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► **B** REGULATION (EU) No 1305/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 17 December 2013

on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005

(OJ L 347, 20.12.2013, p. 487)

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► <u>M2</u>	Commission Delegated Regulation (EU) No 994/2014 of 13 May 2014	L 280	1	24.9.2014
► <u>M3</u>	Commission Delegated Regulation (EU) No 1378/2014 of 17 October 2014	L 367	16	23.12.2014
► <u>M4</u>	Commission Delegated Regulation (EU) 2015/791 of 27 April 2015	L 127	1	22.5.2015
► <u>M5</u>	Commission Delegated Regulation (EU) 2016/142 of 2 December 2015	L 28	8	4.2.2016
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**REGULATION (EU) No 1305/2013 OF THE EUROPEAN
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**on support for rural development by the European Agricultural
Fund for Rural Development (EAFRD) and repealing Council
Regulation (EC) No 1698/2005**

TITLE I

OBJECTIVES AND STRATEGY

CHAPTER I

Subject matter and Definitions

Article 1

Subject matter

1. This Regulation lays down general rules governing Union support for rural development, financed by the European Agricultural Fund for Rural Development ("the EAFRD") and established by Regulation (EU) No 1306/2013. It sets out the objectives to which rural development policy is to contribute and the relevant Union priorities for rural development. It outlines the strategic context for rural development policy and defines the measures to be adopted in order to implement rural development policy. In addition, it lays down rules on programming, networking, management, monitoring and evaluation on the basis of responsibilities shared between the Member States and the Commission and rules to ensure coordination of the EAFRD with other Union instruments.

2. This Regulation complements the provisions of Part Two of Regulation (EU) No 1303/2013 of the European Parliament and the Council ⁽¹⁾.

Article 2

Definitions

1. For the purposes of this Regulation, the definitions of "programme", "operation", "beneficiary", "community-led local development strategy", "public expenditure", "SMEs", "completed operation" and "financial instruments" as laid down or referred to in Article 2 and of "less developed regions" and "transition regions" as laid down in points (a) and (b) in Article 90(2) of Regulation (EU) No 1303/2013 apply.

⁽¹⁾ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (see page 549 of this Official Journal).

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In addition, the following definitions shall apply:

- (a) "programming": means the process of organisation, decision making and allocation of financial resources in several stages, with the involvement of partners, intended to implement, on a multi-annual basis, joint action by the Union and the Member States to achieve the Union priorities for rural development.
- (b) "region" means a territorial unit corresponding to level 1 or 2 of the Nomenclature of territorial units for statistics (NUTS level 1 and 2) within the meaning of Regulation (EC) No 1059/2003 of the European Parliament and of the Council ⁽¹⁾;
- (c) "measure" means a set of operations contributing to one or more of the Union priorities for rural development;
- (d) "support rate" means the rate of public contribution to an operation;
- (e) "transaction cost" means an additional cost linked to fulfilling a commitment, but not directly attributable to its implementation or not included in the costs or income foregone that are compensated directly; and which can be calculated on a standard cost basis;
- (f) "agricultural area" means any area taken up by arable land, permanent grassland and permanent pasture or permanent crops as defined in Article 4 of Regulation (EU) No 1307/2013;
- (g) "economic losses" means any additional cost incurred by a farmer as a result of exceptional measures taken by the farmer with the objective of reducing supply on the market concerned or any substantial loss of production;
- (h) "adverse climatic event" means weather conditions, such as frost, storms and hail, ice, heavy rain or severe drought, which can be assimilated to a natural disaster;
- (i) "animal diseases" means diseases mentioned in the list of animal diseases established by the World Organisation for Animal Health or in the Annex to Council Decision 2009/470/EC ⁽²⁾;
- (j) "environmental incident" means a specific occurrence of pollution, contamination or degradation in the quality of the environment which is related to a specific event and is of limited geographical scope; but does not cover general environmental risks not connected with a specific event, such as climate change or atmospheric pollution;
- (k) "natural disaster": means a naturally occurring event of a biotic or abiotic nature that leads to important disturbances in agricultural production systems or forest structures, eventually causing important economic damage to the farming or forestry sectors;

⁽¹⁾ Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p. 1).

⁽²⁾ Council Decision 2009/470/EC of 25 May 2009 on expenditure in the veterinary field (OJ L 155, 18.6.2009, p. 30).

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- (l) "catastrophic event": means an unforeseen event of a biotic or abiotic nature caused by human action that leads to important disturbances in agricultural production systems or forest structures, eventually causing important economic damage to the farming or forestry sectors;
- (m) "short supply chain": means a supply chain involving a limited number of economic operators, committed to co-operation, local economic development, and close geographical and social relations between producers, processors and consumers;
- (n) "young farmer" means a person who is no more than 40 years of age at the moment of submitting the application, possesses adequate occupational skills and competence and is setting up for the first time in an agricultural holding as head of that holding;
- (o) "thematic objectives": means the thematic objectives defined in Article 9 of Regulation (EU) No 1303/2013;
- (p) "Common Strategic Framework" ("CSF"): means the Common Strategic Framework referred to in Article 10 of Regulation (EU) No 1303/2013;
- (q) "cluster" means a grouping of independent undertakings, including start-ups, small, medium and large undertakings as well as advisory bodies and/or research organisations - designed to stimulate economic/ innovative activity by promoting intensive interactions, the sharing of facilities and the exchange of knowledge and expertise, as well as contributing effectively to knowledge transfer, networking and information dissemination among the undertakings in the cluster;
- (r) "forest" means an area of land spanning more than 0,5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent, or trees able to reach these thresholds in situ; and does not include land that is predominantly under agricultural or urban land use, subject to paragraph 2.

2. A Member State or region may choose to apply a forest definition, other than the one in point (r) of paragraph 1, based on existing national law or inventory system. The Member States or regions shall provide such definition in the rural development programme;

3. In order to ensure a coherent approach in the treatment of beneficiaries and to take into account the need for an adaptation period, as regards the definition of young farmer laid down in paragraph 1(n), the Commission shall be empowered to adopt delegated acts in accordance with Article 83 concerning the conditions under which a legal person may be considered to be a 'young farmer', and the setting of a grace period for the acquisition of occupational skills.

▼B*CHAPTER II**Mission, objectives and priorities**Article 3***Mission**

The EAFRD shall contribute to the Europe 2020 Strategy by promoting sustainable rural development throughout the Union in a manner that complements the other instruments of the CAP, the cohesion policy and the common fisheries policy. It shall contribute to the development of a Union agricultural sector that is more territorially and environmentally balanced, climate-friendly and resilient and competitive and innovative. It shall also contribute to the development of rural territories.

*Article 4***Objectives**

Within the overall framework of the CAP, support for rural development, including for activities in the food and non-food sector and in forestry, shall contribute to achieving the following objectives:

- (a) fostering the competitiveness of agriculture;
- (b) ensuring the sustainable management of natural resources, and climate action;
- (c) achieving a balanced territorial development of rural economies and communities including the creation and maintenance of employment.

*Article 5***Union priorities for rural development**

The achievement of the objectives of rural development, which contribute to the Europe 2020 strategy for smart, sustainable and inclusive growth, shall be pursued through the following six Union priorities for rural development, which reflect the relevant Thematic Objectives of the CSF:

- (1) fostering knowledge transfer and innovation in agriculture, forestry, and rural areas with a focus on the following areas:
 - (a) fostering innovation, cooperation, and the development of the knowledge base in rural areas;
 - (b) strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance;
 - (c) fostering lifelong learning and vocational training in the agricultural and forestry sectors.

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- (2) enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests, with a focus on the following areas:
 - (a) improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification;
 - (b) facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal.
- (3) promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture, with a focus on the following areas:
 - (a) improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations;
 - (b) supporting farm risk prevention and management.
- (4) restoring, preserving and enhancing ecosystems related to agriculture and forestry, with a focus on the following areas:
 - (a) restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes;
 - (b) improving water management, including fertiliser and pesticide management;
 - (c) preventing soil erosion and improving soil management.
- (5) promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors, with a focus on the following areas:
 - (a) increasing efficiency in water use by agriculture;
 - (b) increasing efficiency in energy use in agriculture and food processing;
 - (c) facilitating the supply and use of renewable sources of energy, of by-products, wastes and residues and of other non food raw material, for the purposes of the bio-economy;
 - (d) reducing green house gas and ammonia emissions from agriculture;
 - (e) fostering carbon conservation and sequestration in agriculture and forestry;

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- (6) promoting social inclusion, poverty reduction and economic development in rural areas, with a focus on the following areas:
- (a) facilitating diversification, creation and development of small enterprises, as well as job creation;
 - (b) fostering local development in rural areas;
 - (c) enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas.

All those priorities shall contribute to the cross-cutting objectives of innovation, environment and climate change mitigation and adaptation. Programmes may address fewer than six priorities if justified on the basis of the analysis of the situation in terms of strengths, weaknesses, opportunities and threats ("the SWOT") and the ex ante evaluation. At least four priorities shall be addressed by each programme. When a Member State submits a national programme and a set of regional programmes, the national programme may address fewer than four priorities.

Other focus areas may be included in programmes in order to pursue one of the priorities if justified and measurable.

TITLE II

PROGRAMMING

CHAPTER I

*Programming content**Article 6***Rural development programmes**

1. The EAFRD shall act in the Member States through rural development programmes. Those programmes shall implement a strategy to meet the Union priorities for rural development through a set of measures as defined in Title III. Support from the EAFRD shall be sought for the achievement of the objectives of rural development pursued through Union priorities.

2. A Member State may submit either a single programme for its entire territory or a set of regional programmes. Alternatively, in duly justified cases, it may submit a national programme and a set of regional programmes. If a Member State submits a national programme and a set of regional programmes, measures and/or types of operations shall be programmed either at national level or at regional level, and coherence between the strategies of the national and regional programmes shall be ensured.

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3. Member States with regional programmes may also submit, for approval in accordance with Article 10(2), a national framework containing common elements for these programmes without a separate budgetary allocation.

National frameworks of Member States with regional programmes may also contain a table summarising, by region and by year, the total EAFRD contribution to the Member State concerned for the whole programming period.

*Article 7***Thematic sub-programmes**

1. With the aim of contributing to the achievement of the Union priorities for rural development, Member States may include within their rural development programmes thematic sub-programmes that address specific needs. Such thematic sub-programmes may, inter alia, relate to:

- (a) young farmers;
- (b) small farms as referred to in the third subparagraph of Article 19(2);
- (c) mountain areas as referred to in Article 32(2);
- (d) short supply chains;
- (e) women in rural areas;
- (f) climate change mitigation and adaptation and biodiversity.

An indicative list of measures and types of operations of particular relevance to each thematic sub-programme is set out in Annex IV.

2. Thematic sub-programmes may also address specific needs relating to the restructuring of agricultural sectors with a significant impact on the development of a specific rural area.

3. The support rates laid down in Annex II may be increased by 10 additional percentage points for operations supported in the framework of thematic sub-programmes concerning small farms and short supply chains, climate change mitigation and adaptation and biodiversity. In the case of young farmers and mountain areas, the maximum support rates may be increased in accordance with Annex II. However, the maximum combined support rate shall not exceed 90 %.

*Article 8***Content of rural development programmes**

1. In addition to the elements referred to in Article 27 of Regulation (EU) No 1303/2013, each rural development programme shall include:

- (a) the ex ante evaluation referred to in Article 55 of Regulation (EU) No 1303/2013;

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- (b) a SWOT analysis of the situation and an identification of the needs that have to be addressed in the geographical area covered by the programme.

The analysis shall be structured around the Union priorities for rural development. Specific needs concerning the environment, climate change mitigation and adaptation and innovation shall be assessed across Union priorities for rural development, in order to identify relevant responses in these three areas at the level of each priority;

- (c) a description of the strategy which demonstrates that:
- (i) appropriate targets are set for each of the focus areas of the Union priorities for rural development included in the programme, based on the common indicators referred to in Article 69 and, where necessary, on programme specific indicators;
 - (ii) relevant combinations of measures are selected in relation to each of the focus areas of the Union priorities for rural development included in the programme, based on a sound intervention logic supported by the ex ante evaluation referred to in point (a) and the analysis referred to in point (b);
 - (iii) the allocation of financial resources to the measures of the programme is justified and adequate to achieve the targets set;
 - (iv) specific needs linked with specific conditions at regional or sub-regional level are taken into account and concretely addressed through adequately designed combinations of measures or thematic sub-programmes;
 - (v) an appropriate approach towards innovation with a view to achieving the Union priorities for rural development, including the EIP for agricultural productivity and sustainability, towards the environment, including the specific needs of Natura 2000 areas, and towards climate change mitigation and adaptation is integrated into the programme;
 - (vi) measures have been taken to ensure the availability of sufficient advisory capacity on the regulatory requirements and on actions related to innovation;
- (d) for each ex ante conditionality, established in accordance with Article 19, and part II of Annex XI to Regulation (EU) No 1303/2013 for the general ex ante conditionalities, and in accordance with Annex V to this Regulation, an assessment of which of the ex ante conditionalities are applicable to the programme and which of them are fulfilled at the date of submission of the Partnership Agreement and the programme. Where the applicable ex ante conditionalities are not fulfilled, the programme shall contain a description of the actions to be taken, the bodies responsible and a timetable for such actions in accordance with the summary submitted in the Partnership Agreement.
- (e) a description of the performance framework established for the purpose of Article 21 of Regulation (EU) No 1303/2013;
- (f) a description of each of the measures selected;

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- (g) the evaluation plan referred to in Article 56 of Regulation (EU) No 1303/2013. The Member States shall provide sufficient resources to address the needs which have been identified and to ensure proper monitoring and evaluation;
- (h) a financing plan comprising:
 - (i) a table setting out, in accordance with Article 58(4), the total EAFRD contribution planned for each year. When applicable this table shall indicate separately within the total EAFRD contribution the appropriations provided for the less developed regions and the funds transferred to the EAFRD in application of Article 7(2) of Regulation (EU) No 1307/2013. The planned annual EAFRD contribution shall be compatible with the Multi-annual Financial Framework;
 - (ii) a table setting out, for each measure, for each type of operation with a specific EAFRD contribution rate and for technical assistance, the total Union contribution planned and the applicable EAFRD contribution rate. Where applicable, this table shall indicate separately the EAFRD contribution rate for less developed regions and for other regions;
- (i) an indicator plan, broken down into focus areas, comprising the targets referred to in point (i) of Article 8(1)(c) and the planned outputs and planned expenditure of each rural development measure selected in relation to a corresponding focus area;
- (j) where applicable, a table on additional national financing per measure in accordance with Article 82;
- (k) where applicable, the list of aid schemes falling under Article 81(1) to be used for the implementation of the programmes;
- (l) information on the complementarity with measures financed by the other common agricultural policy instruments, and by the European Structural and Investment Funds ("ESI");
- (m) programme implementing arrangements including:
 - (i) the designation by the Member State of all authorities referred to in Article 65(2) and, for information, a summary description of the management and control structure;
 - (ii) a description of the monitoring and evaluation procedures, as well as the composition of the Monitoring Committee;
 - (iii) the provisions to ensure that the programme is publicised, including through the national rural network referred to in Article 54;
 - (iv) a description of the approach laying down principles with regard to the establishment of selection criteria for operations and local development strategies that takes into account relevant targets; in this context Member States may provide for priority to be given to SMEs linked to the agriculture and forestry sector.

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- (v) in relation to local development, where applicable, a description of the mechanisms to ensure coherence between activities envisaged under the local development strategies, the "Cooperation" measure referred to in Article 35, and the "Basic services and village renewal in rural areas" measure referred to in Article 20 including urban-rural links;
 - (n) the actions taken to involve the partners referred to in Article 5 of Regulation (EU) No 1303/2013 and a summary of the results of the consultation of the partners;
 - (o) where applicable, the structure of the national rural network as referred to in Article 54(3), and provisions for its management, which would constitute the basis for its annual actions plans.
2. Where thematic sub-programmes are included in a rural development programme, each sub-programme shall include:
- (a) a specific analysis of the situation based on SWOT methodology and an identification of the needs that are to be addressed by the sub-programme;
 - (b) specific targets at sub-programme level and a selection of measures, based on a thorough definition of the intervention logic of the sub-programme, including an assessment of the expected contribution of the measures chosen to achieve the targets;
 - (c) a separate specific indicator plan, with planned outputs and planned expenditure for each rural development measure selected in relation to a corresponding focus area.
3. The Commission shall adopt implementing acts laying down rules for the presentation of the elements described in paragraphs 1 and 2 in rural development programmes and rules for the content of national frameworks referred to in Article 6(3). Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 84.

*CHAPTER II****Preparation, approval and modification of rural development programmes****Article 9***Ex ante conditionalities**

In addition to the general ex ante conditionalities, referred to in part II of Annex XI to Regulation (EU) No 1303/2013, the ex ante conditionalities referred to in Annex V to this Regulation shall apply to the EAFRD programming, if relevant and applicable to the specific objectives pursued within the priorities of the programme.

▼B*Article 10***Approval of rural development programmes**

1. Member States shall submit to the Commission a proposal for each rural development programme, containing the information referred to in Article 8.
2. Each rural development programme shall be approved by the Commission by means of an implementing act

*Article 11***Amendment of rural development programmes**

Requests by Member States to amend programmes shall be approved in accordance with the following procedures:

- (a) The Commission shall decide, by means of implementing acts, on requests to amend programmes that concern one or more of the following:
 - (i) a change in the programme strategy through a change of more than 50 % in the quantified target linked to a focus area;
 - (ii) a change in the EAFRD contribution rate of one or more measures;
 - (iii) a change of the entire Union contribution or its annual distribution at programme level;
- (b) The Commission shall approve, by means of implementing acts, requests to amend the programme in all other cases. These shall include, in particular:
 - (i) the introduction or withdrawal of measures or types of operations;
 - (ii) changes in the description of measures, including changes of eligibility conditions;
 - (iii) a transfer of funds between measures implemented under different EAFRD contribution rates;

However, for the purposes of points (b)(i) and (ii), and point (b)(iii) where the transfer of funds concerns less than 20 % of the allocation to a measure and less than 5 % of the total EAFRD contribution to the programme, the approval shall be deemed to be given, if the Commission has not taken a decision on the request after a period of 42 working days from the receipt of the request. That period shall not include the period starting on the day following the date on which the Commission has sent its observations to the Member State and ending on the day that the Member State responded to the observations.

- (c) The approval of the Commission shall not be required for corrections of a purely clerical or editorial nature that do not affect the implementation of the policy and the measures. Member States shall inform the Commission of such amendments.

▼B*Article 12***Rules on procedures and timetables**

The Commission shall adopt implementing acts, laying down rules on procedures and timetables for:

- (a) the approval of rural development programmes and national frameworks;
- (b) the submission and approval of proposals for amendments to rural development programmes and proposals for amendments to national frameworks, including their entry into force and the frequency with which they are to be submitted during the programming period.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 84.

TITLE III

RURAL DEVELOPMENT SUPPORT*CHAPTER I***Measures***Article 13***Measures**

Each rural development measure shall be programmed to contribute specifically to the achievement of one or more Union priorities for rural development. An indicative list of measures of particular relevance to the Union priorities is set out in Annex VI.

*Article 14***Knowledge transfer and information actions**

1. Support under this measure shall cover vocational training and skills acquisition actions, demonstration activities and information actions. Vocational training and skills acquisition actions may include training courses, workshops and coaching.

Support may also cover short-term farm and forest management exchanges as well as farm and forest visits.

2. Support under this measure shall be for the benefit of persons engaged in the agricultural, food and forestry sector, land managers and other economic actors which are SMEs operating in rural areas.

The training or other knowledge transfer and information action provider shall be the beneficiary of the support.

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3. Support under this measure shall not include courses of instruction or training, which form part of normal education programmes or systems at secondary or higher levels.

Bodies providing knowledge transfer and information services shall have the appropriate capacities in the form of staff qualifications and regular training to carry out this task.

4. Eligible costs under this measure shall be the costs of organising and delivering the knowledge transfer or information action. In the case of demonstration projects, support may also cover relevant investment costs. Costs for travel, accommodation and per diem expenses of participants as well as the cost of the replacement of farmers shall also be eligible for support. All costs identified under this paragraph shall be paid to the beneficiary.

5. In order to ensure that farm and forest exchange schemes and visits are clearly demarcated in relation to similar actions under other Union schemes, the Commission shall be empowered to adopt delegated acts in accordance with Article 83 concerning the duration and content of farm and forest exchange schemes and farm and forest visits.

6. The Commission shall adopt implementing acts laying down the rules on payment modalities for participants' costs, including through the use of vouchers or other similar forms.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 84.

Article 15

Advisory services, farm management and farm relief services

1. Support under this measure shall be granted in order to:
 - (a) help farmers, young farmers as defined in this Regulation, forest holders, other land managers and SMEs in rural areas benefit from the use of advisory services for the improvement of the economic and environmental performance as well as the climate friendliness and resilience of their holding, enterprise and/or investment;
 - (b) promote the setting up of farm management, farm relief and farm advisory services, as well as forestry advisory services, including the Farm Advisory System referred to in Articles 12 to 14 of Regulation (EU) No 1306/2013;
 - (c) promote the training of advisors.

2. The beneficiary of support provided in paragraph 1(a) and (c) shall be the provider of advice or training. Support under paragraph 1(b) shall be granted to the authority or body selected to set up the farm management, farm relief, farm advisory or forestry advisory service.

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3. The authorities or bodies selected to provide advice shall have appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the fields in which they advise. The beneficiaries under this measure shall be chosen through calls for tenders. The selection procedure shall be governed by public procurement law and shall be open to both public and private bodies. It shall be objective and shall exclude candidates with conflicts of interest.

When providing advice, advisory services shall respect the non-disclosure obligations referred to in Article 13(2) of Regulation (EU) No 1306/2013.

4. Advice to the individual farmers, young farmers as defined in this Regulation and other land managers shall be linked to at least one Union priority for rural development and shall cover as a minimum one of the following elements:

- (a) obligations at farm level deriving from the statutory management requirements and/or standards for good agricultural and environmental conditions provided for in Chapter I of Title VI of Regulation (EU) No 1306/2013;
- (b) where applicable, the agricultural practices beneficial for the climate and the environment as laid down in Chapter 3 of Title III of Regulation (EU) No 1307/2013 and the maintenance of the agricultural area as referred to in point (c) of Article 4(1) of Regulation (EU) No 1307/2013;
- (c) measures at farm level provided for in rural development programmes aiming at farm modernisation, competitiveness building, sectoral integration, innovation and market orientation, as well as the promotion of entrepreneurship;
- (d) requirements as defined by Member States for implementing Article 11(3) of the Water Framework Directive;
- (e) requirements as defined by Member States, for implementing Article 55 of Regulation (EC) No 1107/2009, in particular compliance with the general principles of integrated pest management as referred to in Article 14 of Directive 2009/128/EC; or
- (f) where relevant, occupational safety standards or safety standards linked to the farm;
- (g) specific advice for farmers setting up for the first time.

►C1 Advice may also cover other issues and in particular the information related to climate change mitigation and adaptation, biodiversity and the protection of water as laid down in Annex I to Regulation (EU) No 1306/2013 or issues linked to the economic and environmental performance of the agricultural holding, including competitiveness aspects. ◀ This may include advice for the development of short supply chains, organic farming and health aspects of animal husbandry.

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5. Advice to forest holders shall cover, as a minimum, the relevant obligations under Directives 92/43/EEC, 2009/147/EC and the Water Framework Directive. It may also cover issues linked to the economic and environmental performance of the forest holding.
6. Advice to SMEs may cover issues linked to the economic and environmental performance of the enterprise.
7. Where duly justified and appropriate, advice may be provided partly in a group, while taking into account the situations of the individual user of advisory services.
8. Support under points (a) and (c) of paragraph 1 shall be limited to the maximum amounts laid down in Annex II. Support under point (b) of paragraph 1 shall be degressive over a maximum period of five years from setting up.

*Article 16***Quality schemes for agricultural products, and foodstuffs**

1. Support under this measure shall cover new participation by farmers and groups of farmers in:
 - (a) quality schemes established under the following Regulations and provisions:
 - (i) Regulation (EU) 1151/2012 of the European Parliament and of the Council ⁽¹⁾;
 - (ii) Council Regulation (EC) No 834/2007 ⁽²⁾;
 - (iii) Regulation (EC) No 110/2008 of the European Parliament and of the Council ⁽³⁾;
 - (iv) Council Regulation (EEC) No 1601/91 ⁽⁴⁾;
 - (v) Part II, Title II, Chapter I, Section 2 of Council Regulation (EU) No 1308/2013 as concerns wine.
 - (b) quality schemes, including farm certification schemes, for agricultural products, cotton or foodstuffs, recognised by the Member States as complying with the following criteria:
 - (i) the specificity of the final product under such schemes is derived from clear obligations to guarantee any of the following:
 - specific product characteristics,

⁽¹⁾ Regulation (EU) 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs (OJ L 343, 14.12.2012, p. 1).

⁽²⁾ Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91 (OJ L 189, 20.7.2007, p. 1).

⁽³⁾ Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks and repealing Council Regulation (EEC) No 1576/89 (OJ L 39, 13.2.2008, p. 16).

⁽⁴⁾ Council Regulation (EEC) No 1601/91 of 10 June 1991 laying down general rules on the definition, description and presentation of aromatized wines, aromatized wine-based drinks and aromatized wine-product cocktails (OJ L 149, 14.6.1991, p. 1).

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- specific farming or production methods, or
 - a quality of the final product that goes significantly beyond the commercial commodity standards as regards public, animal or plant health, animal welfare or environmental protection;
- (ii) the scheme is open to all producers;
- (iii) the scheme involves binding product specifications and compliance with those specifications is verified by public authorities or by an independent inspection body;
- (iv) the scheme is transparent and assures complete traceability of products; or
- (c) voluntary agricultural product certification schemes recognised by the Member States as meeting the Union best practice guidelines for the operation of voluntary certification schemes relating to agricultural products and foodstuffs.

2. Support under this measure may also cover costs arising from information and promotion activities implemented by groups of producers in the internal market, concerning products covered by a quality scheme receiving support in accordance with paragraph 1.

3. Support under paragraph 1 shall be granted as an annual incentive payment, the level of which shall be determined according to the level of the fixed costs arising from participation in supported schemes, for a maximum duration of five years.

For the purposes of this paragraph, "fixed costs" means the costs incurred for entering a supported quality scheme and the annual contribution for participating in that scheme, including, where necessary, expenditure on checks required to verify compliance with the specifications of the scheme.

For the purposes of this Article, "farmer" means active farmer within the meaning of Article 9 of Regulation (EU) No 1307/2013.

4. Support shall be limited to the maximum support rate and amount laid down in Annex II.

5. In order to take into account new Union law that may affect support under this measure and in order to ensure consistency with other Union instruments on promotion of agricultural measures and prevent distortion of competition, the Commission shall be empowered to adopt delegated acts, in accordance with Article 83 concerning, the specific Union schemes to be covered by point (a) of paragraph 1 and the characteristics of groups of producers and the types of actions that may receive support under paragraph 2, the setting of conditions to prevent discrimination against certain products; and the setting of conditions on the basis of which commercial brands are to be excluded from support.

*Article 17***Investments in physical assets**

1. Support under this measure shall cover tangible and/or intangible investments which:

- (a) improve the overall performance and sustainability of the agricultural holding;
- (b) concern the processing, marketing and/or development of agricultural products covered by Annex I to the Treaty or cotton, except fishery products; the output of the production process may be a product not covered by that Annex;
- (c) concern infrastructure related to the development, modernisation or adaptation of agriculture and forestry, including access to farm and forest land, land consolidation and improvement, and the supply and saving of energy and water; or
- (d) are non -productive investments linked to the achievement of agri-environment -climate objectives as pursued under this regulation, including biodiversity conservation status of species and habitat as well as enhancing the public amenity value of a Natura 2000 area or other high nature value systems to be defined in the programme.

2. Support under point (a) of paragraph 1 shall be granted to farmers or groups of farmers.

In the case of investments to support farm restructuring, Member States shall target the support to farms in accordance with the SWOT analysis carried out in relation to the Union priority for rural development "enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and sustainable management of forests".

3. Support under points (a) and (b) of paragraph 1 shall be limited to the maximum support rates laid down in Annex II. Those maximum rates may be increased for young farmers, for collective investments, including those linked to a merger of Producer Organisations, and for integrated projects involving support under more than one measure, for investments in areas facing natural and other specific constraints as referred to in Article 32, for investments linked to operations under Articles 28 and 29 and for operations supported in the framework of the EIP for agricultural productivity and sustainability in accordance with the support rates laid down in Annex II. However, the maximum combined support rate may not exceed 90 %.

4. Support under points (c) and (d) of paragraph 1 shall be subject to the support rates laid down in Annex II.

5. Support may be granted to young farmers setting up for the first time in an agricultural holding as head of the holding in respect of investments to comply with Union standards applying to agricultural production, including occupational safety. Such support may be provided for a maximum of 24 months from the date of setting up.

▼B

6. Where Union law imposes new requirements on farmers support may be granted for investments to comply with those requirements for a maximum of 12 months from the date on which they become mandatory for the agricultural holding.

*Article 18***Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions**

1. Support under this measure shall cover:
 - (a) investments in preventive actions aimed at reducing the consequences of probable natural disasters, adverse climatic events and catastrophic events;
 - (b) investments for the restoration of agricultural land and production potential damaged by natural disasters, adverse climatic events and catastrophic events.
2. Support shall be granted to farmers or groups of farmers. Support may also be granted to public entities where a link between the investment undertaken by such entities and agricultural production potential is established.

▼C1

3. Support under point (b) of paragraph 1 shall be subject to the formal recognition by the competent public authorities of Member States that a natural disaster has occurred and that this disaster or measures adopted in accordance with Council Directive 2000/29/EC ⁽¹⁾ to eradicate or contain a plant disease or pest have caused the destruction of at least 30 % of the relevant agricultural potential.

▼B

4. No support under this measure shall be granted for loss of income resulting from the natural disaster or catastrophic event.

Member States shall ensure that overcompensation as a result of the combination of this measure and other national or Union support instruments or private insurance schemes is avoided.

5. Support under point (a) of paragraph 1 shall be limited to the maximum support rates laid down in Annex II.

*Article 19***Farm and business development**

1. Support under this measure shall cover:
 - (a) business start-up aid for:
 - (i) young farmers;
 - (ii) non-agricultural activities in rural areas;
 - (iii) the development of small farms;

⁽¹⁾ Council Directive 2000/29/EC of 8 May 2000 on protective measures against the introduction into the Community of organisms harmful to plants or plant products and against their spread within the Community (OJ L 169, 10.7.2000, p. 1).

▼B

- (b) investments in creation and development of non-agricultural activities;
- (c) annual payments or one-off payments for farmers eligible for the small farmers scheme established by Title V of Regulation (EU) No 1307/2013 ("the small farmers scheme") who permanently transfer their holding to another farmer;

2. Support under point (a)(i) of paragraph 1 shall be granted to young farmers.

Support under point (a)(ii) of paragraph 1 shall be granted to farmers or members of a farm household who diversify into non-agricultural activities and to micro- and small- enterprises and natural persons in rural areas.

Support under point (a)(iii) of paragraph 1 shall be granted to small farms as defined by Member States.

Support under point (b) of paragraph 1 shall be granted to micro- and small enterprises and natural persons in rural areas, as well as to farmers or members of a farm household.

Support under point (c) of paragraph 1 shall be granted to farmers eligible to participate in the small farmers scheme who, at the time of submitting their application for support, have been so eligible for at least one year and who undertake to permanently transfer their entire holding and the corresponding payment entitlements to another farmer. Support shall be paid from the date of the transfer until 31 December 2020 or calculated in respect of that period and paid in the form of a one-off payment.

3. Any natural or legal person or a group of natural or legal persons, whatever legal status is granted to the group and its members by national law, may be considered to be a member of a farm household, with the exception of farm workers. Where a legal person or a group of legal persons is considered to be a member of the farm household, that member must exercise an agricultural activity on the farm at the time of the support application.

4. Support under point (a) of paragraph 1 shall be conditional on the submission of a business plan. Implementation of the business plan must start within nine months from the date of the decision granting the aid.

For young farmers receiving support under point (a)(i) of paragraph 1, the business plan shall provide that the young farmer complies with Article 9 of Regulation (EU) No 1307/2013, regarding active farmers within 18 months from the date of setting up.

Member States shall define upper and lower thresholds for allowing agricultural holdings access to support under points (a)(i) and (a)(iii) of paragraph 1. The lower threshold for support under point (a)(i) of paragraph 1 shall be higher than the upper threshold for support under point (a)(iii) of paragraph 1. Support shall be limited to holdings coming under the definition of micro and small enterprises.

▼B

5. Support under point (a) of paragraph 1 shall be paid in at least two instalments over a period of maximum five years. Instalments may be degressive. The payment of the last instalment, under points (a)(i) and (a)(ii) of paragraph 1 shall be conditional upon the correct implementation of the business plan.
6. The maximum amount of support under point (a) of paragraph 1 is laid down in Annex II. Member States shall define the amount of support under points (a)(i) and (a)(ii) of paragraph 1 also taking into account the socio-economic situation of the programme area.
7. Support under point (c) of paragraph 1 shall be equal to 120 % of the annual payment that the beneficiary is eligible to receive under the small farmers scheme.
8. In order to ensure the efficient and effective use of EAFRD resources, the Commission shall be empowered to adopt delegated acts in accordance with Article 83 laying down the minimum content of business plans and the criteria to be used by Member states for setting the thresholds referred to in paragraph 4 of this Article.

*Article 20***Basic services and village renewal in rural areas**

1. Support under this measure shall cover, in particular:
 - (a) the drawing up and updating of plans for the development of municipalities and villages in rural areas and their basic services and of protection and management plans relating to Natura 2000 sites and other areas of high nature value;
 - (b) investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving;
 - (c) broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government solutions;
 - (d) investments in the setting up, improvement or expansion of local basic services for the rural population, including leisure and culture, and the related infrastructure;
 - (e) investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure;
 - (f) studies and investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites, including related socio-economic aspects, as well as environmental awareness actions;
 - (g) investments targeting the relocation of activities and conversion of buildings or other facilities located within or close to rural settlements, with a view to improving the quality of life or increasing the environmental performance of the settlement.

▼B

2. Support under this measure shall only concern small-scale infrastructure, as defined by each Member State in the programme. However, rural development programmes may provide for specific derogations from this rule for investments in broadband and renewable energy. In this case, clear criteria ensuring complementarity with support under other Union instruments shall be provided.

3. Investments under paragraph 1 shall be eligible for support where the relevant operations are implemented in accordance with plans for the development of municipalities and villages in rural areas and their basic services, where such plans exist and shall be consistent with any relevant local development strategy.

*Article 21***Investments in forest area development and improvement of the viability of forests**

1. Support under this measure shall concern:
- (a) afforestation and creation of woodland;
 - (b) establishment of agroforestry systems;
 - (c) prevention and restoration of damage to forests from forest fires, natural disasters and catastrophic events, including pest and disease outbreaks, and climate related threats;
 - (d) investments improving the resilience and environmental value as well as the mitigation potential of forest ecosystems;
 - (e) investments in forestry technologies and in the processing, the mobilising and the marketing of forest products.

▼C1

2. Limitations on ownership of forests provided for in Articles 22 to 26 shall not apply to the tropical or subtropical forests and to the wooded areas of the territories of the Azores, Madeira, the Canary islands, the smaller Aegean islands within the meaning of Regulation (EU) No 229/2013 of the European Parliament and of the Council ⁽¹⁾, and the French outermost regions.

▼B

For holdings above a certain size, to be determined by the Member States in the programme, support 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 defined by the Ministerial Conference on the Protection of Forests in Europe of 1993.

⁽¹⁾ Regulation (EU) No 229/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in favour of the smaller Aegean islands and repealing Council Regulation (EC) No 1405/2006 (OJ L 78, 20.3.2013, p. 41).

▼B*Article 22***Afforestation and creation of woodland**

1. Support under point (a) of Article 21(1) shall be granted to public and private land-holders and their associations and shall cover the costs of establishment and an annual premium per hectare to cover the costs of agricultural income foregone and maintenance, including early and late cleanings, for a maximum period of twelve years. In the case of state-owned land, support may only be granted if the body managing such land is a private body or a municipality.

Support for afforestation of land owned by public authorities or for fast growing trees shall cover only the costs of establishment.

2. Both agricultural and non-agricultural land shall be eligible. Species planted shall be adapted to the environmental and climatic conditions of the area and shall comply with minimum environmental requirements. No support shall be granted for the planting of trees for short rotation coppicing, Christmas trees or fast growing trees for energy production. In areas where afforestation is made difficult by severe pedo-climatic conditions support may be provided for planting other perennial woody species such as shrubs or bushes suitable to the local conditions.

3. In order to ensure that afforestation of agricultural land is in line with the aims of environmental policy, the Commission shall be empowered to adopt delegated acts in accordance with Article 83 concerning the definition of the minimum environmental requirements referred to in paragraph 2 of this Article.

*Article 23***Establishment of agroforestry systems**

1. Support under point (b) of Article 21(1) shall be granted to private land-holders, municipalities and their associations and shall cover the costs of establishment and an annual premium per hectare to cover the costs of maintenance for a maximum period of five years.

2. For the purposes of this Article, agroforestry systems means land use systems in which trees are grown in combination with agriculture on the same land. The minimum and maximum number of trees per hectare shall be determined by the Member States taking account of local pedo-climatic and environmental conditions, forestry species and the need to ensure sustainable agricultural use of the land.

3. Support shall be limited to the maximum support rate laid down in Annex II.

*Article 24***Prevention and restoration of damage to forests from forest fires and natural disasters and catastrophic events**

1. Support under point (c) Article 21(1) shall be granted to private and public forest-holders and other private law and public bodies and their associations and shall cover the costs for:

▼B

- (a) the establishment of protective infrastructure. In the case of fire-breaks, support may also cover aid contributing to maintenance costs. No support shall be granted to agricultural related activities in areas covered by agri-environment commitments;
- (b) local, small scale prevention activities against fire or other natural hazards; including the use of grazing animals;
- (c) establishing and improving forest fire, pest and diseases monitoring facilities and communication equipment; and
- (d) restoring forest potential damaged from fires and other natural disasters including pests, diseases as well as catastrophic events and climate change related events.

2. In the case of preventive actions concerning pests and diseases, the risk of a relevant disaster occurrence must be supported by scientific evidence and acknowledged by scientific public organisations. Where relevant, the list of species of organisms harmful to plants which may cause a disaster must be provided in the programme.

Eligible operations shall be consistent with the forest protection plan established by the Member States. For holdings above a certain size, to be determined by the Member States in the programme, support 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 defined by the Ministerial Conference on the Protection of Forests in Europe of 1993 detailing the preventive objectives.

Forest areas classified as medium to high forest fire risk according to the forest protection plan established by the Member States shall be eligible for support relating to forest fire prevention.

3. Support under point (d) of paragraph 1 shall be subject to the formal recognition by the competent public authorities of Member States that a natural disaster has occurred and that that disaster, or measures adopted in accordance with Directive 2000/29/EC to eradicate or contain a plant disease or pest has caused the destruction of at least 20 % of the relevant forest potential.

4. No support under this measure shall be granted for loss of income resulting from the natural disaster.

Member States shall ensure that overcompensation as a result of the combination of this measure and other national or Union support instruments or private insurance schemes is avoided.

▼B*Article 25***Investments improving the resilience and environmental value of forest ecosystems**

1. Support under point (d) of Article 21(1) shall be granted to natural persons, private and public forest-holders, and other private law and public bodies and their associations.
2. Investments shall be aimed at the achievement of commitments for environmental aims, for the provision of ecosystem services and/or for the enhancement of the public amenity value of forest and wooded land in the area concerned or the improvement of the climate change mitigation potential of ecosystems, without excluding economic benefits in the long term.

*Article 26***Investments in forestry technologies and in processing, in mobilising and in the marketing of forest products****▼C1**

1. Support under point (e) of Article 21(1) shall be granted to private forest-holders, municipalities and their associations and to SMEs for investments enhancing forestry potential or relating to processing, mobilising and marketing adding value to forest products. In the territories of the Azores, Madeira, the Canary islands, the smaller Aegean islands within the meaning of Regulation (EU) No 229/2013, and the French outermost regions support may also be granted to enterprises that are not SMEs.

▼B

2. Investments related to the improvement of the economic value of forests shall be justified in relation to expected improvements to forests on one or more holdings and may include investments for soil-friendly and resource -friendly harvesting machinery and practices.
3. Investments related to the use of wood as a raw material or energy source shall be limited to all working operations prior to industrial processing.
4. Support shall be limited to the maximum support rates laid down in Annex II.

*Article 27***Setting -up of producer groups and organisations**

1. Support under this measure shall be granted in order to facilitate the setting up of producer groups and organisations in the agriculture and forestry sectors for the purpose of:
 - (a) adapting the production and output of producers who are members of such groups or organisations to market requirements;
 - (b) jointly placing goods on the market, including preparation for sale, centralisation of sales and supply to bulk buyers;

▼B

- (c) establishing common rules on production information, with particular regard to harvesting and availability; and
 - (d) other activities that may be carried out by producer groups and organisations, such as the development of business and marketing skills and the organisation and facilitation of the innovation processes.
2. Support shall be granted to producer groups and organisations which are officially recognised by a Member State's competent authority on the basis of a business plan. It shall be limited to producer groups and organisations that are SMEs.

Member States shall verify that the objectives of the business plan have been reached within five years after recognition of the producer group or organisation.

3. The support shall be paid on the basis of a business plan as a flat rate aid in annual instalments for no more than five years following the date on which the producer group or organisation was recognised, and shall be degressive. It shall be calculated on the basis of the annual marketed production of the group or organisation. Member States shall pay the last instalment only after having verified the correct implementation of the business plan.

In the first year Member States may pay support to the producer group or organisation calculated on the basis of the average annual value of the marketed production of its members over the three years before they entered the group or organisation. In the case of producer groups and organisations in the forestry sector, support shall be calculated on the basis of the average marketed production of the members of the group or organisation over the last five years before the recognition, excluding the highest and the lowest value.

4. Support shall be limited to the maximum rates and amounts laid down in Annex II.

5. Member States may continue support for setting up of producer groups even after they have been recognised as producer organisations under the conditions of Regulation (EU) No 1308/2013 ⁽¹⁾.

Article 28

Agri-environment-climate

1. Member States shall make support under this measure available throughout their territories, in accordance with their national, regional or local specific needs and priorities. This measure shall aim to preserve and promote the necessary changes to agricultural practices that make a positive contribution to the environment and climate. Its inclusion in rural development programmes shall be compulsory at national and/or regional level.

⁽¹⁾ 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 (see page 671 of the Official Journal).

▼B

2. Agri-environment-climate payments shall be granted to farmers, groups of farmers or groups of farmers and other land-managers who undertake, on a voluntary basis, to carry out operations consisting of one or more agri-environment-climate commitments on agricultural land to be defined by Member States, including but not limited to the agricultural area defined under Article 2 of this Regulation. Where duly justified to achieve environmental objectives, agri-environment-climate payments may be granted to other land-managers or groups of other land-managers.

3. Agri-environment-climate payments cover only those commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013, the relevant criteria and minimum activities as established pursuant to points (c)(ii) and (c)(iii) of Article 4(1) of Regulation (EU) No 1307/2013, and relevant minimum requirements for fertiliser and plant protection products use as well as other relevant mandatory requirements established by national law. All such mandatory requirements shall be identified in the programme.

4. Member States shall endeavour to ensure that persons undertaking to carry out operations under this measure are provided with the knowledge and information required to implement such operations. They may do so through, inter alia, commitment-related expert advice and/or by making support under this measure conditional on obtaining relevant training.

5. Commitments under this measure shall be undertaken for a period of five to seven years. However, where necessary in order to achieve or maintain the environmental benefits sought, Member States may determine a longer period in their rural development programmes for particular types of commitments, including by means of providing for their annual extension after the termination of the initial period. For new commitments directly following the commitment performed in the initial period, Member States may determine a shorter period in their rural development programmes.

6. Payments shall be granted annually and shall compensate beneficiaries for all or part of the additional costs and income foregone resulting from the commitments made. Where necessary, they may also cover transaction costs up to a value of 20 % of the premium paid for the agri-environment-climate commitments. Where commitments are undertaken by groups of farmers or groups of farmers and other land managers, the maximum level shall be 30 %.

▼C1

When calculating the payments referred to in the first subparagraph, Member States shall deduct the amount necessary in order to exclude double funding of the practices referred to in Article 43 of Regulation (EU) No 1307/2013.

▼B

In duly justified cases for operations concerning environmental conservation, support may be granted at a flat-rate or as a one-off payment per unit for commitments to renounce commercial use of areas, calculated on the basis of additional costs incurred and income foregone.

▼B

7. Where required in order to ensure the efficient application of the measure, Member States may use the procedure referred to in Article 49(3) for the selection of beneficiaries.

8. Support shall be limited to the maximum amounts laid down in Annex II.

No support under this measure may be granted for commitments that are covered under the organic farming measure.

9. Support may be provided for the conservation and for the sustainable use and development of genetic resources in agriculture for operations not covered by the provisions under paragraphs 1 to 8. Such commitments may be carried out by beneficiaries other than those referred to in paragraph 2.

10. In order to ensure that agri-environment-climate commitments are defined in accordance with the Union priorities for rural development, the Commission shall be empowered to adopt delegated acts in accordance with Article 83 concerning the following:

- (a) the conditions applicable to commitments to extensify livestock farming;
- (b) the conditions applicable to commitments to rear local breeds that are in danger of being lost to farming or to preserve plant genetic resources that are under threat of genetic erosion, and
- (c) the definition of eligible operations under paragraph 9.

▼C1

11. In order to ensure that double funding, as referred to in the second subparagraph of paragraph 6 is excluded, the Commission shall be empowered to adopt delegated acts in accordance with Article 83 laying down the calculation method to be used, including in the case of equivalent measures under Article 43 of Regulation (EU) No 1307/2013.

▼B*Article 29***Organic farming**

1. Support under this measure shall be granted, per hectare of agricultural area, to farmers or groups of farmers who undertake, on a voluntary basis, to convert to or maintain organic farming practices and methods as defined in Regulation (EC) No 834/2007 and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1307/2013.

▼C1

2. Support shall only be granted for commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013, the relevant criteria and minimum activities as established pursuant to points (c)(ii) and (c)(iii) of Article 4(1) of Regulation (EU) No 1307/2013, relevant minimum requirements for fertiliser and plant protection products use as well as other relevant mandatory requirements established by national law. All such requirements shall be identified in the programme.

▼B

3. Commitments under this measure shall be made for a period of five to seven years. Where support is granted for conversion to organic farming Member States may determine a shorter initial period corresponding to the period of conversion. Where support is granted for the maintenance of organic farming, Member States may provide in their rural development programmes for annual extension after the termination of the initial period. For new commitments concerning maintenance that directly follow the commitment performed in the initial period, Member States may determine a shorter period in their rural development programmes.

4. Payments shall be granted annually and shall compensate beneficiaries for all or part of the additional costs and income foregone resulting from the commitments made. Where necessary they may also cover transaction costs to a value of up to 20 % of the premium paid for the commitments. Where commitments are undertaken by groups of farmers, the maximum level shall be 30 %.

When calculating the payments referred to in the first sub-paragraph, Member States shall deduct the amount necessary in order to exclude double funding of the practices referred to in Article 43 of Regulation (EU) No 1307/2013.

5. Support shall be limited to the maximum amounts laid down in Annex II.

6. In order to ensure that double funding, as referred to in the second subparagraph of paragraph 4 is excluded, the Commission shall be empowered to adopt delegated acts in accordance with Article 83 laying down the calculation method to be used.

Article 30

Natura 2000 and Water Framework Directive payments

1. Support under this measure shall be granted annually per hectare of agricultural area or per hectare of forest in order to compensate beneficiaries for additional costs and income foregone resulting from disadvantages in the areas concerned, related to the implementation of Directives 92/43/EEC and Directive 2009/147/EC and the Water Framework Directive.

When calculating support under this measure, Member States shall deduct the amount necessary in order to exclude double funding of the practices referred to in Article 43 of Regulation (EU) No 1307/2013.

2. Support shall be granted to farmers and to private forest holders and associations of private forest holders. In duly justified cases it may also be granted to other land managers.

▼ C1

3. Support to farmers, linked to Directives 92/43/EEC and 2009/147/EC shall only be granted in relation to disadvantages resulting from requirements that go beyond the good agricultural and environmental condition provided for in Article 94 and Annex II of Council Regulation (EU) No 1306/2013 and the relevant criteria and minimum activities established pursuant to points (c)(ii) and (c)(iii) of Article 4(1) of Regulation (EU) No 1307/2013.

▼ B

4. Support to farmers, linked to the Water Framework Directive shall only be granted in relation to specific requirements that:

- (a) were introduced by the Water Framework Directive, are in accordance with the programmes of measures of the river basin management plans for the purpose of achieving the environmental objectives of that Directive and go beyond the measures required to implement other Union law for the protection of water;
- (b) go beyond the statutory management requirements and the good agricultural and environmental condition provided for in Chapter I of Title VI of Regulation (EU) No 1306/2013 and the relevant criteria and minimum activities as established pursuant to points (c)(ii) and (c)(iii) of Article 4(1) of Regulation (EU) No 1307/2013;
- (c) go beyond the level of protection of the Union law existing at the time the Water Framework Directive was adopted as laid down in Article 4(9) of that Directive; and
- (d) impose major changes in type of land use, and/or major restrictions in farming practice resulting in a significant loss of income.

5. The requirements referred to in paragraphs 3 and 4 shall be identified in the programme.

6. The following areas shall be eligible for payments:

- (a) Natura 2000 agricultural and forest areas designated pursuant to Directives 92/43/EEC and 2009/147/EC;
- (b) other delimited nature protection areas with environmental restrictions applicable to farming or forests which contribute to the implementation of Article 10 of Directive 92/43/EEC, provided that, per rural development programme, those areas do not exceed 5 % of the designated Natura 2000 areas covered by its territorial scope;
- (c) agricultural areas included in river basin management plans according to the Water Framework Directive.

7. Support shall be limited to the maximum amounts laid down in Annex II.

8. In order to ensure that double funding, as referred to in the second subparagraph of paragraph 1 is excluded, the Commission shall be empowered to adopt delegated acts in accordance with Article 83 laying down the calculation method to be used.

▼B*Article 31***Payments to areas facing natural or other specific constraints**

1. Payments to farmers in mountain areas and other areas facing natural or other specific constraints shall be granted annually per hectare of agricultural area in order to compensate farmers for all or part of the additional costs and income foregone related to the constraints for agricultural production in the area concerned.

▼C1

Additional costs and income foregone shall be calculated in comparison to areas which are not affected by natural or other specific constraints, taking into account payments pursuant to Chapter 4 of Title III of Regulation (EU) No 1307/2013.

▼B

When calculating additional costs and income foregone, Member States may, where duly justified, differentiate the level of payment taking into account:

— the severity of the identified permanent constraint affecting farming activities;

— the farming system.

2. Payments shall be granted to farmers who undertake to pursue their farming activity in the areas designated pursuant to Article 32 and are active farmers within the meaning of Article 9 of Regulation (EU) No 1307/2013.

3. Payments shall be fixed between the minimum and maximum amount laid down in Annex II. These payments may be increased in duly substantiated cases taking into account specific circumstances to be justified in the rural development programmes.

4. Member States shall provide for degressivity of payments above a threshold level of area per holding, to be defined in the programme, except if the grant covers only the minimum payment per hectare per year as laid down in Annex II.

In the case of a legal person, or a group of natural or legal persons, Member States may apply the degressivity of payments at the level of the members of these legal persons or groups on condition that:

(a) national law provides for the individual members to assume rights and obligations comparable to those of individual farmers who have the status of head of holding, in particular as regards their economic, social and tax status; and

(b) those individual members have contributed to strengthening the agricultural structures of the legal persons or groups concerned.

▼ B

5. In addition to the payments provided for in paragraph 2, Member States may grant payments under this measure between 2014 and 2020 to beneficiaries in areas which were eligible under Article 36(a)(ii) of Regulation (EC) No 1698/2005 during the 2007-2013 programming period. For beneficiaries in areas that are no longer eligible following the new delimitation referred to in Article 32(3), those payments shall be degressive over a maximum period of four years. That period shall start on the date that the delimitation in accordance with Article 32(3) is completed and at the latest in 2018. Those payments shall start at no more than 80 % of the average payment fixed in the programme for the programming period 2007-2013 in accordance with Article 36(a)(ii) of Regulation (EC) No 1698/2005, and shall end in 2020 at the latest at no more than 20 %. When the application of degressivity results in the level of the payment reaching EUR 25, the Member State can continue payments at this level until the phasing out period is completed.

Following completion of the delimitation, beneficiaries in the areas that remain eligible shall receive full payment under this measure.

▼ M1

6. Croatia may grant payments under this measure to beneficiaries in areas which have been designated pursuant to Article 32(3), even where the fine-tuning exercise referred to in the third subparagraph of that paragraph has not been completed. The fine-tuning exercise shall be completed by no later than 31 December 2014. Beneficiaries in areas that are no longer eligible following the completion of the fine-tuning exercise shall receive no further payments under this measure.

▼ B*Article 32***Designation of areas facing natural and other specific constraints**

1. Member States shall, on the basis of paragraphs 2, 3 and 4, designate areas eligible for payments provided for in Article 31 under the following categories:

- (a) mountain areas;
- (b) areas, other than mountain areas, facing significant natural constraints; and
- (c) other areas affected by specific constraints.

2. In order to be eligible for payments under Article 31, mountain areas shall be characterized by a considerable limitation of the possibilities for using the land and by an appreciable increase in production costs due to:

- (a) the existence, because of altitude, of very difficult climatic conditions, the effect of which is to substantially shorten the growing season;

▼B

- (b) at a lower altitude, the presence over the greater part of the area in question of slopes too steep for the use of machinery or requiring the use of very expensive special equipment, or a combination of these two factors, where the constraints resulting from each taken separately are less acute but the combination of the two gives rise to an equivalent constraints.

Areas north of the 62nd parallel and certain adjacent areas shall be considered to be mountain areas.

3. In order to be eligible for payments under Article 31, areas, other than mountain areas, shall be considered to be facing significant natural constraints if, at least 60 % of the agricultural area meets at least one of the criteria listed in Annex III at the threshold value indicated.

Compliance with those conditions shall be ensured at the level of local administrative units ("LAU 2" level) or at the level of a clearly delineated local unit which covers a single clear contiguous geographical area with a definable economic and administrative identity.

When delimiting the areas concerned by this paragraph, Member States shall carry out a fine-tuning exercise, based on objective criteria, with the purpose of excluding areas in which significant natural constraints, referred to in the first subparagraph have been documented but have been overcome by investments or by, economic activity, or by evidence of normal land productivity, or in which production methods or farming systems have offset the income loss or added costs referred to in Article 31(1).

4. Areas other than those referred to in paragraphs 2 and 3 shall be eligible for payments under Article 31 if they are affected by specific constraints and if it is necessary for land management to be continued in order to conserve or improve the environment, to maintain the countryside, to preserve the tourist potential of the area or to protect the coastline.

Areas affected by specific constraints shall comprise farming areas within which the natural production conditions are similar and the total extent of which does not exceed 10 % of the area of the Member State concerned.

In addition, areas may also be eligible for payments under this paragraph, where:

- at least 60 % of the agricultural area meets at least two of the criteria listed in Annex III each within a margin of not more than 20 % of the threshold value indicated, or
- at least 60 % of the agricultural area is composed of areas meeting at least one of the criteria listed in Annex III at the threshold value indicated, and areas meeting at least two of the criteria listed in Annex III each within a margin of not more than 20 % of the threshold value indicated.

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Compliance with those conditions shall be ensured at LAU2 level or at the level of a clearly delineated local unit which covers a single clear contiguous geographical area with a definable economic and administrative identity. When delimiting areas concerned by this subparagraph, Member States shall undertake a fine-tuning exercise as described in Article 32(3). Areas considered eligible pursuant to this subparagraph, shall be taken into account for calculating the 10 % limit referred to in the second subparagraph.

▼C1

By way of derogation, the second subparagraph shall not apply to Member States the entire territory of which was considered as an area facing specific handicaps under Regulations (EC) No 1698/2005 and (EC) No 1257/1999.

▼B

5. Member States shall attach to their rural development programmes:

- (a) the existing or amended delimitation pursuant to paragraphs 2 and 4;
- (b) the new delimitation of the areas referred to in paragraph 3.

*Article 33***Animal welfare**

1. Animal welfare payments under this measure shall be granted to farmers who undertake, on a voluntary basis, to carry out operations consisting of one or more animal welfare commitments and who are active farmers within the meaning of Article 9 of Regulation (EU) No 1307/2013.

2. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 and other relevant mandatory requirements. These relevant requirements shall be identified in the programme.

Those commitments shall be undertaken for a renewable period of one to seven years.

3. The payments shall be granted annually and shall compensate farmers for all or part of the additional costs and income foregone resulting from the commitment made. Where necessary, they may also cover transaction costs to the value of up to 20 % of the premium paid for the animal welfare commitments.

Support shall be limited to the maximum amount laid down in Annex II.

▼B

4. In order to ensure that animal welfare commitments are in accordance with the overall Union policy in this field, the Commission shall be empowered to adopt delegated acts in accordance with Article 83 concerning the definition of the areas in which animal welfare commitments are to provide upgraded standards of production methods.

*Article 34***Forest-environmental and climate services and forest conservation**

1. Support under this measure shall be granted per hectare of forest to public and private forest-holders and other private law and public bodies and their associations who undertake, on a voluntary basis, to carry out operations consisting of one or more forest-environment and climate commitments. In the case of state owned forests, support may only be granted if the body managing such a forest is a private body or a municipality.

For forest holdings above a certain threshold to be determined by Member States in their rural development programmes, support under paragraph 1 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 defined by the Ministerial Conference on the Protection of Forests in Europe of 1993.

2. Payments shall cover only those commitments going beyond the relevant mandatory requirements established by the national forestry act or other relevant national law. All such requirements shall be identified in the programme.

Commitments shall be undertaken for a period of between five and seven years. However, where necessary and duly justified, Member States may determine a longer period in their rural development programmes for particular types of commitments.

3. Payments shall compensate beneficiaries for all or part of the additional costs and income foregone resulting from the commitments made. Where it is necessary they may also cover transaction costs to a value of up to 20 % of the premium paid for the forest-environment commitments. Support shall be limited to the maximum amount laid down in Annex II.

In duly justified cases for operations concerning environmental conservation, support may be granted as a flat-rate or one-off payment per unit for commitments to renounce commercial use of trees and forests, calculated on basis of additional costs incurred and income foregone.

4. Support may be provided to public and private entities for the conservation and promotion of forest genetic resources for operations not covered under paragraphs 1, 2 and 3.

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5. In order to ensure the efficient use of EAFRD budgetary resources, the Commission shall be empowered to adopt delegated acts in accordance with Article 83 concerning the types of operations eligible for support under paragraph 4 of this Article.

*Article 35***Co-operation**

1. Support under this measure shall be granted in order to promote forms of co-operation involving at least two entities and in particular:

- (a) co-operation approaches among different actors in the Union agriculture sector, forestry sector and food chain and other actors that contribute to achieving the objectives and priorities of rural development policy, including producer groups, cooperatives and inter-branch organisations;
- (b) the creation of clusters and networks;
- (c) the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability as referred to in Article 56.

2. Co-operation under paragraph 1 shall relate, in particular, to the following:

- (a) pilot projects;
- (b) the development of new products, practices, processes and technologies in the agriculture, food and forestry sectors;
- (c) co-operation among small operators in organising joint work processes and sharing facilities and resources and for the development and/or marketing of tourism services relating to rural tourism;
- (d) horizontal and vertical co-operation among supply chain actors for the establishment and the development of short supply chains and local markets;
- (e) promotion activities in a local context relating to the development of short supply chains and local markets;
- (f) joint action undertaken with a view to mitigating or adapting to climate change;
- (g) joint approaches to environmental projects and ongoing environmental practices, including efficient water management, the use of renewable energy and the preservation of agricultural landscapes;
- (h) horizontal and vertical co-operation among supply chain actors in the sustainable provision of biomass for use in food and energy production and industrial processes;
- (i) implementation, in particular by groups of public and private partners other than those defined in point (b) of Article 32(2) of Regulation (EU) No 1303/2013, of local development strategies other than those defined in Article 2(19) of Regulation (EU) 1303/2013 addressing one or more of the Union priorities for rural development;

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- (j) drawing up of forest management plans or equivalent instruments;
- (k) diversification of farming activities into activities concerning health care, social integration, community-supported agriculture and education about the environment and food.

3. Support under point (b) of paragraph 1 shall be granted only to newly formed clusters and networks and those commencing an activity that is new to them.

Support for operations under points (a) and (b) of paragraph 2 may be granted also to individual actors where this possibility is provided for in the rural development programme.

4. The results of pilot projects under point (a) of paragraph 2 and operations under point (b) of paragraph 2 carried out by individual actors as provided for in paragraph 3 shall be disseminated.

5. The following costs, linked to the forms of co-operation referred to in paragraph 1 shall be eligible for support under this measure:

- (a) the cost of studies of the area concerned, of feasibility studies, and of drawing up a business plan or a forest management plan or equivalent or a local development strategy other than the one referred to in Article 33 of Regulation (EU) No 1303/2013;
- (b) the cost of animation of the area concerned in order to make feasible a collective territorial project or a project to be carried out by an operational group of the EIP for Agricultural Productivity and Sustainability as referred to in Article 56. In the case of clusters, animation may also concern the organisation of training, networking between members and the recruitment of new members;
- (c) the running costs of the co-operation;
- (d) the direct costs of specific projects linked to the implementation of a business plan an environmental plan, a forest management plan or equivalent, a local development strategy other than the one referred to in Article 33 of Regulation (EU) No 1303/2013 or direct costs of other actions targeted towards innovation, including testing;
- (e) the cost of promotion activities.

6. Where a business plan or an environmental plan or a forest management plan or equivalent or a development strategy is implemented, Member States may grant the aid either as a global amount covering the costs of co-operation and the costs of the projects implemented or cover only the costs of the co- operation and use funds from other measures or other Union Funds for project implementation.

Where support is paid as a global amount and the project implemented is of a type covered under another measure of this Regulation, the relevant maximum amount or rate of support shall apply.

7. Co-operation among actors located in different regions or Member States shall also be eligible for support.

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8. Support shall be limited to a maximum period of seven years except for collective environmental action in duly justified cases.
9. Co-operation under this measure may be combined with projects supported by Union funds other than the EAFRD in the same territory. Member States shall ensure that overcompensation as a result of the combination of this measure with other national or Union support instruments is avoided.
10. In order to ensure the efficient use of EAFRD budgetary resources, the Commission shall be empowered to adopt delegated acts in accordance with Article 83, concerning the further specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets that will be eligible for support, as well as concerning the conditions for granting aid to the types of operation listed in paragraph 2 of this Article.

*Article 36***Risk management**

1. Support under this measure shall cover:
 - (a) financial contributions to premiums for crop, animal and plant insurance against economic losses to farmers caused by adverse climatic events, animal or plant diseases, pest infestation, or an environmental incident;
 - (b) financial contributions to mutual funds to pay financial compensations to farmers, for economic losses caused by adverse climatic events or by the outbreak of an animal or plant disease or pest infestation or an environmental incident;
 - (c) an income stabilisation tool, in the form of financial contributions to mutual funds, providing compensation to farmers for a severe drop in their income.
2. For the purposes of this article, "farmer" means active farmer within the meaning of Article 9 of Regulation (EU) No 1307/2013.
3. For the purpose of points (b) and (c) of paragraph 1, 'mutual fund' means a scheme accredited by the Member State in accordance with its national law for affiliated farmers to insure themselves, whereby compensation payments are made to affiliated farmers for economic losses caused by the outbreak of adverse climatic events or an animal or plant disease or pest infestation or an environmental incident, or for a severe drop in their income.
4. Member States shall ensure that overcompensation as a result of the combination of this measure with other national or Union support instruments or private insurance schemes is avoided.
5. In order to ensure the efficient use of EAFRD budgetary resource, the Commission shall be empowered to adopt delegated acts in accordance with Article 83 concerning the minimum and maximum duration of the commercial loans to mutual funds referred to in point (b) of Article 38(3) and Article 39(4).

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The Commission shall present a report on the implementation of this Article to the European Parliament and the Council by 31 December 2018.

*Article 37***Crop, animal, and plant insurance**

1. Support under point (a) of Article 36(1) shall only be granted for insurance contracts which cover for loss caused by an adverse climatic event, or by an animal or plant disease, or a pest infestation, or an environmental incident or a measure adopted in accordance with Directive 2000/29/EC to eradicate or contain a plant disease, or pest which destroys more than 30 % of the average annual production of the farmer in the preceding three-year period or a three-year average based on the preceding five-year period, excluding the highest and lowest entry. Indexes may be used in order to calculate the annual production of the farmer. The calculation method used shall permit the determination of the actual loss of an individual farmer in a given year.

The measurement of the extent of the loss caused may be tailored to the specific characteristics of each type of product using:

- (a) biological indexes (quantity of biomass loss) or equivalent yield loss indexes established at farm, local, regional or national level, or
- (b) weather indexes (including quantity of rainfall and temperature) established at local, regional or national level.

2. The occurrence of an adverse climatic event or the outbreak of an animal or plant disease or pest infestation or an environmental incident has to be formally recognised as such by the competent authority of the Member State concerned.

Member States may, where appropriate, establish in advance criteria on the basis of which such formal recognition shall be deemed to be granted.

3. As regards animal diseases, financial compensation under point (a) of Article 36(1) may only be granted in respect of diseases mentioned in the list of animal diseases established by the World Organisation for Animal Health or in the Annex to Decision 2009/470/EC.

4. Insurance payments shall compensate for not more than the total of the cost of replacing the losses referred to in point (a) of Article 36(1) and shall not require or specify the type or quantity of future production.

Member States may limit the amount of the premium that is eligible for support by applying appropriate ceilings.

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5. Support shall be limited to the maximum rate laid down in Annex II.

*Article 38***Mutual funds for adverse climatic events, animal and plant diseases, pest infestations and environmental incidents**

1. In order to be eligible for support the mutual fund concerned shall:

- (a) be accredited by the competent authority in accordance with national law;
- (b) have a transparent policy towards payments into and withdrawals from the fund;
- (c) have clear rules attributing responsibilities for any debts incurred.

2. Member States shall define the rules for the constitution and management of the mutual funds, in particular for the granting of compensation payments and the eligibility of farmers in the event of crisis, as well as for the administration and monitoring of compliance with these rules. Member States shall ensure that the fund arrangements provide for penalties in case of negligence on the part of the farmer.

The occurrence of incidents mentioned in point (b) of Article 36(1) must be formally recognised as such by the competent authority of the Member State concerned.

3. The financial contributions referred to in Article 36(1)(b) may only relate to:

- (a) the administrative costs of setting up the mutual fund, spread over a maximum of three years in a degressive manner;
- (b) the amounts paid by the mutual fund as financial compensation to farmers. In addition, the financial contribution may relate to interest on commercial loans taken out by the mutual fund for the purpose of paying the financial compensation to farmers in case of crisis.

Support under point (b) of Article 36(1) shall only be granted to cover for loss caused by the outbreak of adverse climatic events, an animal or plant disease, a pest infestation, or a measure adopted in accordance with Directive 2000/29/EC to eradicate or contain a plant disease or pest or an environmental incident, which destroy more than 30 % of the average annual production of the farmer in the preceding three-year period or a three-year average based on the preceding five-year period, excluding the highest and lowest entry. Indexes may be used in order to calculate the annual production of the farmer. The calculation method used shall permit the determination of the actual loss of an individual farmer in a given year.

No contribution by public funds shall be made to initial capital stock.

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4. As regards animal diseases, financial compensation under point (b) of Article 36(1) may be granted in respect of diseases mentioned in the list of animal diseases established by the World Organisation for Animal Health or in the Annex to Decision 2009/470/EC.

5. Support shall be limited to the maximum support rate laid down in Annex II.

Member States may limit the costs that are eligible for support by applying:

- (a) ceilings per fund;
- (b) appropriate per unit ceilings.

*Article 39***Income stabilisation tool**

1. Support under point (c) of Article 36(1) shall only be granted where the drop of income exceeds 30 % of the average annual income of the individual farmer in the preceding three-year period or a three-year average based on the preceding five-year period excluding the highest and lowest entry. Income for the purposes of point (c) of Article 36(1) shall refer to the sum of revenues the farmer receives from the market, including any form of public support, deducting input costs. Payments by the mutual fund to farmers shall compensate for less than 70 % of the income lost in the year the producer becomes eligible to receive this assistance.

2. In order to be eligible for support the mutual fund concerned shall:

- (a) be accredited by the competent authority in accordance with national law;
- (b) have a transparent policy towards payments into and withdrawals from the fund;
- (c) have clear rules attributing responsibilities for any debts incurred.

3. Member States shall define the rules for the constitution and management of the mutual funds, in particular for the granting of compensation payments to farmers in the event of crisis and for the administration and monitoring of compliance with these rules. Member States shall ensure that the fund arrangements provide for penalties in case of negligence on the part of the farmer.

4. The financial contributions referred to in point (c) of Article 36(1) may only relate to:

- (a) the administrative costs of setting up the mutual fund, spread over a maximum of three years in a degressive manner;
- (b) the amounts paid by the mutual fund as financial compensation to farmers. In addition, the financial contribution may relate to interest on commercial loans taken out by the mutual fund for the purpose of paying the financial compensation to farmers in case of crisis. No contribution by public funds shall be made to initial capital stock.

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5. Support shall be limited to the maximum rate laid down in Annex II.

*Article 40***Financing of complementary national direct payments for Croatia**

1. Support may be granted to farmers eligible for complementary national direct payments under Article 19 of Regulation (EU) No 1307/2013. The conditions laid down in that Article shall also apply to the support to be granted under this Article.

2. The support granted to a farmer in respect of the years 2014, 2015 and 2016 shall not exceed the difference between:

- (a) the level of direct payments applicable in Croatia for the year concerned in accordance with Article 17 of Regulation (EU) No 1307/2013; and
- (b) 45 % of the corresponding level of the direct payments as applied from 2022.

3. The Union contribution to support granted under this Article in Croatia in respect of the years 2014, 2015 and 2016 shall not exceed 20 % of its respective total annual EAFRD allocation.

4. The EAFRD contribution rate for the complements to direct payments shall not exceed 80 %.

*Article 41***Rules on the implementation of the measures**

The Commission shall adopt implementing acts, laying down rules on the implementation of the measures in this section concerning:

- (a) procedures for selection of authorities or bodies offering farm and forestry advisory services, farm management or farm relief services and the degressivity of the aid under the advisory services measure referred to in Article 15;
- (b) the assessment by the Member State of the progress of the business plan, payment options as well as modalities for access to other measures for young farmers under the farm and business development measure referred to in Article 19;
- (c) conversion to units other than those used in Annex II, and conversion rates of animals to livestock units (LU) under the measures referred to in Articles 28, 29, 33 and 34;
- (d) the possibility of using standard assumptions of additional costs and income foregone under the measures of Articles 28 to 31, 33 and 34 and criteria for its calculation;

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- (e) calculation of the amount of support where an operation is eligible for support under more than one measures.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 84.

LEADER

*Article 42***LEADER local action groups**

1. In addition to the tasks referred to in Article 34 of Regulation (EU) No 1303/2013 local action groups may also perform additional tasks delegated to them by the Managing Authority and/or the paying agency.
2. Local action groups may request the payment of an advance from the competent paying agency if such possibility is provided for in the rural development programme. The amount of the advances shall not exceed 50 % of the public support related to the running and animation costs.

*Article 43***LEADER start-up kit**

Support for LEADER local development may also include a "LEADER start-up kit" for local communities who did not implement LEADER in the 2007-2013 programming period. The "LEADER start-up kit" shall consist of support for capacity building and small pilot projects. Support under the "LEADER start-up kit" shall not be conditional on the submission of a LEADER local development strategy.

*Article 44***LEADER co-operation activities**

1. The support referred to in point (c) of Article 35(1) of Regulation (EU) No 1303/2013 shall be granted to
 - (a) co-operation projects within a Member State (inter-territorial co-operation) or co-operation projects between territories in several Member States or with territories in third countries (transnational co-operation).
 - (b) preparatory technical support for inter-territorial and transnational co-operation projects, on condition that local action groups are able to demonstrate that they are envisaging the implementation of a concrete project.
2. Apart from other local action groups, the partners of a local action group under the EAFRD may be:
 - (a) a group of local public and private partners in a rural territory that is implementing a local development strategy within or outside the Union;
 - (b) a group of local public and private partners in a non-rural territory that is implementing a local development strategy.

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3. In cases where co-operation projects are not selected by the local action groups, Member States shall establish a system of ongoing application.

They shall make public the national or regional administrative procedures concerning the selection of transnational co-operation projects and a list of eligible costs at the latest two years after the date of approval of their rural development programmes.

Approval of co-operation projects by the competent authority shall take place no later than four months after the date of submission of the project application.

4. Member States shall communicate to the Commission the approved transnational co-operation projects.

*CHAPTER II**Common provisions for several measures**Article 45***Investments**

1. In order to be eligible for EAFRD support, investment operations shall be preceded by an assessment of the expected environmental impact in accordance with law specific to that kind of investment where the investment is likely to have negative effects on the environment.

2. Expenditure that is eligible for EAFRD support shall be limited to:

- (a) the construction, acquisition, including leasing, or improvement of immovable property;
- (b) the purchase or lease purchase of new machinery and equipment up to the market value of the asset;
- (c) general costs linked to expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies. Feasibility studies shall remain eligible expenditure even where, based on their results, no expenditure under points (a) and (b) is made;
- (d) the following intangible investments: acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks;
- (e) the costs of establishing forest management plans and their equivalent.

3. In the case of agricultural investments, the purchase of agricultural production rights, payment entitlements, animals, annual plants and their planting shall not be eligible for investment support. However, in case of the restoration of agricultural production potential damaged by natural disasters or catastrophic events, in accordance with point (b) of Article 18(1), expenditure for the purchase of animals may be eligible expenditure.

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4. Beneficiaries of investment related support may request the payment of an advance of up to 50 % of the public aid related to the investment from the competent paying agencies if that option is included in the rural development programme.

5. Working capital that is ancillary to, and linked to a new investment in the agriculture or forestry sector, which receives EAFRD support through a financial instrument established in accordance with Article 37 of Regulation (EU) No 1303/2013, may be eligible expenditure. Such eligible expenditure shall not exceed 30 % of the total amount of the eligible expenditure for the investment. The relevant request shall be duly substantiated.

6. In order to take account of the special characteristics of particular types of investments, the Commission shall be empowered to adopt delegated acts in accordance with Article 83, laying down the conditions under which other costs connected with leasing contracts, second hand equipment may be considered to be eligible expenditure and specifying the types of renewable energy infrastructure that are to be eligible for support.

*Article 46***Investments in irrigation**

1. Without prejudice to Article 45 of this Regulation, in the case of irrigation in new and existing irrigated areas, only investments that fulfil the conditions in this Article shall be considered as eligible expenditure.

2. A river basin management plan, as required under the terms of the Water Framework Directive, shall have been notified to the Commission for the entire area in which the investment is to take place, as well as in any other areas whose environment may be affected by the investment. The measures taking effect under the river basin management plan in accordance with Article 11 of the Water Framework Directive and of relevance to the agricultural sector shall have been specified in the relevant programme of measures.

3. Water metering enabling measurement of water use at the level of the supported investment shall be in place or shall be put in place as part of the investment.

4. An investment in an improvement to an existing irrigation installation or element of irrigation infrastructure shall be eligible only if it is assessed ex ante as offering potential water savings of a minimum of between 5 % and 25 % according to the technical parameters of the existing installation or infrastructure.

If the investment affects bodies of ground- or surface water whose status has been identified as less than good in the relevant river basin management plan for reasons related to water quantity:

(a) the investment shall ensure an effective reduction in water use, at the level of the investment, amounting to at least 50 % of the potential water saving made possible by the investment;

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- (b) in the case of an investment on a single agricultural holding, it shall also result in a reduction to the holding's total water use amounting to at least 50 % of the potential water saving made possible at the level of the investment. The total water use of the holding shall include water sold by the holding.

None of the conditions in paragraph 4 shall apply to an investment in an existing installation which affects only energy efficiency or to an investment in the creation of a reservoir or to an investment in the use of recycled water which does not affect a body of ground or surface water.

5. An investment resulting in a net increase of the irrigated area affecting a given body of ground or surface water shall be eligible only if:

- (a) the status of the water body has not been identified as less than good in the relevant river basin management plan for reasons related to water quantity; and
- (b) an environmental analysis shows that there will be no significant negative environmental impact from the investment; such an environmental impact analysis shall be either carried out by or approved by the competent authority and may also refer to groups of holdings.

Areas which are not irrigated but in which an irrigation installation was active in the recent past, to be established and justified in the programme, may be considered as irrigated areas for the purpose of determining the net increase of the irrigated area.

6. By way of derogation from point (a) of paragraph 5 investments resulting in a net increase of the irrigated area may still be eligible if:

- (a) the investment is combined with an investment in an existing irrigation installation or element of irrigation infrastructure assessed ex ante as offering potential water savings of a minimum of between 5 % and 25 % according to the technical parameters of the existing installation or infrastructure and
- (b) the investment ensures an effective reduction in water use, at the level of the investment as a whole, amounting to at least 50 % of the potential water saving made possible by the investment in the existing irrigation installation or element of infrastructure.

Furthermore, by way of derogation, the condition in point (a) of paragraph 5 shall not apply to investments in the establishment of a new irrigation installation supplied with water from an existing reservoir approved by the competent authorities before 31 October 2013 if the following conditions are met:

- the reservoir in question is identified in the relevant river basin management plan and is subject to the control requirements set out in article 11(3)(e) of the Water Framework Directive;
- on 31 October 2013, there was in force either a maximum limit on total abstractions from the reservoir or a minimum required level of flow in water bodies affected by the reservoir;

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- that maximum limit or minimum required level of flow complies with the conditions set out in Article 4 of the Water Framework Directive; and
- the investment in question does not result in abstractions beyond the maximum limit in force on 31 October 2013 or result in a reduction of the level of flow in affected water bodies below the minimum required level in force on 31 October 2013.

*Article 47***Rules for area related payments**

1. The number of hectares to which a commitment pursuant to Articles 28, 29 and 34 applies may vary from year to year where:

- (a) this possibility is provided for in the rural development programme;
- (b) the commitment in question does not apply to fixed parcels; and
- (c) the achievement of the commitment's objective is not jeopardised.

2. Where all or part of the land under commitment or the entire holding is transferred to another person during the period of that commitment, the commitment, or part thereof corresponding to the land transferred, may be taken over for the remainder of the period by that other person or may expire and reimbursement shall not be required in respect of the period during which the commitment was effective.

3. Where a beneficiary is unable to continue to comply with commitments given because the holding or part of the holding is re-parcelled or is the subject of public land consolidation measures or land consolidation measures approved by the competent public authorities, Member States shall take the measures necessary to allow the commitments to be adapted to the new situation of the holding. If such adaptation proves impossible, the commitment shall expire and reimbursement shall not be required in respect of the period during which the commitment was effective.

4. Reimbursement of the aid received shall not be required in cases of force majeure and exceptional circumstances as referred to in Article 2 of Regulation (EU) No 1306/2013.

5. Paragraph 2, as regards cases of transfer of the entire holding, and paragraph 4 shall also apply to commitments under Article 33.

6. In order to ensure the efficient implementation of area related measures and secure the financial interests of the Union, the Commission shall be empowered to adopt delegated acts in accordance with Article 83 laying down conditions applicable to conversion or adjustment of commitments under the measures referred to in Articles 28, 29, 33 and 34 and, specifying other situations in which reimbursement of the aid shall not be required.



Article 48

Revision clause

A revision clause shall be provided for operations undertaken pursuant to Articles 28, 29, 33 and 34 in order to ensure their adjustment in the case of amendments to the relevant mandatory standards, requirements or obligations referred to in those Articles beyond which the commitments have to go. The revision clause shall also cover adjustments needed to avoid double funding of the practices referred to in Article 43 of Regulation (EU) No 1307/2013 in the case of amendments to those practices.

Operations undertaken pursuant to Articles 28, 29, 33 and 34 which extend beyond the current programming period shall contain a revision clause in order to allow for their adjustment to the legal framework of the following programming period.

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.

Article 49

Selection of operations

1. Without prejudice to point (d) of Article 34(3) of Regulation (EU) No 1303/2013, the Managing Authority of the rural development programme shall define selection criteria for operations following consultation with the Monitoring Committee. Selection criteria shall aim to ensure equal treatment of applicants, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development. In defining and applying selection criteria the principle of proportionality shall be taken into account in relation to the size of the operation.

2. The Member State authority responsible for the selection of operations shall ensure that operations, with the exception of operations under Articles 28 to 31, 33 to 34 and 36 to 39, are selected in accordance with the selection criteria referred to in paragraph 1 and according to a transparent and well documented procedure.

3. Where appropriate, the beneficiaries may be selected on the basis of calls for proposals, applying economic and environmental efficiency criteria.

Article 50

Rural area definition

For the purposes of this Regulation the Managing Authority shall define "rural area" at programme level. Member States may establish such a definition for a measure or type of operation if duly justified.



CHAPTER III

Technical assistance and networking

Article 51

Funding technical assistance

1. ►**M6** In accordance with Article 6 of Regulation (EU) No 1306/2013 the EAFRD may use up to 0,25 % of its annual allocation to finance the tasks referred to in Article 58 of Regulation (EU) No 1303/2013, including the costs for setting up and operating the European network for rural development referred to in Article 52 of this Regulation and the EIP network referred to in Article 53 of this Regulation at the Commission's initiative and/or on its behalf, of which up to EUR 30 567 000 in current prices shall be allocated to the Structural Reform Support Programme established by Regulation (EU) 2017/825 of the European Parliament and of the Council ⁽¹⁾ for use within the scope and purpose of that programme. ◀

The EAFRD may also finance the actions provided for in Article 41(2) of Regulation (EU) No 1151/2012 of the European Parliament and of the Council ⁽²⁾, in relation to Union quality scheme indications and symbols.

Those actions shall be carried out in accordance with Article 58 of Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council ⁽³⁾ and any other provisions of that Regulation and of its implementing provisions that are applicable to this form of execution of the budget.

2. At the initiative of the Member States up to 4 % of the total amount of each rural development programme may be devoted to the tasks referred to in Article 59 of Regulation (EC) No 1303/2013 and costs related to preparatory work for the delimitation of areas facing natural or other specific constraints referred to in Article 32.

Costs relating to the certification body referred to in Article 9 of Regulation (EU) No 1306/2013 shall not be eligible under this paragraph.

Within that 4 % limit an amount shall be reserved for establishing and operating the national rural network referred to in Article 54.

3. In case of rural development programmes covering both less-developed regions and other regions, the EAFRD contribution rate for technical assistance referred to in Article 59(3) may be determined by taking into account the predominant type of regions, by their number, in the programme.

⁽¹⁾ Regulation (EU) 2017/825 of the European Parliament and of the Council of 17 May 2017 on the establishment of the Structural Reform Support Programme for the period 2017 to 2020 and amending Regulations (EU) No 1303/2013 and (EU) No 1305/2013 (OJ L 129, 19.5.2017, p. 1).

⁽²⁾ Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs (OJ L 343, 14.12.2012, p. 1).

⁽³⁾ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

*Article 52***European network for rural development**

1. A European network for rural development for the networking of national networks, organisations, and administrations active in the field of rural development at Union level shall be put in place in accordance with Article 51(1).
2. Networking through the European network for rural development shall aim to:
 - (a) increase the involvement of all stakeholders, and in particular agricultural, forestry and other rural development stakeholders in the implementation of rural development;
 - (b) improve the quality of rural development programmes;
 - (c) play a role in informing the broader public on the benefits of rural development policy;
 - (d) support the evaluation of rural development programmes.
3. The tasks of the network shall be to:
 - (a) collect, analyse and disseminate information on action in the field of rural development;
 - (b) provide support on evaluation processes and on data collection and management;
 - (c) collect, consolidate and disseminate at Union level good rural development practices, including on evaluation methodologies and tools;
 - (d) set up and run thematic groups and/or workshops with a view to facilitating the exchange of expertise and to supporting the implementation, monitoring and further development of rural development policy;
 - (e) provide information on developments in rural areas of the Union and in third countries;
 - (f) organise meetings and seminars at Union level for those actively involved in rural development;
 - (g) support the national networks and transnational co-operation initiatives and the exchange concerning actions and experience in the field of rural development with networks in third countries;
 - (h) specifically for local action groups:
 - (i) create synergies with the activities carried out at national or regional level, or at both by the respective networks with regard to capacity building actions and exchange of experience; and
 - (ii) cooperate with the networking and technical support bodies for local development set up by the ERDF, the ESF and the EMFF as regards their local development activities and transnational co-operation.
4. The Commission shall adopt implementing acts, setting out the organisational structure and operation of the European network for rural development network. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 84.

*Article 53***European Innovation Partnership network**

1. A EIP network shall be put in place to support the EIP for agricultural productivity and sustainability referred to in Article 55, in accordance with Article 51(1). It shall enable the networking of operational groups, advisory services and researchers.
2. The aim of the EIP network shall be to:
 - (a) facilitate the exchange of expertise and good practices;
 - (b) establish a dialogue between farmers and the research community and facilitate the inclusion of all stakeholders in the knowledge exchange process.
3. The tasks of the EIP network shall be to:
 - (a) provide a help desk function and provide information to key actors concerning the EIP;
 - (b) encourage the setting up of operational groups and provide information about the opportunities provided by Union policies;
 - (c) facilitate the setting up of cluster initiatives and pilot or demonstration projects which may relate, inter alia, to the following issues:
 - (i) increased agricultural productivity, economic viability, sustainability, output and resource efficiency;
 - (ii) innovation in support of the bio-based economy;
 - (iii) biodiversity, ecosystem services, soil functionality and sustainable water management;
 - (iv) innovative products and services for the integrated supply chain;
 - (v) opening up new product and market opportunities for primary producers;
 - (vi) food quality, food safety and healthy diet;
 - (vii) reduce post-harvest losses and food wastage.
 - (d) collect and disseminate information in the field of the EIP, including research findings and new technologies relevant to innovation and knowledge exchange and exchanges in the field of innovation with third countries.
4. The Commission shall adopt implementing acts, setting out the organisational structure and operation of the EIP network. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 84.

▼B*Article 54***National rural network**

1. Each Member State shall establish a national rural network, which groups the organisations and administrations involved in rural development. The partnership referred to in Article 5 of Regulation (EU) No 1303/2013 shall also be part of the national rural network.

Member States with regional programmes may submit for approval a specific programme for the establishment and the operation of their national rural network.

2. Networking by the national rural network shall aim to:

- (a) increase the involvement of stakeholders in the implementation of rural development;
- (b) improve the quality of implementation of rural development programmes;
- (c) inform the broader public and potential beneficiaries on rural development policy and funding opportunities;
- (d) foster innovation in agriculture, food production, forestry and rural areas.

▼C1

3. EAFRD support under Article 51(2) shall be used:

▼B

- (a) for the structures needed to run the network;
- (b) for the preparation and implementation of an action plan covering at least the following:
 - (i) activities regarding the collection of examples of projects covering all priorities of the rural development programmes;
 - (ii) activities regarding the facilitation of thematic and analytical exchanges between rural development stakeholders, sharing and dissemination of findings;
 - (iii) activities regarding the provision of training and networking for local action groups and in particular technical assistance for inter-territorial and transnational co-operation, facilitation of co-operation among local action groups and the search of partners for the measure referred to in Article 35;
 - (iv) activities regarding the provision of networking for advisors and innovation support services;
 - (v) activities regarding the sharing and dissemination of monitoring and evaluation findings;
 - (vi) a communication plan including publicity and information concerning the rural development programme in agreement with the Managing Authorities and information and communication activities aimed at a broader public;
 - (vii) activities regarding the participation in and contribution to the European network for rural development.

▼B

4. The Commission shall adopt implementing acts, laying down rules for the establishment and operation of national rural networks and the content of the specific programmes referred to in paragraph 1. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 84.

TITLE IV

EIP FOR AGRICULTURAL PRODUCTIVITY AND SUSTAINABILITY*Article 55***Aims**

1. The EIP for agricultural productivity and sustainability shall:
 - (a) promote a resource efficient, economically viable, productive, competitive, low emission, climate friendly and resilient agricultural and forestry sector, working towards agro-ecological production systems and working in harmony with the essential natural resources on which farming and forestry depend;
 - (b) help deliver a steady and sustainable supply of food, feed and biomaterials, including existing and new types;
 - (c) improve processes to preserve the environment, adapt to climate change and mitigate it;
 - (d) build bridges between cutting-edge research knowledge and technology and farmers, forest managers, rural communities, businesses, NGOs and advisory services.
2. The EIP for agricultural productivity and sustainability shall seek to achieve its aims by:
 - (a) creating added value by better linking research and farming practice and encouraging the wider use of available innovation measures;
 - (b) promoting the faster and wider transposition of innovative solutions into practice; and
 - (c) informing the scientific community about the research needs of farming practice.
3. The EAFRD shall contribute to the aims of the EIP for agricultural productivity and sustainability through support, in accordance with Article 35, of the EIP operational groups referred to in Article 56 and the EIP network referred to in Article 53.

*Article 56***Operational groups**

1. EIP operational groups shall form part of the EIP for agricultural productivity and sustainability. They shall be set up by interested actors such as farmers, researchers, advisors and businesses involved in the agriculture and food sector, who are relevant for achieving the objectives of the EIP.

▼B

2. EIP operational groups shall establish internal procedures that ensure, that their operation and decision-making is transparent and that situations of conflict of interest are avoided.

3. The Member States shall decide within the framework of their programmes to what extent they will support the operational groups.

*Article 57***Tasks of operational groups**

1. EIP operational groups shall draw up a plan that contains the following:

- (a) a description of the innovative project to be developed, tested, adapted or implemented;
- (b) a description of the expected results and the contribution to the EIP objective of enhancing productivity and sustainable resource management.

2. When implementing their innovative projects operational groups shall:

- (a) make decisions on the elaboration and implementation of innovative actions; and
- (b) implement innovative actions through measures financed through the rural development programmes.

3. Operational groups shall disseminate the results of their project, in particular through the EIP network.

TITLE V

FINANCIAL PROVISIONS*Article 58***Resources and their distribution**

1. Without prejudice to paragraphs 5, 6 and 7 of this Article, the total amount of Union support for rural development under this Regulation for the period from 1 January 2014 to 31 December 2020 shall be EUR 84 936 million, in 2011 prices, in accordance with the multiannual financial framework for the years 2014 to 2020.

2. 0,25 % of the resources referred to in paragraph 1 shall be devoted to technical assistance for the Commission, as referred to in Article 51(1).

3. For the purpose of their programming and subsequent inclusion in the general budget of the Union, the amounts referred to in paragraph 1 shall be indexed at 2 % per year.

4. 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 I.

▼ C1

5. Funds transferred by a Member State under Article 14(2) of Regulation (EU) No 1307/2013 shall be subtracted from the amounts allocated to that Member State in accordance with paragraph 4.

▼ M1

6. The funds transferred to the EAFRD in application of Article 136a(1) of Regulation (EC) No 73/2009 and Article 7(2) of Regulation (EU) No 1307/2013 and the funds transferred to the EAFRD in application of Articles 10b, 136 and 136b of Regulation (EC) No 73/2009 in respect of calendar years 2013 and 2014 shall also be included in the annual breakdown referred to in paragraph 4 of this Article.

▼ B

7. In order to take account of the developments relating to the annual breakdown referred to in paragraph 4, including the transfers referred to in paragraphs 5 and 6; 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, the Commission shall be empowered to adopt delegated acts, in accordance with Article 83, to review the ceilings set out in Annex I.

8. For the purposes of the allocation of the performance reserve referred to in Article 22(3) and (4) of Regulation (EU) No 1303/2013, available assigned revenue collected in accordance with Article 43 of Regulation (EU) No 1306/2013 for the EAFRD shall be added to the amounts referred to in Article 20 of Regulation (EU) No 1303/2013. That available assigned revenue shall be allocated to Member States in proportion to their share of the total amount of support from the EAFRD.

*Article 59***Fund contribution**

1. The decision approving a rural development programme shall set the maximum contribution from the EAFRD to the programme. The decision shall clearly identify, where necessary, the appropriations allocated to the less developed regions.

2. The EAFRD contribution shall be calculated on the basis of the amount of eligible public expenditure.

►C1 3. The rural development programmes shall establish a single EAFRD contribution rate applicable to all measures. Where applicable, a separate EAFRD contribution rate shall be established for less-developed regions, for outermost regions and for the smaller Aegean islands within the meaning of Regulation (EU) No 229/2013, as well as for transition regions. ◀ The maximum EAFRD contribution rate shall be:

▼ C1

(a) 85 % of the eligible public expenditure in the less developed regions, in the outermost regions and in the smaller Aegean islands within the meaning of Regulation (EU) No 229/2013;

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(b) 75 % of the eligible public expenditure for all regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27;

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- (c) 63 % of the eligible public expenditure for the transition regions other than those referred to in point (b) of this paragraph;
- (d) 53 % of the eligible public expenditure in the other regions.

The minimum EAFRD contribution rate shall be 20 %.

4. By way of derogation from paragraph 3, the maximum EAFRD contribution shall be:

- (a) 80 % for the measures referred to in Articles 14, 27 and 35, for the LEADER local development referred to in Article 32 of Regulation (EU) No 1303/2013 and for operations under point (a)(i) of Article 19(1). ►**C1** That rate may be increased to a maximum of 90 % for the programmes of less developed regions, of the outermost regions, of the smaller Aegean islands within the meaning of Regulation (EU) No 229/2013, and of transition regions referred to in points (b) and (c) of paragraph 3; ◀
- (b) 75 % for operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28 29, 30 31 and 34;
- (c) 100 % for Union-level financial instruments referred to in point (a) of Article 38(1) of Regulation 1303/2013;
- (d) the contribution rate applicable to the measure concerned increased by an additional 10 percentage points for contributions to financial instruments referred to in point (b) of Article 38(1) of Regulation 1303/2013;

▼C1

- (e) 100 % for operations receiving funding from funds transferred to the EAFRD in application of Article 136a(1) of Regulation (EC) No 73/2009 and Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013;

▼M1

- (f) 100 % for an amount of EUR 100 million, in 2011 prices, allocated to Ireland, for an amount of EUR 500 million, in 2011 prices, allocated to Portugal and for an amount of EUR 7 million, in 2011 prices, allocated to Cyprus, on the condition that those Member States are receiving financial assistance in accordance with Articles 136 and 143 TFEU on 1 January 2014 or thereafter, until 2016 when the application of this provision shall be reassessed;

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- (g) for Member States receiving on 1 January 2014 or thereafter financial assistance in accordance with Article 136 and 143 TFEU, the EAFRD contribution rate resulting from the application of Article 24(1) of Regulation (EU) No 1303/2013 may be increased by a maximum of an additional 10 percentage points up to a total maximum of 95 %, for expenditure to be paid by these Member States in the first two years of implementation of the rural development programme. The EAFRD contribution rate which would be applicable without this derogation shall, however, be respected for the total public expenditure made during the programming period.

5. At least 5 %, and in the case of Croatia 2,5 %, of the total EAFRD contribution to the rural development programme shall be reserved for LEADER.

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6. At least 30 % of the total EAFRD contribution to the rural development programme shall be reserved for measures under the following Articles: Article 17 for environment and climate related investments; Articles 21, 28, 29 and 30, with the exception of Water Framework Directive related payments; and Articles 31, 32 and 34.

The first subparagraph shall not apply to the outermost regions and the overseas territories of the Member States.

7. Where a Member State submits both a national programme and a set of regional programmes, paragraphs 5 and 6 shall not apply to the national programme. The EAFRD contribution to the national programme shall be taken into account for the purpose of calculating the percentages referred to in paragraphs 5 and 6 for each regional programme, in proportion to that regional programme's share of the national allocation.

8. An expenditure co-financed by the EAFRD shall not be co-financed by way of a contribution from the Structural Funds, from the Cohesion Fund or from any other Union financial instrument.

9. Public expenditure on aid to enterprises shall comply with the aid limits laid down in respect of State aid, unless this Regulation provides otherwise.

Article 60

Eligibility of expenditure

1. By way of derogation from Article 65(9) of Regulation (EU) No 1303/2013, in cases of emergency measures due to natural disasters, the rural development programmes may provide that eligibility of expenditure relating to programme changes may start from the date when the natural disaster occurred.

2. Expenditure shall be eligible for an EAFRD contribution only where incurred for operations decided upon by the Managing Authority of the programme in question or under its responsibility, in accordance with selection criteria referred to in Article 49.

With the exception of general costs as defined in Article 45(2)(c), in respect of investment operations under measures falling within the scope of Article 42 TFEU, only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible.

Member States may provide in their programmes that only expenditure which has been incurred after the application for support has been approved by the competent authority shall be eligible.

3. Paragraphs 1 and 2 shall not apply to Article 51(1) and (2).

4. Payments by beneficiaries shall be supported by invoices and documents proving payment. Where this cannot be done, payments shall be supported by documents of equivalent probative value, except for forms of support under points (b), (c) and (d) of Article 67(1) of Regulation (EU) No 1303/2013.

▼B*Article 61***Eligible expenditure**

1. Where running costs are covered by support under this Regulation the following types of costs shall be eligible:

- (a) operating costs;
- (b) personnel costs;
- (c) training costs;
- (d) costs linked to public relations;
- (e) financial costs;
- (f) networking costs.

2. Studies shall only be eligible expenditure where they are linked to a specific operation under the programme or the specific objectives and targets of the programme.

3. Contributions in kind in the form of provision of works, goods, services, land and real estate for which no cash payment supported by invoices or documents of equivalent probative value has been made, may be eligible for support provided that the conditions of Article 69 of Regulation (EU) No 1303/2013 are fulfilled.

*Article 62***Verifiability and controllability of measures**

1. Member States shall ensure that all the rural development measures that they intend to implement are verifiable and controllable. To this end, the Managing Authority and the paying agency of each rural development programme shall provide an ex ante assessment of the verifiability and controllability of the measures to be included in the rural development programme. The Managing Authority and paying agency shall also undertake the assessment of the verifiability and controllability of measures during the implementation of the rural development programme. Ex ante assessment and assessment during the implementation period shall take into account the results of controls in the previous and current programming period. Where the assessment reveals that the requirements of verifiability and controllability are not met, the measures concerned shall be adjusted accordingly.

2. Where aid is granted on the basis of standard costs or additional costs and income foregone, Member States shall ensure that the relevant calculations are adequate and accurate and established in advance on the basis of a fair, equitable and verifiable calculation. To this end, a body that is functionally independent from the authorities responsible for the programme implementation and possesses the appropriate expertise shall perform the calculations or confirm the adequacy and accuracy of the calculations. A statement confirming the adequacy and accuracy of the calculations shall be included in the rural development programme.

▼B*Article 63***Advances**

1. Payment of advances shall be subject to the establishment of a bank guarantee or an equivalent guarantee corresponding to 100 % of the amount of the advance. As regards public beneficiaries, advances shall be paid to municipalities, regional authorities and associations thereof, as well as to public law bodies.

A facility provided as a guarantee by a public authority shall be considered equivalent to the guarantee referred to in the first subparagraph, provided that the authority undertakes to pay the amount covered by that guarantee if entitlement to the advance paid is not established.

2. The guarantee may be released when the competent paying agency establishes that the amount of actual expenditure corresponding to the public contribution related to the operation exceeds the amount of the advance.

TITLE VI

MANAGEMENT, CONTROL AND PUBLICITY*Article 64***Responsibilities of the Commission**

To ensure, in the context of shared management, sound financial management in accordance with Article 317 TFEU, the Commission shall carry out the measures and controls laid down in Regulation (EU) No 1306/2013.

*Article 65***Responsibilities of the Member States**

1. Member States shall adopt all the legislative, statutory and administrative provisions in accordance with Article 58(1) of Regulation (EU) No 1306/2013 in order to ensure that the Union's financial interests are protected effectively.

2. Member States shall designate, for each rural development programme, the following authorities:

- (a) the Managing Authority, which may be either a public or private body acting at national or regional level, or the Member State itself when it carries out that task, to be in charge of the management of the programme concerned;
- (b) the accredited paying agency within the meaning of Article 7 of Regulation (EU) No 1306/2013;
- (c) the certification body within the meaning of Article 9 of Regulation (EU) No 1306/2013.

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3. Member States shall ensure, for each rural development programme, that the relevant management and control system has been set up in such a way that ensures a clear allocation and separation of functions between the Managing Authority and other bodies. Member States shall be responsible for ensuring that the systems function effectively throughout the programme period.

4. Member States shall clearly define the tasks of the Managing Authority, the Paying Agency and the local action groups under LEADER as regards to the application of eligibility and selection criteria and the project selection procedure.

*Article 66***Managing Authority**

1. The Managing Authority shall be responsible for managing and implementing the programme in an efficient, effective and correct way and in particular for:

- (a) ensuring that there is an appropriate secure electronic system to record, maintain, manage and report statistical information on the programme and its implementation required for the purposes of monitoring and evaluation and, in particular, information required to monitor progress towards the defined objectives and priorities;
- (b) providing the Commission, by 31 January and 31 October in each year of the programme, with relevant indicator data on operations selected for funding, including information on output and financial indicators;
- (c) ensuring that beneficiaries and other bodies involved in the implementation of operations:
 - (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 the operation;
 - (ii) are aware of the requirements concerning the provision of data to the Managing Authority and the recording of outputs and results;
- (d) ensuring that the ex ante evaluation referred to in Article 55 of Regulation (EU) No 1303/2013 conforms to the evaluation and monitoring system and accepting and submitting it to the Commission;
- (e) ensuring that the evaluation plan referred to in Article 56 of Regulation (EU) No 1303/2013 is in place, that the ex post programme evaluation referred to in Article 57 of Regulation (EU) No 1303/2013 is conducted within the time limits laid down in that Regulation, ensuring that such evaluations conform to the monitoring and evaluation system and submitting them to the Monitoring Committee and the Commission;
- (f) providing the Monitoring Committee with the information and documents needed to monitor implementation of the programme in the light of its specific objectives and priorities;

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- (g) drawing up the annual progress report, including aggregate monitoring tables, and, after approval by the Monitoring Committee, submitting it to the Commission;
- (h) ensuring that the paying agency receives all necessary information, in particular on the procedures operated and any controls carried out in relation to operations selected for funding, before payments are authorised;
- (i) ensuring publicity for the programme, including through the national rural network, by informing 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 programme and the rules for gaining access to programme funding as well as by informing beneficiaries of the Union contribution and the general public on the role played by the Union in the programme.

2. The Member State or 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 rural development operations.

When a part of its tasks is delegated to another body, the Managing Authority shall retain full responsibility for the efficiency and correctness of management and implementation of those tasks. The Managing Authority shall ensure that appropriate provisions are in place to allow the other body to obtain all necessary data and information for execution of these tasks.

3. Where a thematic sub-programme, as referred to in Article 7, is included in the rural development programme, the Managing Authority may designate one or more intermediate bodies, including local authorities, local action groups or non-governmental organisations, to carry out the management and implementation of that strategy. Paragraph 2 shall apply in this case.

The managing authority shall ensure that operations and outputs of this thematic sub-programme are identified separately for the purposes of the monitoring and evaluation system referred to in Article 67.

4. Subject to the role of the paying agencies and other bodies as set out in Regulation (EU) No 1306/2013, where a Member State has more than one programme, a coordinating body may be designated with the purpose of ensuring consistency in the management of the funds and of providing a link between the Commission and the national management authorities.

5. The Commission shall adopt implementing acts, laying down uniform conditions for the application of the information and publicity requirements referred to in point (i) of paragraph 1.



TITLE VII

MONITORING AND EVALUATION*CHAPTER I****General provisions***

Section 1

Establishment and objectives of a monitoring and evaluation system*Article 67***Monitoring and evaluation system**

In accordance with this Title, a common monitoring and evaluation system shall be drawn up in co-operation between the Commission and the Member States and shall be adopted by the Commission by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 84.

*Article 68***Objectives**

The monitoring and evaluation system shall aim to:

- (a) demonstrate the progress and achievements of rural development policy and assess the impact, effectiveness, efficiency and relevance of rural development policy interventions;
- (b) contribute to better targeted support for rural development;
- (c) support a common learning process related to monitoring and evaluation.

Section 2

Technical provisions*Article 69***Common indicators**

1. A list of common indicators relating to the initial situation as well as to the financial execution, outputs, results and impact of the programme and applicable to each programme shall be specified in the monitoring and evaluation system provided for in Article 67 to allow for aggregation of data at Union level.

2. The common indicators shall be based on available data and linked to the structure and objectives of the rural development policy framework and shall allow assessment of the progress, efficiency and effectiveness of policy implementation against objectives and targets at Union, national and programme level. The common impact indicators shall be based on available data.

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3. The evaluator shall quantify the impact of the programme measured by the impact indicators. Based on evidence in the evaluations on the CAP, including evaluations on Rural Development programmes, the Commission shall, with the help of the Member States, assess the combined impact of all CAP instruments.

*Article 70***Electronic Information System**

Key information on the implementation of the programme, on each operation selected for funding, as well as on completed operations, needed for monitoring and evaluation, including key information on each beneficiary and project, shall be recorded and maintained electronically.

*Article 71***Provision of information**

Beneficiaries of support under rural development measures and local action groups shall undertake to provide to the Managing Authority and/or to appointed evaluators or other bodies delegated to perform functions on its behalf, all the information necessary to permit monitoring and evaluation of the programme, in particular in relation to meeting specified objectives and priorities.

*CHAPTER II****Monitoring****Article 72***Monitoring procedures**

1. The Managing Authority and the Monitoring Committee referred to in Article 47 of Regulation (EU) No 1303/2013 shall monitor the quality of the implementation of the programme.

2. The Managing Authority and the Monitoring Committee shall carry out monitoring of each rural development programme by means of financial, output and target indicators.

*Article 73***Monitoring Committee**

Member States with regional programmes may establish a national Monitoring Committee to coordinate the implementation of these programmes in relation to the National Framework and the uptake of financial resources.



Article 74

Responsibilities of the Monitoring Committee

The Monitoring Committee shall satisfy itself as to the performance of the rural development programme and the effectiveness of its implementation. To that end, in addition to the functions referred to in Article 49 of Regulation (EU) No 1303/2013 the Monitoring Committee shall:

- (a) be consulted and shall issue an opinion, within four months of the decision approving the programme, on the selection criteria for financed operations, which shall be revised according to programming needs;
- (b) examine the activities and outputs related to the progress in the implementation of the evaluation plan of the programme;
- (c) examine, in particular, actions in the programme relating to the fulfilment of ex ante conditionalities, which fall within the responsibilities of the Managing Authority, and be informed of actions relating to the fulfilment of other ex ante conditionalities;
- (d) participate in the national rural network to exchange information on programme implementation; and
- (e) consider and approve the annual implementation reports before they are sent to the Commission.

Article 75

Annual implementation report

1. By 30 June 2016 and by 30 June of each subsequent year until and including 2024, the Member State shall submit to the Commission an annual implementation report on implementation of the rural development programme in the previous calendar year. The report submitted in 2016 shall cover the calendar years 2014 and 2015.
2. In addition to complying with the requirements of Article 50 of Regulation (EU) No 1303/2013 annual implementation reports shall include information inter alia on financial commitments and expenditure by measure, and a summary of the activities undertaken in relation to the evaluation plan.
3. In addition to complying with the requirements of Article 50 of Regulation (EU) No 1303/2013, the annual implementation report submitted in 2017 shall also cover a description of the implementation of any sub-programmes included within the programme.
4. In addition to complying with the requirements of Article 50 of Regulation (EU) No 1303/2013, the annual implementation report submitted in 2019 shall also cover, a description of the implementation of any sub-programmes included within the programme and an assessment of progress made in ensuring an integrated approach to use of the EAFRD and other EU financial instruments to support the territorial development of rural areas, including through local development strategies.
5. The Commission shall adopt implementing acts, laying down rules concerning the presentation of the annual implementation reports. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 84.

▼B*CHAPTER III**Evaluation**Article 76***General provisions**

1. The Commission may adopt implementing acts, specifying the elements to be contained in the ex ante and ex post evaluations referred to in Articles 55 and 57 of Regulation (EU) No 1303/2013 and establishing the minimum requirements for the evaluation plan referred to in Article 56 of Regulation (EU) No 1303/2013. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 84.

2. Member States shall ensure that the evaluations are in accordance with the common evaluation approach agreed in accordance with Article 67, shall organise the production and gathering of the requisite data, and shall supply the various pieces of information provided by the monitoring system to the evaluators.

3. The evaluation reports shall be made available by the Member States on the internet and by the Commission on its website.

*Article 77***Ex ante evaluation**

Member States shall ensure that the ex ante evaluator is involved from an early stage in the process of development of the rural development programme, including in the development of the analysis referred to in Article 8(1)(b), in the design of the programme's intervention logic and in the establishment of the programme's targets.

*Article 78***Ex post evaluation**

In 2024, an ex post evaluation report shall be prepared by the Member States for each of their rural development programmes. That report shall be submitted to the Commission by 31 December 2024.

*Article 79***Syntheses of evaluations**

Syntheses at Union level of the ex ante and ex post evaluation reports shall be undertaken under the responsibility of the Commission.

The syntheses of the evaluation reports shall be completed at the latest by 31 December of the year following the submission of the relevant evaluations.

▼B

TITLE VIII

COMPETITION PROVISIONS*Article 80***Rules applying to undertakings**

Where support under this Regulation is granted to forms of co-operation between undertakings, it may be granted only to such forms of co-operation which comply with the competition rules as they apply by virtue of Articles 206 to 210 of the Regulation of the European Parliament and the Council (EU) No 1308/2013.

*Article 81***State aid**

1. Save as otherwise provided for in this Title, Articles 107, 108 and 109 TFEU shall apply to support for rural development by Member States.

2. Articles 107, 108 and 109 TFEU shall not apply to payments made by Member States pursuant to, and in conformity with, this Regulation, or to additional national financing referred to in Article 82, within the scope of Article 42 TFEU.

*Article 82***Additional national financing**

Payments made by Member States in relation to operations falling within the scope of Article 42 TFEU and intended to provide additional financing for rural development for which Union support is granted at any time during the programming period, shall be included by Member States in the rural development programme as provided for in paragraph 1(j) of Article 8 and, where they comply with the criteria under this Regulation, shall be approved by the Commission.

TITLE IX

COMMISSION POWERS, COMMON PROVISIONS AND TRANSITIONAL AND FINAL PROVISIONS*CHAPTER I****Commission powers****Article 83***Exercise of the delegation****▼C1**

1. The power to adopt delegated acts referred to in Articles 2(3), Article 14(5), Article 16(5), Article 19(8), Article 22(3), Article 28(10) and (11), Article 29(6), Article 30(8), Article 33(4), Article 34(5), Article 35(10), Article 36(5), Article 45(6), Article 47(6), Article 58(7) and Article 89 is conferred on the Commission subject to the conditions laid down in this Article.

▼B

►C1 2. The power to adopt delegated acts referred to in in Articles 2(3), Article 14(5), Article 16(5), Article 19(8), Article 22(3), Article 28(10) and (11), Article 29(6), Article 30(8), Article 33(4), Article 34(5), Article 35(10), Article 36(5), Article 45(6), Article 47(6), Article 58(7) and Article 89 shall be conferred on the Commission for a period of seven years from the date of entry into force of this Regulation. ◀ The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the seven-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.

►C1 3. The power to adopt delegated acts referred to in Articles 2(3), Article 14(5), Article 16(5), Article 19(8), Article 22(3), Article 28(10) and (11), Article 29(6), Article 30(8), Article 33(4), Article 34(5), Article 35(10), Article 36(5), Article 45(6), Article 47(6), Article 58(7) and Article 89 may be revoked at any time by the European Parliament or by the Council. ◀ A decision to revoke shall put an end to the delegation of the powers specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

▼C1

5. A delegated act adopted pursuant to Articles 2(3), Article 14(5), Article 16(5), Article 19(8), Article 22(3), Article 28(10) and (11), Article 29(6), Article 30(8), Article 33(4), Article 34(5), Article 35(10), Article 36(5), Article 45(6), Article 47(6), Article 58(7) and Article 89 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

▼B*Article 84***Committee procedure**

1. The Commission shall be assisted by a committee called "Rural Development 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.



CHAPTER II

Common provisions

Article 85

Exchange of information and documents

1. The Commission, in collaboration with the Member States, shall establish an information system to enable the secure exchange of data of common interest between the Commission and each Member State. The Commission shall adopt implementing acts, laying down rules for the operation of that system. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 84.
2. The Commission shall ensure that there is an appropriate secure electronic system in which key information and report on monitoring and evaluation can be recorded, maintained and managed.

Article 86

Processing and protection of personal data

1. 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 85, they shall be made anonymous, and processed in aggregated form only.
3. Personal data shall be processed in accordance with the rules of Directive 95/46/EC and Regulation (EC) No 45/2001. 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 rights set out in the data protection rules of, respectively, Directive 95/46/EC and Regulation (EC) No 45/2001.
5. Articles 111 to 114 in Regulation(EU) 1306/2013 shall apply to this Article.



Article 87

General CAP provisions

Regulation (EU) No 1306/2013 and the provisions adopted pursuant to it shall apply in relation to the measures set out in this Regulation.

CHAPTER III

Transitional and final provisions

Article 88

Regulation (EC) No 1698/2005

Regulation (EC) No 1698/2005 is repealed.

Regulation (EC) No 1698/2005 shall continue to apply to operations implemented pursuant to programmes approved by the Commission under that Regulation before 1 January 2014.

Article 89

Transitional provisions

In order to facilitate the transition from the system established by Regulation (EC) No 1698/2005 to the system established by this Regulation, the Commission shall be empowered to adopt delegated acts in accordance with Article 83, laying down the conditions under which support approved by the Commission under Regulation (EC) No 1698/2005 may be integrated into support provided for under this Regulation, including for technical assistance and for the ex-post evaluations. Those delegated acts may also provide conditions for the transition from rural development support for Croatia under Regulation (EC) No 1085/2006 to support provided for under this Regulation.

Article 90

Entry into force and application

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

It shall apply from 1 January 2014.

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

BREAKDOWN OF UNION SUPPORT FOR RURAL DEVELOPMENT (2014 TO 2020)

(current prices in EUR)

	2014	2015	2016	2017	2018	2019	2020	TOTAL 2014-2020
Belgium	40 855 562	97 243 257	109 821 794	97 175 076	97 066 202	102 912 713	102 723 155	647 797 759
Bulgaria		502 807 341	505 020 057	340 409 994	339 966 052	339 523 306	338 990 216	2 366 716 966
Czech Republic		470 143 771	503 130 504	344 509 078	343 033 490	323 242 050	321 615 103	2 305 673 996
Denmark	90 287 658	90 168 920	136 397 742	144 868 072	153 125 142	152 367 537	151 588 619	918 803 690
Germany	664 601 903	1 498 240 410	1 685 574 112	1 404 073 302	1 400 926 899	1 397 914 658	1 394 588 766	9 445 920 050
Estonia	103 626 144	103 651 030	111 192 345	122 865 093	125 552 583	127 277 180	129 177 183	823 341 558
Ireland		469 633 941	469 724 442	313 007 411	312 891 690	312 764 355	312 570 314	2 190 592 153
Greece		907 059 608	1 007 736 821	703 471 245	701 719 722	700 043 071	698 261 326	4 718 291 793
Spain		1 780 169 908	1 780 403 445	1 185 553 005	1 184 419 678	1 183 448 718	1 183 394 067	8 297 388 821
France	4 353 019	2 336 138 618	2 363 567 980	1 665 777 592	1 668 304 328	1 671 324 729	1 675 377 983	11 384 844 249
Croatia		448 426 250	448 426 250	282 342 500	282 342 500	282 342 500	282 342 500	2 026 222 500
Italy		2 223 480 180	2 231 599 688	1 493 380 162	1 495 583 530	1 498 573 799	1 501 763 408	10 444 380 767
Cyprus		28 341 472	28 345 126	18 894 801	18 892 389	18 889 108	18 881 481	132 244 377
Latvia	138 327 376	150 968 424	153 066 059	155 139 289	157 236 528	159 374 589	161 491 517	1 075 603 782
Lithuania	230 392 975	230 412 316	230 431 887	230 451 686	230 472 391	230 483 599	230 443 386	1 613 088 240
Luxembourg		21 385 468	21 432 133	14 366 484	14 415 051	14 464 074	14 511 390	100 574 600

▼ **M4***(current prices in EUR)*

	2014	2015	2016	2017	2018	2019	2020	TOTAL 2014-2020
Hungary		742 851 235	737 099 981	488 620 684	488 027 342	487 402 356	486 662 895	3 430 664 493
Malta		20 905 107	20 878 690	13 914 927	13 893 023	13 876 504	13 858 647	97 326 898
Netherlands	87 118 078	87 003 509	118 496 585	118 357 256	118 225 747	118 107 797	117 976 388	765 285 360
Austria	557 806 503	559 329 914	560 883 465	562 467 745	564 084 777	565 713 368	567 266 225	3 937 551 997
Poland	1 569 517 638	1 175 590 560	1 193 429 059	1 192 025 238	1 190 589 130	1 189 103 987	1 187 301 202	8 697 556 814
Portugal	577 031 070	577 895 019	578 913 888	579 806 001	580 721 241	581 637 133	582 456 022	4 058 460 374
Romania		1 723 260 662	1 751 613 412	1 186 544 149	1 184 725 381	1 141 925 604	1 139 927 194	8 127 996 402
Slovenia	118 678 072	119 006 876	119 342 187	119 684 133	120 033 142	120 384 760	120 720 633	837 849 803
Slovakia	271 154 575	213 101 979	215 603 053	215 356 644	215 106 447	214 844 203	214 524 943	1 559 691 844
Finland	335 440 884	336 933 734	338 456 263	340 009 057	341 593 485	343 198 337	344 776 578	2 380 408 338
Sweden		386 944 025	378 153 207	249 386 135	249 552 108	249 710 989	249 818 786	1 763 565 250
▼ M5								
United Kingdom	475 531 544	848 443 195	850 859 320	754 569 938	754 399 511	755 442 113	756 171 870	5 195 417 491
Total EU-28	5 264 723 001	18 149 536 729	18 649 599 495	14 337 026 697	14 346 899 509	14 296 293 137	14 299 181 797	99 343 260 365

▼ **M4**

Technical assistance (0,25 %)	34 130 699	34 131 977	34 133 279	34 134 608	34 135 964	34 137 346	34 138 756	238 942 629
▼ M5								
Total	5 298 853 700	18 183 668 706	18 683 732 774	14 371 161 305	14 381 035 473	14 330 430 483	14 333 320 553	99 582 202 994



ANNEX II

AMOUNTS AND SUPPORT RATES

Article	Subject	Maximum amount in EUR or rate	
15(8)	Advisory services, farm management and farm relief services	1 500	Per advice
		200 000	Per three years for the training of advisors
16(2)	Information and promotion activities	70 %	Of the eligible costs of the action
16(4)	Quality schemes or agricultural products and foodstuffs	3 000	Per holding per year
17(3)	Investment in physical assets		Agricultural sector
		50 %	Of the amount of eligible investment in less developed regions and in all regions whose GDP per capita for the 2007 - 2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27.
		75 %	Of the amount of eligible investment in outermost regions
		75 %	Of the amount of eligible investment in Croatia for the implementation of Council Directive 91/676/EEC ⁽¹⁾ within a maximum period of four years from the date of accession pursuant to Article 3(2) and Article 5(1) of that Directive
		75 %	Of the amount of eligible investment in the smaller Aegean islands
	40 %	Of the amount of eligible investment in other regions The above rates may be increased by an additional 20 percentage points, provided that maximum combined support does not exceed 90 %, for: — Young farmers as defined in this Regulation, or who have already set up during the five years preceding the application for support; — Collective investments and integrated projects, including those linked to a merger of producer organisations; — Areas facing natural constraints and other specific as referred to in Article 32;	

▼ B

Article	Subject	Maximum amount in EUR or rate	
			<ul style="list-style-type: none"> — Operations supported in the framework of the EIP; — Investments linked to operations under Articles 28 and 29
			Processing and marketing of products listed in Annex I to the TFEU
		50 %	Of the amount of eligible investment in less developed regions and in all regions whose GDP per capita for the 2007 - 2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27
		75 %	Of the amount of eligible investment in outermost regions
		75 %	Of the amount of eligible investment in the smaller Aegean islands
		40 %	<p>Of the amount of eligible investment in other regions</p> <p>The above rates may be increased by an additional 20 percentage points, provided that maximum combined support does not exceed 90 %, for operations supported in the framework of the EIP or those linked to a merger of producer organisations</p>
17(4)	Investment in physical assets	100 %	Non-productive investments and agricultural and forestry infrastructure
18(5)	Restoring agricultural production potential damaged by natural disasters and introduction of appropriate prevention actions	80 %	Of the amount of eligible investment costs for prevention operations carried out by individual farmers.
		100 %	Of the amount of eligible investment costs for prevention operations carried out collectively by more than one beneficiary.
		100 %	Of the amount of eligible investment costs for operations to restore agricultural land and production potential damaged by natural disasters and catastrophic events.
19(6)	Farm and business development	70 000	Per young farmer under Article 19(1)(a)(i)
		70 000	Per beneficiary under Article 19(1)(a)(ii)
		15 000	Per small farm under Article 19(1)(a)(iii)

▼B

Article	Subject	Maximum amount in EUR or rate	
23(3)	Establishment of agroforestry systems	80 %	Of the amount of eligible investment for the establishment of agroforestry systems
26(4)	Investments in forestry technologies and in processing, in mobilising and in the marketing of forestry products	65 %	Of the amount of eligible investment in less developed regions
		75 %	Of the amount of eligible investment in outermost regions
		75 %	Of the amount of eligible investment in the smaller Aegean islands
		40 %	Of the amount of eligible investment in other regions
27(4)	Setting up of producer groups and organisations	10 %	As a percentage of marketed production during the first five years following recognition The support shall be degressive.
		100 000	Maximum amount per year in all cases.
28(8)	Agri-environment-climate	600 (*)	Per ha per year for annual crops
		900 (*)	Per ha per year for specialised perennial crops
		450 (*)	Per ha per year for other land uses
		200 (*)	Per livestock unit ("LU") per year for local breeds in danger of being lost to farmers
29(5)	Organic farming	600 (*)	Per ha per year for annual crops
		900 (*)	Per ha per year for specialised perennial crops
		450 (*)	Per ha per year for other land uses
30(7)	Natura 2000 and Water Framework Directive payments	500 (*)	Per ha per year maximum in the initial period not exceeding five years
		200 (*)	Per ha per year maximum
		50 (**)	Per ha per year minimum for Water Framework Directive payments
31(3)	Payments to areas facing natural or other specific constraints	25	Minimum per ha per year on average of the area of the beneficiary receiving support
		250 (*)	Maximum per ha per year
		450 (*)	Maximum per ha per year in mountain areas as defined in Article 32(2)

▼B

Article	Subject	Maximum amount in EUR or rate	
33(3)	Animal welfare	500	Per LU
34(3)	Forest-environmental and climate services and forest conservation	200 (*)	Per ha per year
37(5)	Crop, animal and plant insurance	65 %	Of the insurance premium due
38(5)	Mutual funds for adverse climatic events, animal and plant diseases, pest infestations and environmental incidents	65 %	Of the eligible costs.
39(5)	Income stabilisation tool	65 %	Of the eligible costs

(¹) 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).

(*) These amounts may be increased in duly substantiated cases taking into account specific circumstances to be justified in the rural development programmes.

(**) This amount may be decreased in duly substantiated cases taking into account specific circumstances to be justified in the rural development programmes.

NB: The aid intensities are without prejudice to Union State aid rules.

▼ **B**

ANNEX III

BIOPHYSICAL CRITERIA FOR THE DELIMITATION OF AREAS FACING NATURAL CONSTRAINTS

CRITERION	DEFINITION	THRESHOLD
CLIMATE		
Low Temperature (*)	Length of growing period (number of days) defined by number of days with daily average temperature > 5 °C (LGPT5) or	≤ 180 days
	Thermal-time sum (degree-days) for Growing Period defined by accumulated daily average temperature > 5 °C	≤ 1 500 degree-days
Dryness	Ratio of the annual precipitation (P) to the annual potential evapotranspiration (PET)	P/PET ≤ 0.5
CLIMATE AND SOIL		
Excess Soil Moisture	Number of days at or above field capacity	≥ 230 days
SOIL		
Limited Soil Drainage (*)	Areas which are water logged for significant duration of the year	Wet within 80 cm from the surface for over 6 months, or wet within 40 cm for over 11 months or Poorly or very poorly drained soil or Gleyic colour pattern within 40 cm from the surface
Unfavourable Texture and Stoniness (*)	Relative abundance of clay, silt, sand, organic matter (weight %) and coarse material (volumetric %) fractions	≥ 15 % of topsoil volume is coarse material, including rock outcrop, boulder or
		texture class in half or more (cumulatively) of the 100 cm soil surface is sand, loamy sand defined as: Silt % + (2 × clay %) ≤ 30 % or
		► C1 Topsoil texture class is heavy clay (≥ 60 % clay) or ◀
		Organic soil (organic matter ≥ 30 %) of at least 40 cm or
		Topsoil contains 30 % or more clay, and there are vertic properties within 100 cm of the soil surface

▼ B

CRITERION	DEFINITION	THRESHOLD
Shallow Rooting Depth	Depth (cm) from soil surface to coherent hard rock or hard pan	≤ 30 cm
Poor Chemical Properties (*)	Presence of salts, exchangeable sodium, excessive acidity	Salinity: ≥ 4 deci-Siemens per meter (dS/m) in topsoil or
		Sodicity: ≥ 6 Exchangeable Sodium Percentage (ESP) in half or more (cumulatively) of the 100 cm soil surface layer or
		Soil Acidity: pH ≤ 5 (in water) in topsoil
TERRAIN		
Steep Slope	Change of elevation with respect to planimetric distance (%)	≥ 15 %

(*) Member States need only check fulfilment of this criterion against those of the thresholds that are relevant to the specific situation of an area



ANNEX IV

INDICATIVE LIST OF MEASURES AND OPERATIONS OF PARTICULAR RELEVANCE TO THEMATIC SUB-PROGRAMMES REFERRED TO IN ARTICLE 7

Young farmers:

Business start-up aid for young farmers setting up for the first time in an agricultural holding

Investments in physical assets

Knowledge transfer and information actions

Advisory services, farm management and farm relief services

Co-operation

Investments in non-agricultural activities

Small farms:

Business start-up aid for the development of small farms

Investments in physical assets

Quality schemes for agricultural products and foodstuffs

Knowledge transfer and information actions

Advisory services, farm management and farm relief services

Co-operation

Investments in non-agricultural activities

Setting up of producer groups

LEADER

Mountain areas:

Payments to areas facing natural or other specific constraints

Agri-environment climate operations

Co-operation

Investments in physical assets

Farm and business development in rural areas

Quality schemes for agricultural products and foodstuffs

Establishment of agroforestry systems

Basic services and village renewal in rural areas

Knowledge transfer and information actions

Advisory services, farm management and farm relief services

Setting up of producer groups

LEADER

Short supply chains:

Co-operation

Setting up of producer groups

LEADER

Quality schemes for agricultural products and foodstuffs

▼B

Basic services and village renewal in rural areas
Investments in physical assets
Knowledge transfer and information actions
Advisory services, farm management and farm relief services

Women in rural areas:

Knowledge transfer and information actions
Advisory services, farm management and farm relief services
Investments in physical assets
Farm and business development
Basic services and village renewal in rural areas
Co-operation

LEADER

Climate change mitigation and adaptation and biodiversity:

Knowledge transfer & information actions
Advisory services, farm management and farm relief services
Investments in physical assets
Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention action
Basic services & village renewal in rural areas
Investments in forest area development and improvement of the viability of forests
Agri-environment-climate
Organic farming
Natura 2000 and Water framework directive payments
Payments to areas facing natural and other specific constraints (biodiversity)
Forest-environmental and climate services and forest conservation
Co-operation
Risk management



ANNEX V

EX ANTE CONDITIONALITIES FOR RURAL DEVELOPMENT

1. PRIORITIES-LINKED CONDITIONALITIES

EU priority for RD / CPR Thematic Objective (TO)	Ex ante conditionality	Criteria for fulfilment
<p>RD priority 3: promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture</p> <p>TO 5: promoting climate change adaptation, risk prevention and management</p>	<p>3.1. Risk prevention and risk management: the existence of national or regional risk assessments for disaster management, taking into account climate change adaptation</p>	<ul style="list-style-type: none"> — A national or regional risk assessment with the following elements shall be in place: <ul style="list-style-type: none"> — A description of the process, methodology, methods and non-sensitive data used for risk assessment as well as of the risk-based criteria for the prioritisation of investment; — A description of single-risk and multi-risk scenarios; — Taking into account, where appropriate, national climate change adaptation strategies.
<p>RD priority 4: restoring, preserving and enhancing ecosystems related to agriculture and forestry</p>	<p>4.1 Good Agricultural and Environmental Conditions (GAEC): standards for good agricultural and environmental condition of land referred to in Chapter I of Title VI of Regulation (EU) 1306/2013 are established at national level</p>	<ul style="list-style-type: none"> — GAEC standards are defined in national law and specified in the programmes;
<p>TO 5: promoting climate change adaptation, risk prevention and management</p>	<p>4.2 Minimum requirements for fertilisers and plant protection products: minimum requirements for fertilisers and plant protection products referred to in Article 28 of Chapter I of Title III of this Regulation are defined at national level</p>	<ul style="list-style-type: none"> — minimum requirements for fertilisers and plant protection products referred to in Chapter I of Title III of this Regulation are specified in the programmes;
<p>TO 6: Preserving and protecting the environment and promoting resource efficiency</p>	<p>4.3 other relevant national standards: relevant mandatory national standards are defined for the purpose of Article 28 of Chapter I of Title III of this Regulation</p>	<ul style="list-style-type: none"> — relevant mandatory national standards are specified in the programmes;
<p>RD priority 5: promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in the agriculture and food sectors and the forestry sector</p> <p>TO 4: supporting the shift towards a low-carbon economy in all sectors</p>	<p>5.1 Energy efficiency: Actions have been carried out to promote cost-effective improvements of energy end use efficiency and cost-effective investment in Energy efficiency when constructing or renovating buildings.</p>	<ul style="list-style-type: none"> — The actions are: <ul style="list-style-type: none"> — Measures to ensure minimum requirements are in place related to the energy performance of buildings consistent with Articles 3, 4 and 5 of Directive 2010/31/EU of the European Parliament and the Council (1). — Measures necessary to establish a system of certification of the energy performance of buildings consistent with Article 11 of Directive 2010/31/EU



EU priority for RD / CPR Thematic Objective (TO)	Ex ante conditionality	Criteria for fulfilment
<p>TO 6: Preserving and protecting the environment and promoting resource efficiency</p>	<p>5.2 Water sector: The existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.</p> <p>5.3 Renewable energy: Actions have been carried out to promote the production and distribution of renewable energy sources ⁽⁴⁾.</p>	<ul style="list-style-type: none"> — Measures to ensure strategic planning on energy efficiency, consistent with Article 3 of Directive 2012/27 EU of the European Parliament and the Council ⁽²⁾. — Measures consistent with Article 13 of Directive 2006/32/EC of the European Parliament and the Council ⁽³⁾ on energy end-use efficiency and energy services to ensure the provision to final customers of individual meters in so far as it is technically possible, financially reasonable and proportionate in relation to the potential energy savings. — In sectors supported by the EAFRD, a Member State has ensured a contribution of the different water uses to the recovery of the costs of water services by sector consistent with Article 9, paragraph 1 first indent of the Water Framework Directive having regard where appropriate, to the social, environmental and economic effects of the recovery as well as the geographic and climatic conditions of the region or regions affected. — Transparent support schemes, priority in grid access or guaranteed access and priority in dispatching, as well as standard rules relating to the bearing and sharing of costs of technical adaptations which have been made public are in place consistent with Article 14(1) and Article 16(2) and (3) of Directive 2009/28/EC — A Member State has adopted a national renewable energy action plan consistent with Article 4 of Directive 2009/28/EC
<p>RD priority 6: promoting social inclusion poverty reduction and economic development in rural areas</p> <p>TO 2: Enhancing access to, and use and quality of, information and communication technologies (Broadband target)</p>	<p>6. Next Generation Network (NGN) Infrastructure: The existence of national or regional NGA Plans which take account of regional actions in order to reach the Union high-speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules and to provide accessible services to vulnerable groups.</p>	<ul style="list-style-type: none"> — A national or regional NGN Plan is in place that contains: <ul style="list-style-type: none"> — a plan of infrastructure investments based on an economic analysis taking account of existing private and public infrastructures and planned investments;

▼ B

EU priority for RD / CPR Thematic Objective (TO)	Ex ante conditionality	Criteria for fulfilment
		<ul style="list-style-type: none"> — sustainable investment models that enhance competition and provide access to open, affordable, quality and future proof infrastructure and services; — measures to stimulate private investment.

(¹) Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

(²) Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1).

(³) Directive 2006/32/EC of the European Parliament and of the Council of 5 April 2006 on energy end-use efficiency and energy services and repealing Council Directive 93/76/EEC (OJ L 114, 27.4.2006, p. 64).

(⁴) Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (OJ L 140, 5.6.2009, p. 16).

▼B*ANNEX VI***INDICATIVE LIST OF MEASURES WITH RELEVANCE TO ONE OR MORE UNION PRIORITIES FOR RURAL DEVELOPMENT**

Measures of particular relevance to several Union priorities

Article 15 Advisory services, farm management and farm relief services

Article 17 Investments in physical assets

Article 19 Farm and business development

Article 35 Co-operation

Article 42 - 44 LEADER

Measures of particular relevance to fostering knowledge transfer and innovation in agriculture, forestry, and rural areas

Article 14 Knowledge transfer and information actions

Article 26 Investments in forestry technologies and in processing in mobilising and in the marketing of forestry products

Measures of particular relevance for enhancing the competitiveness of all types of agriculture and enhancing farm viability

Article 16 Quality schemes for agricultural products and foodstuffs

Measures of particular relevance to promoting food chain organisation and risk management in agriculture

Article 18 Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions

Article 24 Prevention and restoration of damage to forests from forest fires and natural disasters and catastrophic events

Article 27 Setting up of producer groups

Article 33 Animal welfare

Article 36 Risk management

Article 37 Crop, animal, and plant insurance

Article 38 Mutual funds for animal and plant diseases and environmental incidents

Article 39 Income stabilisation tool

▼C1

Measure of particular relevance to restoring, preserving and enhancing ecosystems related to agriculture and forestry

▼B

and

Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

Article 21(1)(a) Afforestation and creation of woodland

Article 21(1)(b) Establishment of agroforestry systems

Article 21(1)(d) Investments improving the resilience and environmental value as well as the mitigation of potential forest ecosystems

▼B

Article 28	Agri-environment-climate
Article 29	Organic farming
Article 30	Natura 2000 and Water framework directive payments
Article 31 -32	Payments to areas facing natural or other specific constraints
Article 34	Forest-environmental and climate services and forest conservation
Measures of particular relevance to promoting social inclusion, poverty reduction and economic development in rural areas	
Article 20	Basic services and village renewal in rural areas
Article 42 – 44	LEADER