than seed **1203 00 00 Copra** Linseed, whether or not broken, other than for sowing 1204 00 90 Low euricic acid rape or colza seeds, whether or not broken, other than for 1205 10 90 sowing 1205 90 00 Other rape or colza seeds, whether or not broken, other than for sowing 1206 00 91 Sunflower seeds, shelled; in grey and white striped shellwhether or not broken, other than for sowing <u>1206 00 99</u> Other sunflower seeds, whether or not broken, other than for sowing <u>1207 29 00</u> Cotton seeds, whether or not broken, other than for sowing Sesamum seeds, whether or not broken, other than for sowing <u>1207 40 90</u> <u>1207 50 90</u> Mustard seeds, whether or not broken, other than for sowing Poppy seeds, whether or not broken, other than for sowing <u>1207 91 90</u> Hemp seeds, whether or not broken, other than for sowing 1207 99 91 ex 1207 99 96 Other oilseeds and oleaginous fruits, whether or not broken, other than for sowing

<u>Plants and parts of plants (including seeds and fruits) of a kind used</u>

<u>primarily in perfumery, in pharmacy or for insecticidal, fungicidal or</u>

similar purposes, fresh or dried, whether or not cut, crushed or powdered

excluding the products listed under CN code ex 1211 90 86 in Part IX;

<u>1212 94 00</u> <u>Chicory roots</u>

ex 1214 Swedes, mangolds, fodder roots, hay, lucerne (alfalfa), clover, sainfoin,

forage kale, lupines, vetches and similar forage products, whether or not in

the form of pellets:

<u>ex 1214 10 00</u> <u>– Lucerne (alfalfa) meal and pellets:</u>

--- excluding of lucerne artificially heat-dried or of lucerne otherwise

dried and ground

<u>ex 1214 90</u> <u>– Other:</u>

<u>1214 90 10</u> — Mangolds, swedes and other fodder roots

<u>ex 1214 90 90</u> —— Other, excluding:

--- Sainfoin, clover, lupines, vetches and similar fodder products

artificially heat-dried, except hay and fodder kale and products containing

<u>hay</u>

--- Sainfoin, clover, lupines, vetches, honey lotus, chickling pea and

birdsfoot, otherwise dried and ground

ex 2206 Other fermented beverages (for example, cider, perry, mead); mixtures of

fermented beverages and mixtures of fermented beverages and non-

alcoholic beverages, not elsewhere specified or included:

<u>ex 2206 00 31 to</u> <u>– Fermented beverages other than piquette</u>

ex 2206 00 89

PRESIDENCY DRAFTING SUGGESTIONS FOR THE

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

Article 84

Control system for conditionality

1. Member States shall set up a control system to ensure that control compliance with the obligations referred to in Section 2 of Chapter I of Title III of Regulation (EU)

.../...[CAP Strategic Plan Regulation] by the beneficiaries of the aid 19 referred to in Article 11(1) of Regulation (EU) .../... [CAP Strategic Plan Regulation] and in Chapter IV of Regulation (EU) No 228/2013 and in Chapter IV of Regulation (EU) No 229/2013 respectively, comply with the obligations referred to in Section 2 of Chapter 1 of Title III of Regulation (EU) .../...[CAP Strategic Plan Regulation].

Member States applying Article 25 of Regulation (EU)..../....[CAP Strategic Plan Regulation may set up a simplified control system:

- (a) for beneficiaries receiving payments under Article 25 of Regulation

 (EU)..../....[CAP Strategic Plan Regulation] or
- (b) for small farmers as defined by Member States pursuant to Article 25 of

 Regulation (EU)..../....[CAP Strategic Plan Regulation not applying for such
 payments.

The consistency of the use of the terms "aid", "support" and "payments" should be checked at an appropriate moment.

Where a Member State does not apply that Article, it may set up a simplified control system for farmers with a maximum size of holding not exceeding 5 hectares of agricultural area declared in accordance with Article 67(1).

Member States may make use of their existing control systems and administration to ensure compliance with the rules on conditionality.

Those systems shall be compatible with the control systems referred to in the first and second subparagraph of this paragraph.

Member States shall conduct a yearly review of the control systems referred to in the first and second subparagraph in light of the results achieved.

- 2. For the purposes of this Chapter, the following definitions shall apply:
 - (a) "requirement" means each individual statutory management requirement under Union law referred to in Article 11 of Regulation (EU) .../...[CAP Strategic Plan Regulation] within a given <u>legal</u> act, differing in substance from any other requirements of the same <u>legal</u> act;
 - (b) "<u>legal</u> act" means each of the individual Directives and Regulations referred to in Article 11 of Regulation (EU) .../...[CAP Strategic Plan Regulation].
- 3. In their control system referred to in paragraph 1 Member States:
 - (a) shall include on-the-spot checks to verify compliance by beneficiaries with the obligations laid down in Section 2 of Chapter 4<u>I</u> of Title III of Regulation (EU) .../... [CAP Strategic Plan Regulation];
 - (b) may decide, depending on the requirements, standards, <u>legal</u> acts or areas of conditionality in question, to use the checks, <u>including administrative checks</u>, carried out under the control systems applicable to the respective requirement, standard, <u>legal</u> act or area of conditionality, provided the effectiveness of these checks is, at least, equal to the on-the-spot checks referred to in point (a);

- (c) may, where appropriate, make use of remote sensing or the area monitoring system <u>or</u>

 <u>other relevant technologies assisting them</u> to carry out the on-the-spot checks referred to in point (a);
- (d) <u>shall</u> establish the control sample for the checks referred to in point (a) to be carried out each year on the basis of a risk analysis, taking into account farm structure and the <u>inherent risk of non-compliance</u>, and shall include a random component and shall provide the control sample to cover at least 1% of beneficiaries receiving the aid <u>provided for support referred to</u> in Section 2 of Chapter 1 of Title III Article 11(1) of Regulation (EU) .../... [CAP Strategic Plan Regulation];
- (e) as regards the obligations of conditionality in relation to Directive 96/22/EC, the application of a specific sampling level of monitoring plans shall be considered to fulfil the requirement of the minimum rate mentioned in point (d).
- third subparagraphs of paragraph 1, to exclude from the on-the-spot checks referred to in point (a) of this paragraph, the verification of compliance with the obligations referred in that point, where the application data according to Article 67 showed that cases of non-compliance by the beneficiaries concerned could not have grave consequences for the achievement of the objectives of the legal acts and standards.

Article 86

Application and Ccalculation of the penalty

1. The administrative penalties provided for in Section 2 of Chapter +I of Title III of Regulation (EU) .../...[CAP Strategic Plan Regulation] shall be applied by means of reduction from or exclusion of the total amount of the payments listed in that Section of that Regulation granted or to be granted to the beneficiary concerned in respect of aid applications he has that have been or will be submitted or will submit in the course of the calendar year of the finding.

For the calculation of those reductions and exclusions*, account shall be taken of the severity, extent, permanence, or reoccurrence and, if Member States so decide, or intentionality of the non-compliance determined. The penalties imposed shall be dissuasive and proportionate. Where the area monitoring system is not used as an alternative to the on-the-spot-checks on a control sample as referred to in point (d) of Article 84(3), the penalties shall comply, and compliant with the criteria set out in paragraphs 2, 2a, 2c and 3 and 3a of this Article. The administrative penalties referred to in the first subparagraph of this paragraph shall be based on the controls carried out according to Article 84(3).

- 2. In the case of non-compliance due to negligence, t<u>T</u>he percentage of reduction shall be as a general rule 1%, 3% or 5% of the total amount of the payments referred to in paragraph 1 of this Article.
- 2a. In the case that non-compliance has no or only insignificant consequences for the achievement of the objective of the standard or requirement concerned, no administrative penalty shall be applied. The beneficiary shall be informed about the non-compliance and possible remedial actions to be taken.

Member States may set up an early warning system that applies to individual cases of non-compliance occurring for the first time and which, given their minor severity, extent and permanence, shall not lead to a reduction or exclusion. Where a subsequent check-<u>In case the non-compliance persists or reoccurs</u> within three consecutive calendar years-establishes that the non-compliance has not been remedied, <u>a</u> the reduction pursuant to the first subparagraph <u>2 shall may</u> be applied-retroactively.

However, cases of non-compliance which constitute a direct risk to public or animal health shall always lead to a reduction or exclusion.

Depending on a decision of the Court C-361/19, clarification regarding the year on which calculation should be based will follow.

Member States may provide mandatory training under the farm advisory system services provided for in Section 3 of Chapter 4<u>I</u> of Title III of Regulation (EU) .../...[CAP Strategic Plan Regulation] to the beneficiaries <u>to</u> who<u>m have received an early warning this paragraph has been applied.</u>

- 2b. If a Member State uses the area monitoring system referred to in point c of Article 64(1) to detect cases of non-compliance, it may decide to apply lower percentage of reductions than those provided for in paragraph 2.
- 2c. In the case that non-compliance has grave consequences for the achievement of the objective of the standard or requirement concerned, the percentage reduction shall be higher than the one applied in accordance with paragraph 2.
- 3. In case of reoccurrence <u>or</u>, <u>where applicable</u>, <u>intentionality</u>, the percentage reduction shall be higher than the one to be applied in <u>case of non-compliance due to negligence and sanctioned for the first time accordance with paragraph 2</u>. <u>In cases of intentional non-compliance of extreme extent, severity or permanence, the beneficiary may be excluded from all the payments referred to in the first subparagraph of paragraph 1 in the following calendar year.</u>
- 3a. In cases other than those referred to in paragraph 2c, Member States may decide not to apply an administrative penalty to beneficiaries to whom the simplified control system referred to in the second and third subparagraph of Article 84(1) applies.
- 4. In case of intentional non-compliance, the percentage shall be higher than the one applied in case of reoccurrence pursuant to paragraph 3 and may go as far as total exclusion from payments and may apply for one or more calendar years.
- 54. In order to ensure a level-playing field between Member States and the effectiveness proportionality and dissuasive effect of the penalty system, the Commission shall be is empowered to adopt delegated acts in accordance with Article 100 supplementing this Regulation with further detailed rules on the application and calculation of penalties.

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