

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 I

TRANSITIONAL PROVISIONS

CHAPTER I

Extension of certain periods under Regulations (EU) No 1303/2013 and (EU) No 1310/2013 and continued application of Regulation (EU) No 1303/2013 for the programming years 2021 and 2022

Article 1

Extension of the period of duration of programmes supported by the European Agricultural Fund for Rural Development

1 For programmes supported by the European Agricultural Fund for Rural Development (EAFRD), the period from 1 January 2014 to 31 December 2020 laid down in Article 26(1) of Regulation (EU) No 1303/2013 is hereby extended until 31 December 2022.

2 The extension of the period of duration of programmes supported by the EAFRD, referred to in paragraph 1 of this Article, shall be without prejudice to the need to submit a request to amend rural development programmes for the transitional period as referred to in point (a) of Article 11 of Regulation (EU) No 1305/2013. Such an amendment shall ensure that at least the same overall share of the EAFRD contribution is reserved for the measures referred to in Article 59(6) of that Regulation.

Article 2

Continued application of Regulation (EU) No 1303/2013 to programmes supported by the EAFRD

1 Regulation (EU) No 1303/2013 shall continue to apply to programmes supported by the EAFRD under the 2014–2020 programming period and extended in accordance with Article 1 of this Regulation.

2 For programmes extended in accordance with Article 1 of this Regulation, the references to periods or deadlines in Article 50(1), Article 51(1), Article 57(2) and Article 65(2) and (4) and the first paragraph of Article 76 of Regulation (EU) No 1303/2013 shall be extended by two years.

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3 For programmes extended in accordance with Article 1 of this Regulation, Member States shall amend their targets established in the context of the performance framework set out in Annex II to Regulation (EU) No 1303/2013 to establish targets for 2025. For those programmes, references to targets for 2023 set out in implementing acts adopted in accordance with Article 22(7) of Regulation (EU) No 1303/2013 or Article 8(3), Article 67, Article 75(5) or Article 76(1) of Regulation (EU) No 1305/2013 shall be read as references to targets for 2025.

4 The final date by which the Commission is to prepare a synthesis report outlining the main conclusions of *ex-post* evaluations of the EAFRD provided for in Article 57(4) of Regulation (EU) No 1303/2013 shall be 31 December 2027.

Article 3

Eligibility of certain types of expenditure during the transitional period

Without prejudice to Article 2(2) of this Regulation, to Article 65(2) of Regulation (EU) No 1303/2013 and to Article 38 of Regulation (EU) No 1306/2013, the expenditure referred to in Article 3(1) of Regulation (EU) No 1310/2013 and in Article 16 of Delegated Regulation (EU) No 807/2014 shall be eligible for an EAFRD contribution from the 2021 and 2022 allocation for programmes supported by the EAFRD which were extended in accordance with Article 1 of this Regulation, subject to the following conditions:

- (a) such expenditure is provided for in the respective rural development programme for the years covered by the transitional period;
- (b) the EAFRD contribution rate of the corresponding measure under Regulation (EU) No 1305/2013, as set out in Annex I to Regulation (EU) No 1310/2013 and in Annex I to Delegated Regulation (EU) No 807/2014, applies;
- (c) the system referred to in Article 67(2) of Regulation (EU) No 1306/2013 applies to the legal commitments undertaken under measures that correspond to support granted in accordance with points (a) and (b) of Article 21(1) and Articles 28 to 31, 33, 34 and 40 of Regulation (EU) No 1305/2013 and the relevant operations are clearly identified; and
- (d) the payments for the legal commitments referred to in point (c) of this Article are made within the period laid down in Article 75 of Regulation (EU) No 1306/2013.

CHAPTER II

Preparation of future community-led local development strategies in the programming years 2021 and 2022

Article 4

Community-led local development

For programmes extended in accordance with Article 1 of this Regulation, the EAFRD may support the costs of capacity building and preparatory actions supporting the design and future implementation of community-led local development strategy under the new legal framework.

Changes to legislation: There are outstanding changes not yet made to Regulation (EU) 2020/2220 of the European Parliament and of the Council. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

CHAPTER III

Payment entitlements for direct payments to farmers

Article 5

Definitive payment entitlements

1 Payment entitlements allocated to farmers before 1 January 2020 shall be considered legal and regular as from 1 January 2021. The value of those entitlements to be considered legal and regular shall be the value for calendar year 2020 valid on 31 December 2020.

2 By way of derogation from paragraph 1 of this Article, a Member State which has made use of the option provided for in Article 24(6) of Regulation (EU) No 1307/2013 may, while respecting the legitimate expectations of farmers, decide that all payment entitlements allocated before 1 January 2020 shall be considered legal and regular as from that date. In that case, the value of those entitlements to be considered legal and regular shall be the value for calendar year 2019 valid on 31 December 2019.

3 Paragraphs 1 and 2 of this Article shall apply without prejudice to the relevant provisions of Union law, in particular to Article 22(5) and Article 25(12) of Regulation (EU) No 1307/2013, concerning the value of payment entitlements for calendar year 2020 and onwards.

4 Paragraphs 1 and 2 shall not apply to payment entitlements allocated to farmers on the basis of factually incorrect applications, except in cases where the error could not reasonably have been detected by the farmer.

5 Paragraphs 1 and 2 of this Article shall not prejudice the Commission's power to take decisions referred to in Article 52 of Regulation (EU) No 1306/2013 in relation to expenditure incurred for payments granted in respect of calendar years up to 2020 inclusive where paragraph 1 of this Article applies, or up to 2019 inclusive where paragraph 2 of this Article applies.

CHAPTER IV

Transitional provisions relating to rural development

Article 6

Eligibility of expenditure incurred under Regulation (EU) No 1305/2013, and certain types of expenditure incurred under Regulations (EC) No 1698/2005 and (EC) No 1257/1999

Expenditure relating to legal commitments to beneficiaries incurred under Regulation (EU) No 1305/2013, and certain types of expenditure incurred under Council Regulations (EC) No 1698/2005⁽¹⁾ and (EC) No 1257/1999⁽²⁾ may be eligible for a contribution from the EAFRD in the period 2023-2027 from 1 January 2023, subject to the conditions to be determined in accordance with the CAP legal framework applicable in the period 2023-2027.

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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.

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.

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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⁽³⁾, 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, 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

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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:

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:

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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')⁽⁴⁾ 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⁽⁵⁾.

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 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;

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- 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).

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:

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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

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;

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- 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)..

Article 8

Amendments to Regulation (EU) No 1306/2013

Regulation (EU) No 1306/2013 is amended as follows:

(1) in Article 25, the following subparagraph is added:

For each of the years 2021 and 2022, the amount of the reserve shall be EUR 400 million (at 2011 prices) and shall be included under Heading 3 of the Multiannual Financial Framework as set out in the Annex to Council Regulation (EU) 2020/2093⁽⁶⁾ [MFF].;

(2) Article 33 is replaced by the following:

Article 33

Budget commitments

As regards the Union's budget commitments for rural development programmes, Article 76 of Regulation (EU) No 1303/2013 and where applicable in conjunction with Article 2(2) of Regulation (EU) 2020/2220 of the European Parliament and of the Council⁽⁷⁾ shall apply.;

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- (3) in Article 35, the following paragraph is added:
 - 5. For programmes extended in accordance with Article 1 of Regulation (EU) 2020/2220, no pre-financing shall be granted for the 2021 and 2022 allocation or for additional resources referred to in Article 58a(1) and (2) of Regulation (EU) No 1305/2013.;
- (4) in Article 36(3), the following subparagraph is added:
 - Point (b) of the first subparagraph shall apply, *mutatis mutandis*, to the additional resources referred to in Article 58a of Regulation (EU) No 1305/2013.;
- (5) in Article 37, paragraph 1 is replaced by the following:
 - 1. After receiving the last annual progress report on the implementation of a rural development programme, the Commission shall pay the balance, subject to the availability of resources, on the basis of the financial plan in force, the annual accounts for the last execution year for the relevant rural development programme and of the corresponding clearance decision. Those accounts shall be presented to the Commission no later than six months after the final eligibility date of expenditure as referred to in Article 65(2) of Regulation (EU) No 1303/2013, and where applicable in conjunction with Article 2(2) of Regulation (EU) 2020/2220, and shall cover the expenditure effected by the paying agency up to the last eligibility date of expenditure.;
- (6) in Article 38, paragraph 2 is replaced by the following:
 - 2. The part of budget commitments that is still open on the last eligibility date for expenditure as referred to in Article 65(2) of Regulation (EU) No 1303/2013, and where applicable in conjunction with Article 2(2) of Regulation (EU) 2020/2220, for which no declaration of expenditure has been made within six months of that date shall be automatically de-committed..

Article 9

Amendments to Regulation (EU) No 1307/2013

Regulation (EU) No 1307/2013 is amended as follows:

- (1) in Article 11(6), the following subparagraph is added:
 - Member States shall notify the Commission of the decisions taken in accordance with this Article and of any estimated product of reductions for the year 2021 by 19 February 2021 and for the year 2022 by 1 August 2021.;
- (2) Article 14 is amended as follows:
 - (a) in paragraph 1, the following subparagraph is added:
 - Member States may decide to make available, as additional support financed under the EAFRD in financial years 2022 and 2023, up to 15 % of their annual national ceilings for the calendar years 2021 and 2022 set out in Annex II to this Regulation. As a result, the corresponding amount shall no longer be available for granting direct payments. That decision shall be notified to the Commission for the calendar year 2021 by 19 February 2021 and for the calendar year 2022 by 1 August 2021 and shall set out the percentage chosen.;

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- (b) in paragraph 2, the following subparagraph is added:

Member States which do not take the decision referred to in the seventh subparagraph of paragraph 1 for financial years 2022 and 2023, may decide to make available as direct payments up to 15 %, or in the case of Bulgaria, Estonia, Spain, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia, Finland and Sweden up to 25 %, of the amount allocated to support financed under the EAFRD in financial year 2022 by Regulation (EU) No 1305/2013 and in financial year 2023 by Union legislation adopted after the adoption of Council Regulation (EU) 2020/2093⁽⁸⁾ [MFF]. As a result, the corresponding amount shall no longer be available for support financed under the EAFRD. That decision shall be notified to the Commission for the financial year 2022 by 19 February 2021 and for the financial year 2023 by 1 August 2021 and shall set out the percentage chosen.;

- (3) Article 22 is amended as follows:

- (a) paragraph 2 is replaced by the following:

2. For each Member State, the amount calculated in accordance with the paragraph 1 of this Article may be increased by a maximum of 3 % of the relevant annual national ceiling set out in Annex II after deduction of the amount resulting from the application of Article 47(1) for the relevant year. When a Member State applies such an increase, that increase shall be taken into account by the Commission when setting the annual national ceiling for the basic payment scheme pursuant to paragraph 1 of this Article. For that purpose, Member States shall notify the Commission by 1 August 2014 of the annual percentages by which the amount calculated pursuant to paragraph 1 of this Article is to be increased. By 19 February 2021, Member States shall notify the Commission of the annual percentage by which the amount calculated pursuant to paragraph 1 of this Article is to be increased for calendar years 2021 and 2022.;

- (b) in paragraph 5, the following subparagraph is added:

For calendar years 2021 and 2022, if the ceiling for a Member State set by the Commission pursuant to paragraph 1 of this Article is different from that of the previous year as a result of a change in the amount set out in Annex II or as a result of any decision taken by that Member State in accordance with this Article, Article 14(1) or (2), Article 42(1), Article 49(1), Article 51(1) or Article 53, that Member State shall linearly reduce or increase the value of all payment entitlements and/or reduce or increase the national reserve or regional reserves in order to ensure compliance with paragraph 4 of this Article.;

- (4) in Article 23(6), the following subparagraph is added:

Member States applying the first subparagraph of paragraph 1 shall notify the Commission for calendar year 2021 by 19 February 2021 and for calendar year 2022 by 1 August 2021 of the decisions referred to in paragraphs 2 and 3.;

- (5) in Article 25, the following paragraphs are added:

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11. After having applied the adjustment referred to in Article 22(5), Member States that have made use of the derogation provided for in paragraph 4 of this Article may decide that payment entitlements held by farmers on 31 December 2019 which have a value lower than the national or regional unit value in 2020 as calculated in accordance with the second subparagraph of this paragraph have their unit value increased towards the national or regional unit value in 2020. The increase shall be calculated under the following conditions:

- a the calculation method for the increase decided upon by the Member State concerned is based on objective and non-discriminatory criteria;
- b in order to finance the increase, all or part of the owned or leased-in payment entitlements held by farmers on 31 December 2019 which have a value higher than the national or regional unit value in 2020 as calculated in accordance with the second subparagraph shall be reduced; that reduction shall apply to the difference between the value of those entitlements and the national or regional unit value in 2020; the application of that reduction shall be based on objective and non-discriminatory criteria, which may include the fixing of a maximum decrease.

The national or regional unit value in 2020 referred to in the first subparagraph of this paragraph shall be calculated by dividing the national or regional ceiling for the basic payment scheme set in accordance with Article 22(1) or Article 23(2) for 2020, excluding the amount of the national or regional reserves, by the number of the owned or leased-in payment entitlements held by farmers on 31 December 2019.

By way of derogation from the first subparagraph of this paragraph, Member States that have made use of the derogation provided for in paragraph 4 of this Article may decide to keep the value of payment entitlements calculated in accordance with that paragraph subject to the adjustment referred to in Article 22(5).

Member States shall inform farmers in due time of the value of their payment entitlements as calculated in accordance with this paragraph.

- 12 For calendar years 2021 and 2022, Member States may decide to apply further internal convergence by applying paragraph 11 to the year concerned.;

- (6) in Article 29, the following paragraph is added:

For calendar years 2020 and 2021, Member States shall notify the Commission of their decisions referred to in Article 25(11) and (12) by 19 February 2021.

For calendar year 2022, Member States shall notify the Commission of their decision referred to in Article 25(12) by 1 August 2021.;

- (7) in Article 30(8), the following subparagraph is added:

For allocations from the national reserve or regional reserves in 2021 and 2022, the amount of the national reserve or regional reserves to be excluded in accordance with the second subparagraph of this paragraph shall be adjusted in accordance with the second subparagraph of Article 22(5). For allocations from the national reserve or regional reserves in 2021 and 2022, the third subparagraph of this paragraph shall not apply.;

- (8) Article 36 is amended as follows:

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

Member States applying the single area payment scheme in 2020 shall continue to do so after 31 December 2020.;
 - (b) in paragraph 4, the second subparagraph is replaced by the following:

For each Member State, the amount calculated in accordance with the first subparagraph of this paragraph may be increased by a maximum of 3 % of the relevant annual national ceiling set out in Annex II after deduction of the amount resulting from the application of Article 47(1) for the relevant year. When a Member State applies such an increase, that increase shall be taken into account by the Commission when setting the annual national ceiling for the single area payment scheme pursuant to the first subparagraph of this paragraph. For that purpose, Member States shall notify the Commission by 31 January 2018 of the annual percentages by which the amount calculated pursuant to paragraph 1 of this Article is to be increased each calendar year from 2018. By 19 February 2021, Member States shall notify the Commission of the annual percentage by which the amount calculated pursuant to paragraph 1 of this Article is to be increased for calendar years 2021 and 2022.;
- (9) Article 37 is amended as follows:
- (a) in paragraph 1, the following subparagraph is added:

Member States granting transitional national aid in the period 2015-2020 may decide to grant transitional national aid in 2021 and 2022.;
 - (b) in paragraph 4, the sixth indent is replaced by the following:

— 50 % in 2020, 2021 and 2022.;
- (10) in Article 41, paragraph 1 is replaced by the following:
1. Member States may decide by 1 August of any given year to grant, from the following year, an annual payment to farmers who are entitled to a payment under the basic payment scheme referred to in Sections 1, 2, 3 and 5 of Chapter 1 or under the single area payment scheme referred to in Section 4 of Chapter 1 (“the redistributive payment”). Member States may take such a decision by 19 February 2021 for calendar year 2021 and by 1 August 2021 for calendar year 2022. Member States already applying the redistributive payment may review their decision to grant such payment or the details of the scheme by 19 February 2021 for calendar year 2021 and by 1 August 2021 for calendar year 2022.
- Member States shall notify the Commission of any such decision by the relevant date referred to in the first subparagraph.;
- (11) in Article 42(1), the following subparagraph is added:
- Member States shall notify the Commission of the percentage referred to in the first subparagraph by 19 February 2021 for calendar year 2021 and by 1 August 2021 for calendar year 2022.;
- (12) in Article 49(1), the following subparagraph is added:

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Member States granting payments in accordance with Article 48 in calendar year 2020 shall notify the Commission of the percentage referred to in the first subparagraph by 19 February 2021 for calendar year 2021 and by 1 August 2021 for calendar year 2022.;

(13) in Article 51(1), the first subparagraph is replaced by the following:

1. In order to finance the payment for young farmers, Member States shall use a percentage, which shall not be higher than 2 %, of the annual national ceiling set out in Annex II. The Member States shall notify the Commission, by 1 August 2014, of the estimated percentage necessary to finance that payment. By 19 February 2021, Member States shall notify the Commission of the estimated percentages necessary to finance that payment for calendar years 2021 and 2022.;

(14) in Article 52, paragraph 10 is replaced by the following:

10. The Commission is empowered to adopt delegated acts in accordance with Article 70 supplementing this Regulation as regards measures in order to avoid beneficiaries of voluntary coupled support suffering from structural market imbalances in a sector. Those delegated acts may allow Member States to decide that such support may continue to be paid until 2022 on the basis of the production units for which voluntary coupled support was granted in a past reference period.;

(15) Article 53 is amended as follows:

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

Member States not having granted voluntary coupled support until claim year 2020 may take a decision in accordance with the first subparagraph for calendar year 2021 by 19 February 2021.;

(b) paragraph 6 is replaced by the following:

6. Member States may, by 1 August of any given year, review their decision pursuant to this Chapter.

By 8 February 2020, Member States may also review their decision pursuant to this Chapter to the extent necessary to adjust to the decision on flexibility between pillars for calendar year 2020 taken in accordance with Article 14.

Member States shall decide by 19 February 2021 for calendar year 2021, and by 1 August 2021 for calendar year 2022, whether to continue or cease granting voluntary coupled support for the respective claim year.

By means of a review pursuant to the first and second subparagraphs of this paragraph, or a notification pursuant to the third subparagraph of this paragraph, Member States may decide with effect from the following year and for calendar years 2020 and 2021 with effect from the same calendar year:

- a to leave unchanged, increase or decrease the percentage fixed pursuant to paragraphs 1, 2 and 3, within the limits laid down therein where applicable, or to leave unchanged or decrease the percentage fixed pursuant to paragraph 4;
- b to modify the conditions for granting the support;
- c to cease granting the support under this Chapter.

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Member States shall notify the Commission of any decision relating to the first, second and third subparagraphs of this paragraph by the respective dates referred to in those subparagraphs. The notification of the decision relating to a review pursuant to the second subparagraph of this paragraph shall explain the link between the review and the decision on flexibility between pillars for calendar year 2020 taken in accordance with Article 14.;

(16) in Article 54, paragraph 1 is replaced by the following:

1. Member States shall notify the Commission of the decisions referred to in Article 53 by the dates referred to in that Article. Except for the decision referred to in point (c) of the fourth subparagraph of Article 53(6), the notification shall include information on the regions targeted, the selected types of farming or sectors, and the level of support to be granted. The notifications of the decisions referred to in Article 53(1) and of the decision referred to in the third subparagraph of Article 53(6) shall also include the percentage of the national ceiling referred to in Article 53 for the relevant calendar year.;

(17) in Article 58, paragraph 3 is replaced by the following:

3. The amount of the crop-specific payment for cotton per hectare of eligible area shall be calculated for 2020 by multiplying the yields established in paragraph 2 with the following reference amounts:

- Bulgaria: EUR 649,45,
- Greece: EUR 234,18,
- Spain: EUR 362,15,
- Portugal: EUR 228,00.

The amount of the crop-specific payment for cotton per hectare of eligible area shall be calculated for 2021 and 2022 by multiplying the yields established in paragraph 2 with the following reference amounts:

- Bulgaria: EUR 636,13,
- Greece: EUR 229,37,
- Spain: EUR 354,73,
- Portugal: EUR 223,32.;

(18) Annexes II and III are amended in accordance with Annex III to this Regulation.

Article 10

Amendments to Regulation (EU) No 1308/2013

Regulation (EU) No 1308/2013 is amended as follows:

(1) Article 29 is amended as follows:

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

Work programmes drawn up for the period running from 1 April 2021 shall end on 31 December 2022.;

- (b) paragraph 2 is replaced by the following:

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2. The Union financing of the work programmes referred to in paragraph 1 for 2020 shall be:

- a EUR 11 098 000 for Greece;
- b EUR 576 000 for France;
- c EUR 35 991 000 for Italy.

The Union financing of the work programmes referred to in paragraph 1 for each of the years 2021 and 2022 shall be:

- a EUR 10 666 000 for Greece;
- b EUR 554 000 for France;
- c EUR 34 590 000 for Italy.;

(2) in Article 33(1), the following subparagraphs are added:

Operational programmes for which an extension in line with the maximum duration of five years referred to in the first subparagraph is to be approved after 29 December 2020 may only be extended until 31 December 2022.

By way of derogation from the first subparagraph, new operational programmes that are approved after 29 December 2020 shall have a maximum duration of three years.;

(3) in Article 55(1), the following subparagraph is added:

By way of derogation from the first subparagraph, national programmes drawn up for the period running from 1 August 2019 until 31 July 2022 shall be extended until 31 December 2022. Member States shall modify their national programmes to take account of that extension and shall notify the modified programmes to the Commission for their approval.;

(4) in Article 58, paragraph 2 is replaced by the following:

2. The Union financing for the aid to producer organisations provided for in paragraph 1 for 2020 shall be EUR 2 277 000 for Germany.

The Union financing for the aid to producer organisations provided for in paragraph 1 for each of the years 2021 and 2022 shall be EUR 2 188 000 for Germany.;

(5) in Article 62(3), the following subparagraphs are added:

By way of derogation from the first subparagraph, the validity of authorisations granted in accordance with Article 64 and Article 66(1), which expires in the year 2020, is extended until 31 December 2021.

Producers who hold authorisations in accordance with Article 64 and Article 66(1) of this Regulation, which expire in 2020, shall not, by way of derogation from the first subparagraph of this paragraph, be subject to the administrative penalty referred to in Article 89(4) of Regulation (EU) No 1306/2013 provided that they inform the competent authorities by 28 February 2021 that they do not intend to make use of their authorisation and do not wish to benefit from the extension of their validity as referred to in the second subparagraph of this paragraph.;

(6) Article 68 is amended as follows:

(a) in paragraph 1, the second subparagraph is replaced by the following:

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Such conversion shall take place upon a request to be submitted by those producers before 31 December 2015. Member States may decide to allow producers to submit such a request to convert rights into authorisations until 31 December 2022.;

(b) paragraph 2 is replaced by the following:

2. Authorisations granted pursuant to paragraph 1 shall have the same period of validity as the planting rights referred to in paragraph 1. If those authorisations are not used, they shall expire at the latest by 31 December 2018, or, where a Member State has taken the decision referred to in the second subparagraph of paragraph 1, at the latest by 31 December 2025.;

(7) The following Article is inserted at the end of Title II, Chapter III, Section 4:

Article 167a

Marketing rules to improve and stabilise the operation of the common market in olive oils

1 In order to improve and stabilise the operation of the common market in olive oils, including the olives from which they derive, producer Member States may lay down marketing rules to regulate supply.

Such rules shall be proportionate to the objective pursued and shall not:

- a relate to any transaction after the first marketing of the produce concerned;
- b allow for price fixing, including where prices are set for guidance or recommendation;
- c render unavailable an excessive proportion of the production of the marketing year that would otherwise be available.

2 The rules provided for in paragraph 1 shall be brought to the attention of operators by being published in full in an official publication of the Member State concerned.

3 Member States shall notify the Commission of any decisions taken under this Article.;

(8) in Article 211, the following paragraph is added:

3. By way of derogation from paragraph 1 of this Article, Articles 107, 108 and 109 TFEU shall not apply to national fiscal measures whereby Member States decide to deviate from general tax rules by allowing for the income tax base applied to farmers to be calculated on the basis of a multiannual period with a view to evening out the tax base over a certain number of years.;

(9) in Article 214a, the following paragraph is added:

In 2021 and 2022, Finland may continue to grant the national aids referred to in the first paragraph subject to the same conditions and amounts as authorised by the Commission for 2020.;

(10) Annex VI is replaced by the text set out in Annex IV to this Regulation.

Changes to legislation: There are outstanding changes not yet made to Regulation (EU) 2020/2220 of the European Parliament and of the Council. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

TITLE III

FINAL PROVISIONS

Article 11

Entry into force and application

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

Point 5 of Article 9 (concerning Article 25(11) of Regulation (EU) No 1307/2013) and point 5 of Article 10 (concerning Article 62(3) of Regulation (EU) No 1308/2013) shall apply from 1 January 2020.

By way of derogation from the first paragraph of this Article, point 12, point (a) of point 13 and points 17 and 18 of Article 7 shall enter into force on the date of entry into force of the EURI Regulation. Point 12, point (a) of point 13 and points 17 and 18 of Article 7 shall apply from 1 January 2021.

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

Done at Brussels, 23 December 2020.

For the European Parliament

The President

D. M. SASSOLI

For the Council

The President

M. ROTH

Changes to legislation: There are outstanding changes not yet made to Regulation (EU) 2020/2220 of the European Parliament and of the Council. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

- (1) Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) ([OJ L 277, 21.10.2005, p. 1](#)).
- (2) Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations ([OJ L 160, 26.6.1999, p. 80](#)).
- (3) 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](#)).’;
- (4) 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](#)).
- (5) 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](#)).’;
- (6) Council Regulation (EU) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 ([OJ L 433, 22.12.2020, p. 11](#)).’;
- (7) 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](#)).’;
- (8) Council Regulation (EU) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 ([OJ L 433, 22.12.2020, p. 11](#)).’;

Changes to legislation:

There are outstanding changes not yet made to Regulation (EU) 2020/2220 of the European Parliament and of the Council. Any changes that have already been made to the legislation appear in the content and are referenced with annotations.

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Changes and effects yet to be applied to :

- Annex 1 omitted by [S.I. 2022/861 reg. 5\(4\)](#)
- Annex 3 omitted by [S.I. 2022/861 reg. 5\(4\)](#)
- Annex 2 omitted by [S.I. 2022/861 reg. 5\(4\)](#)
- Annex 4 omitted by [S.I. 2022/861 reg. 5\(4\)](#)
- Art. 1-4 omitted by [S.S.I. 2021/33 reg. 4\(2\)](#)
- Art. 1-9 omitted by [S.I. 2022/861 reg. 5\(2\)](#)
- Art. 6 omitted by [S.S.I. 2021/33 reg. 4\(2\)](#)
- Art. 11 omitted by [S.I. 2022/861 reg. 5\(4\)](#)

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\(3\)](#)