

Regulation (EU) 2020/2220 of the European Parliament and of the Council of 23 December 2020 laying down certain transitional provisions for support from the European Agricultural Fund for Rural Development (EAFRD) and from the European Agricultural Guarantee Fund (EAGF) in the years 2021 and 2022 and amending Regulations (EU) No 1305/2013, (EU) No 1306/2013 and (EU) No 1307/2013 as regards resources and application in the years 2021 and 2022 and Regulation (EU) No 1308/2013 as regards resources and the distribution of such support in respect of the years 2021 and 2022

TITLE II

AMENDMENTS

Article 7

Amendments to Regulation (EU) No 1305/2013

Regulation (EU) No 1305/2013 is amended as follows:

- (1) point (h) of Article 8(1) is amended as follows:
 - (a) point (i) is replaced by the following:
 - (i) a table setting out, in accordance with Article 58(4) and Article 58a(2) of this Regulation, the total EAFRD contribution planned for each year. That table shall indicate separately the additional resources as referred to in Article 58a(2) of this Regulation. When applicable, that table shall also indicate separately, within the total EAFRD contribution, the appropriations provided for the less developed regions and the funds transferred to the EAFRD pursuant to Article 7(2) of Regulation (EU) No 1307/2013. The planned annual EAFRD contribution shall be compatible with the Multiannual Financial Framework;;
 - (b) point (ii) is replaced by the following:
 - (ii) a table setting out, for each measure, for each type of operation with a specific EAFRD contribution rate, for the type of operation referred to in Article 37(1) and Article 39a, for the type of operation referred to in Article 38(3) and Article 39(1) when a Member State applies a percentage less than 30 %, and for technical assistance, the total Union contribution planned and the applicable EAFRD contribution rate. Where applicable, that table shall indicate separately the EAFRD contribution rate for less developed regions and for other regions;;
- (2) in Article 28(5), the following subparagraphs are added:

For new commitments to be undertaken from 2021, Member States shall determine a shorter period of one to three years in their rural development programmes.

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If Member States provide for an annual extension of commitments after the termination of the initial period in accordance with the first subparagraph, from 2022 the extension shall not go beyond one year.

By way of derogation from the second subparagraph, for new commitments to be undertaken in 2021 and 2022, Member States may determine a period of longer than three years in their rural development programmes based on the nature of the commitments and the environmental and climate-related objectives sought.;

- (3) in Article 29(3), the following subparagraphs are added:

For new commitments to be undertaken from 2021, Member States shall determine a shorter period of one to three years in their rural development programmes.

If Member States provide for an annual extension for the maintenance of organic farming after the termination of the initial period in accordance with the first subparagraph, from 2022 the extension shall not go beyond one year.

By way of derogation from the second subparagraph, for new commitments to be undertaken in 2021 and 2022, where support is granted for conversion to organic farming, Member States may determine a period of longer than three years in their rural development programmes.;

- (4) in Article 31(5), the second subparagraph is replaced by the following:

In the years 2021 and 2022, for programmes extended in accordance with Article 1 of Regulation (EU) 2020/2220 of the European Parliament and of the Council⁽¹⁾, where degressive payments were not granted by the Member States for the maximum duration of four years up to 2020, those Member States may decide to continue those payments until the end of 2022 but for no longer than four years in total. In that case, the payments in the years 2021 and 2022 shall not exceed EUR 25 per hectare.;

- (5) in Article 33(2), the following subparagraphs are added:

For new commitments to be undertaken as from 2021, Member States shall determine a shorter period of one to three years in their rural development programmes.

If Member States provide for an annual renewal of commitments after the termination of the initial period in accordance with the second subparagraph, as from 2022 the renewal shall not go beyond one year.

By way of derogation from the third subparagraph, for new commitments to be undertaken in 2021 and 2022, Member States may determine a period of longer than three years in their rural development programmes based on the nature of the commitments and the animal welfare benefits sought.;

- (6) in Article 38(3), the second subparagraph is replaced by the following:

Support under point (b) of Article 36(1) shall only be granted to cover for loss caused by the outbreak of adverse climatic events, animal or plant disease, pest infestation, or measures adopted in accordance with Directive 2000/29/EC to eradicate or contain a plant disease or pest or 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,

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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. Member States may decide to reduce that percentage of 30 %, however, to not less than 20 %.

(7) in Article 39, paragraph 1 is replaced by the following:

1. Support under point (c) of Article 36(1) shall only be granted where the drop in 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. Indexes may be used to calculate the annual loss of income of the farmer. Member States may decide to reduce that percentage of 30 %, however, to not less than 20 %.

(8) in Article 39b, paragraph 4 is replaced by the following:

4. The support shall take the form of a lump sum payment to be paid by 31 December 2021, based on applications for support approved by the competent authority by 30 June 2021. The subsequent reimbursement by the Commission shall be made in accordance with budget appropriations and subject to available funding. The level of payment may be differentiated by categories of beneficiaries, in accordance with objective and non-discriminatory criteria.

(9) in Article 42, paragraph 1 is replaced by the following:

1. In addition to the tasks referred to in Article 34 of Regulation (EU) No 1303/2013 and in Article 4 of Regulation (EU) 2020/2220, local action groups may also perform additional tasks delegated to them by the Managing Authority and/or the paying agency.

(10) in Article 51(2), the following subparagraph is added:

By way of derogation from the first subparagraph, Member States for which the total amount of Union support for rural development for the years 2014-2020 as laid down in Annex I to this Regulation is less than EUR 1 800 million may, after the extension of their programmes in accordance with Article 1 of Regulation (EU) 2020/2220, decide to devote 5 % of the total amount of each rural development programme to tasks referred to in Article 59 of Regulation (EU) No 1303/2013.

(11) Article 58 is amended as follows:

- (a) in paragraph 1, the following subparagraph is added:

Without prejudice to paragraphs 5, 6 and 7, the total amount of Union support for rural development under this Regulation for the period from 1 January 2021 to 31 December 2022 shall be a maximum of EUR 26 896 831 880, in current prices, in accordance with the multiannual financial framework for the years 2021 to 2027.

- (b) paragraph 7 is replaced by the following:

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7. In order to take account of the developments relating to the annual breakdown referred to in paragraph 4 of this Article, including the transfers referred to in paragraphs 5 and 6 of this Article and the transfers resulting from the application of Article 1 of Regulation (EU) 2020/2220, 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 of this Regulation, to review the ceilings set out in Annex I to this Regulation.;

(12) the following Article is inserted:

Article 58a

**Resources for the recovery of the Union
agricultural sector and rural areas**

1 Point (g) of Article 1(2) of Council Regulation (EU) 2020/2094 ('EURI Regulation')⁽²⁾ shall be implemented in accordance with this Article through measures that are eligible under the EAFRD and that are directed at addressing the impact of the COVID-19 crisis, with an amount of EUR 8 070 486 840 in current prices of the amount referred to in point (vi) of Article 2(2)(a) of that Regulation, subject to Article 3(3), (4) and (8) thereof.

That amount of EUR 8 070 486 840 in current prices shall constitute external assigned revenues in accordance with Article 21(5) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁽³⁾.

It shall be made available as additional resources for budgetary commitment under the EAFRD for the years 2021 and 2022, in addition to the total resources set out in Article 58 of this Regulation as follows:

- 2021: EUR 2 387 718 000;
- 2022: EUR 5 682 768 840.

For the purpose of this Regulation and Regulations (EU) No 1306/2013 and (EU) No 1307/2013, those additional resources shall be considered as amounts financing measures under the EAFRD. They shall be considered as being part of the total amount of Union support for rural development, as referred to in Article 58(1) of this Regulation, to which they shall be added when reference is made to the total amount of Union support for rural development. Article 14 of Regulation (EU) No 1307/2013 shall not apply to the additional resources referred to in this paragraph and in paragraph 2 of this Article.

2 The breakdown for each Member State of the additional resources referred to in paragraph 1 of this Article, after deduction of the amount referred to in paragraph 7 of this Article, is set out in Annex Ia.

3 The percentage thresholds of the total EAFRD contribution to the rural development programme referred to in Article 59(5) and (6) of this Regulation shall not apply to the additional resources referred to in paragraph 1 of this Article. However, Member States shall ensure that at least the same overall share of the EAFRD contribution, including the additional resources referred to in paragraph 2 of this Article, is reserved in each rural development programme for the measures

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referred to in Article 59(6) of this Regulation, in line with Article 1(2) of Regulation (EU) 2020/2220.

4 At least 37 % of the additional resources referred to in paragraph 2 of this Article shall be reserved in each rural development programme for measures referred to in Article 33 and Article 59(5) and (6), and in particular for:

- a organic farming;
- b mitigation of, and adaptation to, climate change, including reduction of greenhouse gas emissions from agriculture;
- c soil conservation, including the enhancement of soil fertility through carbon sequestration;
- d improvement of the use and management of water, including water saving;
- e creation, conservation and restoration of habitats favourable to biodiversity;
- f reduction of the risks and impacts of pesticide and antimicrobial use;
- g animal welfare;
- h LEADER cooperation activities.

5 At least 55 % of the additional resources referred to in paragraph 2 of this Article shall be reserved in each rural development programme for measures referred to in Articles 17, 19, 20 and 35, provided that the designated use of such measures in the rural development programmes promotes economic and social development in rural areas, and contributes to a resilient, sustainable and digital economic recovery in line, inter alia, with the agri-environment-climate objectives pursued under this Regulation, and in particular:

- a short supply chains and local markets;
- b resource efficiency, including precision and smart farming, innovation, digitalisation and modernisation of production machinery and equipment;
- c safety conditions at work;
- d renewable energy, circular and bio-economy;
- e access to high-quality ICT in rural areas.

When allocating the additional resources referred to in paragraph 2 of this Article, Member States may decide to derogate from the percentage threshold set out in the first subparagraph of this paragraph to the extent necessary to comply with the non-regression principle set out in Article 1(2) of Regulation (EU) 2020/2220. However, Member States may instead decide to derogate from that non-regression principle to the extent necessary to comply with the percentage threshold set out in the first subparagraph of this paragraph.

6 Up to 4 % of the total additional resources referred to in paragraph 2 of this Article may be allocated to technical assistance, at the initiative of the Member States, to the rural development programmes in accordance with Article 51(2). That percentage threshold may be 5 % for those Member States to which the fourth subparagraph of Article 51(2) applies.

7 Up to 0,25 % of the total additional resources referred to in paragraph 1 of this Article may be allocated to technical assistance in accordance with Article 51(1).

8 The budget commitments relating to the additional resources referred to in paragraphs 1 and 2 of this Article shall in each rural development programme be made separately from the allocation referred to in Article 58(4).

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- 9 Articles 20, 21 and 22 of Regulation (EU) No 1303/2013 shall not apply to the total additional resources referred to in paragraphs 1 and 2 of this Article.;
- (13) Article 59 is amended as follows:
- (a) in paragraph 4, the following point is inserted:
 - (ea) 100 % for operations receiving funding from additional resources referred to in Article 58a(1). Member States may establish a single, specific EAFRD contribution rate applicable to all those operations;;
 - (b) paragraph 5 is replaced by the following:

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 and community-led local development as referred to in Article 4 of Regulation (EU) 2020/2220.

When Member States make use of the possibility provided for in the sixth or seventh subparagraph of Article 14(1) of Regulation (EU) No 1307/2013, the percentages laid down in the first subparagraph of this paragraph shall apply to the total EAFRD contribution to the rural development programme without the additional support made available in accordance with the sixth or seventh subparagraph of Article 14(1) of Regulation (EU) No 1307/2013.;
 - (c) paragraph 6a is replaced by the following:

6a. The EAFRD support provided under Article 39b shall not exceed 2 % of the total EAFRD contribution to the rural development programme for the years 2014-2020 as provided for in Part One of Annex I.;
- (14) in Article 75, paragraph 1 is replaced by the following:
1. By 30 June 2016 and by 30 June of each subsequent year until and including 2026, the Member State shall submit to the Commission the 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.;
- (15) Article 78 is replaced by the following:
- In 2026, 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 2026.;
- (16) Annex I is amended in accordance with Annex I to this Regulation;
- (17) A new Annex Ia is inserted as set out in Annex II to this Regulation;
- (18) Annex II is amended as follows:
- (a) Article 17(3) Investment in physical assets, fourth column is amended as follows:
 - (i) row 6 is replaced by the following:

Of the amount of eligible investment in other regions

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The above rates may be increased by an additional maximum 35 percentage points in case of financing operations from funds referred to in Article 58a(1) contributing to a resilient, sustainable and digital economic recovery, provided that such support does not exceed 75 %, and 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 constraints as referred to in Article 32;
- Operations supported in the framework of the EIP;
- Investments linked to operations under Articles 28 and 29;

(ii) row 11 is replaced by the following:

Of the amount of eligible investment in other regions

The above rates may be increased by an additional maximum 35 percentage points in case of financing operations from funds referred to in Article 58a(1) contributing to a resilient, sustainable and digital economic recovery, provided that such support does not exceed 75 %, and 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;

(b) Article 19(6) Farm and business development, fourth column, row 1 is replaced by the following:

Per young farmer under Article 19(1)(a)(i)

That amount may be increased by an additional maximum of EUR 30 000 in the case of financing operations from funds referred to in Article 58a(1)..

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- (1) Regulation (EU) 2020/2220 of the European Parliament and of the Council of 23 December 2020 laying down certain transitional provisions for support from the European Agricultural Fund for Rural Development (EAFRD) and from the European Agricultural Guarantee Fund (EAGF) in the years 2021 and 2022 and amending Regulations (EU) No 1305/2013, (EU) No 1306/2013 and (EU) No 1307/2013 as regards resources and application in the years 2021 and 2022 and Regulation (EU) No 1308/2013 as regards resources and the distribution of such support in respect of the years 2021 and 2022 (OJ L 437, 28.12.2020, p. 1).’;
- (2) Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis ([OJ L 433, 22.12.2020, p. 23](#)).
- (3) Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ([OJ L 193, 30.7.2018, p. 1](#)).’;

Changes to legislation:

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Changes and effects yet to be applied to :

- Art. 1-9 omitted by [S.I. 2022/861](#) reg. 5(2)

Changes and effects yet to be applied to the whole legislation item and associated provisions

- Art. 10(1) omitted by [S.I. 2022/861](#) reg. 5(3)
- Art. 10(4)-(10) omitted by [S.I. 2022/861](#) reg. 5(3)