

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

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

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 43(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee⁽¹⁾,

After consulting the Committee of the Regions,

Having regard to the opinion of the Court of Auditors⁽²⁾,

Acting in accordance with the ordinary legislative procedure⁽³⁾,

Whereas:

- (1) The Commission's legislative proposals on the common agricultural policy (CAP) beyond 2020 aimed to establish the strong Union framework essential to ensure that the CAP remains a common policy with a level playing field, while also giving Member States greater responsibility as regards how they meet the objectives and achieve the targets set. Accordingly, Member States are to draw up CAP strategic plans and to implement them after their approval by the Commission.
- (2) The legislative procedure regarding the Commission's legislative proposals on the CAP beyond 2020 has not been concluded in time to allow Member States and the Commission to prepare all elements necessary to apply the new legal framework

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and the CAP strategic plans as from 1 January 2021, as initially proposed by the Commission. That delay has created uncertainty and risks for farmers in the Union and the entire Union agriculture sector. In order to alleviate that uncertainty and to maintain the vitality of rural areas and regions, as well as to contribute to environmental sustainability, this Regulation should provide for the continued application of the rules of the current CAP framework covering the period 2014 to 2020 ('current CAP framework') and for uninterrupted payments to farmers and other beneficiaries, and thus provide predictability and stability during the transitional period in the years 2021 and 2022 ('transitional period') until the date of application of the new legal framework covering the period starting on 1 January 2023 ('new legal framework').

- (3) Since the legislative procedure regarding the Commission's legislative proposals on CAP beyond 2020 still needs to be concluded and the CAP strategic plans are still to be developed by Member States, and the stakeholders need to be consulted, the current CAP framework should continue to apply for the additional period of two years. The aim of the transitional period is to facilitate a smooth transition for beneficiaries to a new programming period and to provide for the possibility to take into account the Commission's Communication of 11 December 2019 on the European Green Deal ('European Green Deal').
- (4) In order to ensure that support can be granted to farmers and other beneficiaries from the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) in the years 2021 and 2022, the Union should continue to grant such support during the transitional period under the conditions of the current CAP framework. The current CAP framework was established, in particular, by Regulations (EU) No 1303/2013⁽⁴⁾, (EU) No 1305/2013⁽⁵⁾, (EU) No 1306/2013⁽⁶⁾, (EU) No 1307/2013⁽⁷⁾ and (EU) No 1308/2013⁽⁸⁾ of the European Parliament and of the Council.
- (5) This Regulation should provide Member States with sufficient time to prepare their respective CAP strategic plans, as well as facilitate the creation of administrative structures necessary for successful implementation of the new legal framework, in particular by allowing for an increase in technical assistance. All CAP strategic plans should be ready to enter into force once the transitional period ends in order to provide much-needed stability and certainty for the farming sector.
- (6) In light of the fact that the Union should continue to support rural development throughout the transitional period, Member States should have the possibility to finance their extended rural development programmes from the corresponding budget allocation for the years 2021 and 2022. The extended programmes should ensure that at least the same overall share of the EAFRD contribution is reserved for the measures referred to in Article 59(6) of Regulation (EU) No 1305/2013, in line with the new ambitions set out in the European Green Deal.
- (7) Regulation (EU) No 1303/2013 lays down common rules applicable to the EAFRD and to other funds which operate under a common framework. That Regulation should continue to apply to programmes supported by the EAFRD for the 2014–2020 programming period and programming years 2021 and 2022.

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- (8) The deadlines laid down in Regulation (EU) No 1303/2013 in respect of implementation reports, annual review meetings, *ex-post* evaluations and synthesis reports, eligibility of expenditure and de-commitment as well as budget commitments are limited to the 2014-2020 programming period. Those deadlines should be adapted in order to take account of the extended duration of the period during which programmes relating to support from the EAFRD should be implemented.
- (9) Regulation (EU) No 1310/2013 of the European Parliament and of the Council⁽⁹⁾ and Commission Delegated Regulation (EU) No 807/2014⁽¹⁰⁾ provide that expenditure for certain long-term commitments undertaken pursuant to certain regulations that granted support for rural development before Regulation (EU) No 1305/2013 was applicable, should continue, under certain conditions, to be paid by the EAFRD in the 2014-2020 programming period. That expenditure should also continue to be eligible for the duration of their respective legal commitment under the same conditions in the programming years 2021 and 2022. For reasons of legal clarity and certainty, it should also be made clear that the legal commitments undertaken under earlier measures that correspond to the measures of Regulation (EU) No 1305/2013 to which the integrated administration and control system applies, should be subject to that integrated administration and control system and that payments related to those legal commitments should be made within the period from 1 December to 30 June of the following calendar year.
- (10) The EAFRD should be able to support the costs of capacity-building and preparatory actions supporting the design and the future implementation of the community-led local development strategies under the new legal framework.
- (11) In 2015, at the allocation of payment entitlements or at the recalculation of payment entitlements for Member States keeping existing entitlements under Regulation (EU) No 1307/2013, some Member States made errors when establishing the number or value of payment entitlements. Many of those errors, even when they occurred in respect of a single farmer, influence the value of the payment entitlements for all farmers and for all years. Some Member States also made errors after 2015, when allocating entitlements from the reserve, for example in the calculation of the average value. Such non-compliance is normally subject to financial correction until corrective measures are taken by the Member State concerned. In the light of the time that has elapsed since the first allocation, the efforts made by Member States to establish, and where relevant, correct entitlements, and also in the interest of legal certainty, the number and value of payment entitlements should be considered legal and regular with effect from a certain date.
- (12) Under Article 24(6) of Regulation (EU) No 1307/2013, Member States were given the option to apply for the allocation of payment entitlements a reduction coefficient to eligible hectares consisting of permanent grassland located in areas with difficult climate conditions. Alpine pastures are often managed collectively and therefore areas are assigned on a yearly basis, thus creating a significant degree of uncertainty amongst farmers in the Member States concerned. The implementation of that system has proven to be particularly complex especially with regard to the exact definition of the

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areas concerned. Since the value of payment entitlements in areas where the reduction coefficient is not applied depends on the sum of the payment entitlements in the designated areas, that uncertainty subsequently affects all farmers in the Member States concerned. In order to stabilise the system currently applied in those Member States, and with a view to ensuring legal certainty for all farmers in the Member States concerned as early as possible, the Member States concerned should be able to consider legal and regular the value and number of all entitlements allocated to all farmers before 1 January 2020. The value of those entitlements should, without prejudice to any legal remedies open to individual beneficiaries, be the value for calendar year 2019 valid on 31 December 2019.

- (13) The confirmation of payment entitlements does not represent an exemption from Member States' responsibility under the shared management of the EAGF to ensure the protection of the Union budget from irregular expenditure. Hence, the confirmation of the payment entitlements allocated to farmers before 1 January 2021 or, by way of derogation, before 1 January 2020, should not prejudice the Commission's power to take decisions referred to in Article 52 of Regulation (EU) No 1306/2013 in relation to irregular payments granted in respect of any calendar year up to 2020 inclusive or, by way of derogation, up to 2019 inclusive, resulting from errors in the number or value of those payment entitlements.
- (14) In light of the fact that the new legal framework for the CAP has not yet been adopted, it should be made clear that transitional arrangements should be laid down to regulate the transition from existing support schemes granted on a multiannual basis to the new legal framework.
- (15) In order to limit a significant carry-over of commitments from the current programming period for rural development to the CAP strategic plans, the duration of new multiannual commitments in relation to agri-environment-climate, organic farming and animal welfare should, as a general rule, be limited to a period of a maximum of three years. From 2022, the extension of existing commitments should be limited to one year.
- (16) Article 31(5) of Regulation (EU) No 1305/2013 provided for transitional arrangements to facilitate the phasing-out of payments in areas that, because of the application of new delimitation criteria, would no longer be considered areas facing natural constraints. Such payments were to be paid until 2020 and for a maximum period of four years. Regulation (EU) 2017/2393 of the European Parliament and of the Council⁽¹¹⁾ extended the initial deadline for the new delimitation of such areas to 2019. For farmers in the Member States setting the delimitation in 2018 and 2019, phasing-out of payments could not reach the maximum of four years. In order to continue the phasing-out of payments, Member States should be allowed to continue paying them in the years 2021 and 2022, where applicable. In order to ensure an adequate level of payments per hectare, in accordance with Article 31(5) of Regulation (EU) No 1305/2013, the level of payments in the years 2021 and 2022 should be fixed at EUR 25 per hectare.
- (17) Since farmers are exposed to increasing economic and environmental risks as a consequence of climate change and increased price volatility, Regulation (EU) No 1305/2013 provides for a risk management measure to assist farmers in addressing those

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risks. That measure includes financial contributions to mutual funds and an income stabilisation tool. Specific conditions were provided for the granting of support under that measure in order to ensure that farmers receive equal treatment across the Union, competition is not distorted and the international obligations of the Union are complied with. In order to further promote the use of that measure to farmers of all sectors, Member States should be provided with the possibility to reduce the threshold of 30 % that triggers the compensation of farmers for the drop in production or income applicable to the respective tool, however to not lower than 20 %.

- (18) Farmers and rural businesses have been affected by the consequences of the COVID-19 outbreak in an unprecedented manner. The prolongation of extensive restrictions on movement put in place in the Member States, as well as mandatory closures of shops, outdoor markets, restaurants and other hospitality establishments, have created economic disruption in the agricultural sector and rural communities and have led to liquidity and cash-flow problems for farmers and for small businesses active in the processing, marketing or development of agricultural products. In order to respond to the impact of the crisis arising from the COVID-19 outbreak, the duration of the measure referred to in Article 39b of Regulation (EU) No 1305/2013 should be extended to address the ongoing liquidity problems that put at risk the continuity of farming activities and of small businesses active in the processing, marketing or development of agricultural products. Support for that measure should be financed by up to 2 % of the EAFRD funds allocated to Member States in the programming period 2014-2020.
- (19) In order to avoid a situation in which funds for community-led local development in the programming years 2021 and 2022 are unspent, Member States that make use of the possibility to transfer amounts from direct payments to rural development should be able to apply the 5 %, and in the case of Croatia 2,5 %, minimum allocation for community-led local development only to the EAFRD contribution to the rural development extended to 31 December 2022 calculated before the transfer of amounts from direct payment has been made.
- (20) In accordance with Council Regulation (EU) 2020/2094⁽¹²⁾ establishing a European Union Recovery Instrument ('EURI') to support the recovery in the aftermath of the COVID-19 crisis ('EURI Regulation'), additional resources should be made available for the years 2021 and 2022 to address the impact of the COVID-19 crisis and its consequences for the Union agricultural sector and rural areas.
- (21) Given the unprecedented challenges the Union agricultural sector and rural areas are faced with because of the COVID-19 crisis, the additional resources provided by the EURI should be used to fund measures under Regulation (EU) No 1305/2013, paving the way for a resilient, sustainable and digital economic recovery in line with the objectives of the Union's environmental and climate commitments and with the new ambitions set out in the European Green Deal.
- (22) Member States should therefore not reduce the environmental ambition of their existing rural development programmes. They should ensure the same overall share for the additional resources as the overall share which they reserved in their rural development programmes for measures that are particularly beneficial for the environment and

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climate under the EAFRD contribution ('non-regression principle'). In addition, at least 37 % of the additional resources provided by the EURI should be devoted to measures that are particularly beneficial to the environment and climate, as well as to animal welfare and LEADER. Moreover, at least 55 % of those additional resources should be devoted to measures that promote economic and social development in rural areas, namely to investments in physical assets, farm and business development, support for basic services and village renewal in rural areas and cooperation.

- (23) In the event that Member States are otherwise unable to comply with the non-regression principle, they should have the possibility to derogate from the obligation to allocate at least 55 % of the additional resources from the EURI for measures that promote economic and social development in rural areas, and should preferably support measures that are particularly beneficial to the environment and climate. However, in order to provide Member States with sufficient flexibility, Member States should also have the possibility to derogate from the non-regression principle in respect of those additional resources to the extent necessary to comply with that obligation of 55 %.
- (24) The additional resources from the EURI are subject to specific conditions. Those additional resources should thus be programmed and monitored separately from the Union support for rural development, while applying, as a general rule, the rules set out in Regulation (EU) No 1305/2013. Hence, those additional resources should be implemented through Regulation (EU) No 1305/2013 and considered in the framework of that Regulation as amounts that finance measures under the EAFRD. In consequence, the rules set out in Regulation (EU) No 1305/2013, including the rules on amendments of rural development programmes, Regulation (EU) No 1306/2013, including the rules on automatic de-commitment, and Regulation (EU) No 1307/2013 should apply, except where this Regulation provides otherwise.
- (25) A specific maximum Union co-financing rate, as well as an increased support rate for investments contributing to a resilient, sustainable and digital economic recovery, and support aid for young farmers should be established in order to ensure the adequate leverage effect of the additional resources provided by the EURI.
- (26) In order to ensure continuity during the transitional period, the reserve for crises in the agricultural sector should be maintained for the years 2021 and 2022. The relevant amount of the reserve for the years 2021 and 2022 should be included in that reserve.
- (27) As regards pre-financing arrangements from the EAFRD, it should be made clear that neither the extension until 31 December 2022 of programmes supported by the EAFRD in accordance with this Regulation nor the additional resources made available on the basis of the EURI Regulation should lead to any additional pre-financing granted for the programmes concerned.
- (28) Article 11 of Regulation (EU) No 1307/2013 currently only provides for a notification obligation for Member States as regards their decisions taken in accordance with that Article and the estimated product related to the reduction of the part of the amount of direct payments to be granted to a farmer for a given calendar year exceeding EUR 150 000 for the years 2015 to 2020. With a view to ensuring a continuation of the existing system, Member States should also notify their decisions taken in accordance with that

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Article and the estimated product related to the reduction for calendar years 2021 and 2022.

- (29) Article 14 of Regulation (EU) No 1307/2013 allows Member States to transfer funds between direct payments and rural development as regards calendar years 2014 to 2020. In order to ensure that Member States may follow their own strategy, the flexibility between pillars should be made available also for calendar year 2021 (financial year 2022) and calendar year 2022 (financial year 2023).
- (30) In order to allow the Commission to be able to set the budgetary ceilings in accordance with Article 22(1), Article 36(4), Article 42(2), Article 49(2), Article 51(4) and Article 53(7) of Regulation (EU) No 1307/2013, it is necessary for Member States to notify their decisions on financial allocations by scheme for calendar year 2021 by 19 February 2021 and for calendar year 2022 by 1 August 2021.
- (31) Article 22(5) of Regulation (EU) No 1307/2013 provides for a linear adjustment of the value of payment entitlements in the event of a change in the ceiling for the basic payment scheme from one year to the following due to certain decisions taken by Member States and affecting the ceiling for the basic payment scheme. The extension of Annex II to that Regulation on national ceilings after calendar year 2020 and the possible annual changes from that date might have an impact on the ceiling for the basic payment scheme. Therefore, for Member States to be able to respect the obligation of equality of the sum of the value of payment entitlements and reserves with the ceiling for the basic payment scheme laid down in Article 22(4) of that Regulation, it is appropriate to provide for a linear adjustment to adapt to the extension of or the amendments to Annex II to that Regulation during the transitional period. Moreover, to provide Member States with greater flexibility, it appears appropriate to allow them to adapt the value of payment entitlements or of the reserve, possibly with different rates of adjustment.
- (32) In accordance with the current legal framework, Member States notified in 2014 their decisions up to calendar year 2020 on the division of the annual national ceiling for the basic payment scheme between the regions and the possible annual progressive modifications for the period covered by Regulation (EU) No 1307/2013. It is necessary that Member States also notify those decisions for calendar years 2021 and 2022.
- (33) The internal convergence mechanism is the core process for a more equitable distribution of direct income support among farmers. Significant individual differences based on old historic references become increasingly difficult to justify. In Regulation (EU) No 1307/2013, the basic model of internal convergence consists of the application by Member States of a uniform flat rate for all payment entitlements, at national or regional level, from 2015. However, in order to ensure a smoother transition to a uniform value, a derogation was set out allowing Member States to differentiate the values of payment entitlements by applying partial convergence, also called the ‘tunnel model’, between 2015 and 2019. Some Member States made use of that derogation. To continue the process towards a more equitable distribution of direct payments, Member States should be able to further converge towards a national or regional average after 2019 instead of going to a uniform flat rate or keeping the value of entitlements at their

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2019 level. That possibility for Member States should therefore apply as of 1 January 2021. Member States should notify the Commission on an annual basis of their decision for the following year.

- (34) The provisions of Regulation (EU) No 1307/2013 on the adjustment of all payment entitlements being amended by this Regulation should apply retroactively from 1 January 2020 so that it is clarified that Member States were able to converge after 2019.
- (35) Article 30 of Regulation (EU) No 1307/2013 provides for annual progressive modifications in the value of the payment entitlements allocated from the reserve to reflect the annual steps of the national ceiling set out in Annex II to that Regulation, reflecting a multiannual management of the reserve. Those rules should be adapted in order to reflect that it is possible to amend both the value of all allocated payment entitlements and of the reserve to adjust to a change in the amount in Annex II to that Regulation between two years. In Member States deciding to continue internal convergence, that internal convergence is implemented on an annual basis. For calendar years 2020, 2021 and 2022, only the value of the payment entitlement of the current year needs to be determined in the year of allocation. The unit value of payment entitlements to be allocated from the reserve in a given year should be calculated after possible adjustment of the reserve in accordance with Article 22(5) of that Regulation. In any subsequent year, the value of the payment entitlements allocated from the reserve should be adapted in accordance with Article 22(5) of that Regulation.
- (36) Article 36 of Regulation (EU) No 1307/2013 provides for the application of the single area payment scheme until 31 December 2020. It is appropriate to allow the prolongation of the single area payment scheme in the years 2021 and 2022.
- (37) Given that the amendment, set out in this Regulation, to Annex II to Regulation (EU) No 1307/2013 will enter into force too late for Member States to observe the original deadline for certain notification obligations in 2020, it is necessary to postpone the deadline for Member States to take the decision to introduce for the first time the redistributive payment from 2021 or 2022, and the notification of that decision to the Commission. It is appropriate to set that deadline at the same time as the deadline for the decisions concerning flexibility between pillars.
- (38) Under Article 37 of Regulation (EU) No 1307/2013, Member States applying the single area payment scheme may decide to grant transitional national aid in the period 2015-2020 to avoid a sudden and substantial decrease of support in those sectors that benefitted from transitional national aid until 2014. In order to ensure that, during the transitional period, such aid continues to play its role in supporting the income of farmers in those specific sectors, provision should be made for the continuation of that aid under the same conditions and limitations as in the period 2015-2020.
- (39) For the sake of legal certainty, it should be clarified that Articles 41 and 42 of Regulation (EU) No 1307/2013 allow Member States to review, on an annual basis, their decisions on the redistributive payment. The deadline for the review applicable in 2021 and 2022 should be set at the same time as the deadline for the decisions concerning flexibility between pillars.

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- (40) Article 52(10) of Regulation (EU) No 1307/2013 empowers the Commission to adopt delegated acts allowing Member States to decide that voluntary coupled support can continue to be paid until 2020 on the basis of the production units for which such support was granted in a past reference period. That empowerment aims at ensuring the greatest possible consistency between Union schemes targeting sectors that can be marked by structural market imbalances. It is therefore appropriate to prolong that empowerment to also cover the years 2021 and 2022.
- (41) Given that the amendment, set out in this Regulation, to Annex II to Regulation (EU) No 1307/2013 will enter into force too late for Member States to observe the original deadline for certain notification obligations in 2020, it is necessary to postpone the deadline for Member States to take the decision to introduce for the first time the voluntary coupled support from 2021 or 2022 and the notification of that decision to the Commission. It is appropriate to set that deadline at the same time as the deadline for the decisions concerning flexibility between pillars. Similarly, the deadline for a decision of Member States to continue or cease granting voluntary coupled support in the years 2021 and 2022, and the notification of that decision to the Commission, should be postponed to the same date.
- (42) Article 54 of Regulation (EU) No 1307/2013 lays down the elements of Member States' notifications concerning voluntary coupled support. It is appropriate to clarify that those notifications for calendar years 2021 and 2022 should include the percentage of the national ceiling used to finance that support for the years 2021 and 2022.
- (43) Regulation (EU) No 1308/2013 lays down rules for the common organisation of agricultural markets and includes certain aid schemes. The Commission's legislative proposals on the CAP beyond 2020 provided that those aid schemes are to be integrated in the future CAP strategic plans of Member States. To ensure a smooth integration of those aid schemes into the future CAP, rules should be laid down regarding the duration of each of those aid schemes when they are to be renewed during the transitional period. Therefore, as regards the aid scheme in the olive oil and table olive sector, the existing work programmes drawn up for the period running from 1 April 2018 until 31 March 2021 should be followed by new work programmes running from 1 April 2021 until 31 December 2022. Existing operational programmes in the fruit and vegetable sector that have not reached their maximum duration of five years may only be extended until 31 December 2022. New operational programmes in the fruit and vegetable sector should only be approved for a maximum duration of three years. The existing national programmes for the apiculture sector drawn up for a period running from 1 August 2019 until 31 July 2022 should be extended until 31 December 2022.
- (44) Due to the crisis caused by the COVID-19 pandemic, winegrowers holding planting authorisations for new plantings or for replanting which expire in 2020 were largely prevented from making planned use of those authorisations in the last year of their validity. To avoid the loss of those authorisations and reduce the risk of the deterioration of the conditions under which the planting would need to be carried out, it is necessary to allow for a prolongation of the validity of planting authorisations for new plantings or for replanting which expire in 2020. All planting authorisations for new

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plantings or for replanting expiring in 2020 should therefore be prolonged until 31 December 2021. Also, taking into account changes in market perspectives, the holders of planting authorisations that expire in 2020 should have the possibility not to use their authorisations without being subject to the administrative penalties.

- (45) The provision of Regulation (EU) No 1308/2013 on planting authorisations for new plantings or for replanting that expire in 2020, amended by this Regulation, should, because of the disturbances due to the COVID-19 pandemic and the difficulties it caused as regards the use of those planting authorisations, apply retroactively from 1 January 2020.
- (46) In 2013, transitional provisions were laid down in order to ensure a smooth transition from the former wine grape planting rights regime to the new scheme of planting authorisations, in particular in order to avoid excessive plantings before the start of that new scheme. The latest deadline for the submission of requests for conversion of planting rights into authorisations ends on 31 December 2020. However, authorisations have to be used by the applicant and are not tradable as the former planting rights used to be. Moreover, the applicants for authorisations might be requested to have a corresponding vineyard area, which can lead to situations where holders of planting rights did not yet manage to acquire the corresponding vineyard areas to use the authorisations which would result from the conversion of their planting rights. The severe economic impact of the COVID-19 pandemic on the wine sector has led to cash flow problems for winegrowers and also to uncertainty concerning the future demand for wine. Winegrowers still holding planting rights should not be forced to decide whether they want to convert their planting rights into authorisations while facing exceptional difficulties due to the crisis caused by the COVID-19 pandemic, especially as they would be subject to an administrative penalty if they do not use their planting authorisations resulting from the conversion. Those Member States that allowed winegrowers to submit their requests for conversion of planting rights until 31 December 2020 should therefore be enabled to extend the deadline for the submission of such requests to 31 December 2022. Consequently, the latest date for the validity of such converted authorisations should be adapted and should end on 31 December 2025.
- (47) Article 214a of Regulation (EU) No 1308/2013 allowed Finland to grant, under certain conditions, national aid in Southern Finland until 2020, subject to the authorisation of the Commission. In order to ensure continuity of payments of that aid during the transitional period, the granting of that national aid needs to continue to be allowed under the same conditions and same amounts as in 2020.
- (48) In order to improve the operation of the market for olive oil, Member States should be able to decide on implementation of marketing rules to regulate supply. The scope of such decisions should, however, exclude practices which could distort competition.
- (49) Recent events have shown that farmers are increasingly facing risks of income volatility, partly because of market exposure and partly because of extreme weather events and frequent sanitary and phytosanitary crises affecting Union livestock and agronomic assets. To alleviate the effects of income volatility by encouraging farmers to make savings in good years to cope with bad years, national tax measures whereby the income

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tax base applied to farmers is calculated on the basis of a multiannual period should be exempted from the application of State aid rules.

- (50) Since the objective of this Regulation, namely to provide for the continued application of the rules of the current CAP framework and for uninterrupted payments to farmers and other beneficiaries, and thus provide predictability and stability during the transitional period, cannot be sufficiently achieved by the Member States but can rather, by reason of the scale and effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.
- (51) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union (TFEU) apply to this Regulation. Those rules are laid down in Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁽¹³⁾ and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes and indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also include a general regime of conditionality for the protection of the Union budget.
- (52) Regulations (EU) No 1305/2013, (EU) No 1306/2013, (EU) No 1307/2013 and (EU) No 1308/2013 should therefore be amended accordingly.
- (53) In order to ensure that the additional resources made available on the basis of the EURI Regulation are available from 1 January 2021, the provisions on EURI support in this Regulation should apply retroactively from that date.
- (54) In view of the overriding need to immediately ensure legal certainty for the agricultural sector in the current circumstances, this Regulation should enter into force as a matter of urgency on the day following that of its publication in the *Official Journal of the European Union*,

HAVE ADOPTED THIS REGULATION:

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- (1) [OJ C 232, 14.7.2020, p. 29.](#)
- (2) [OJ C 109, 1.4.2020, p. 1.](#)
- (3) Position of the European Parliament of 16 December 2020 (not yet published in the Official Journal) and decision of the Council of 22 December 2020.
- (4) 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 ([OJ L 347, 20.12.2013, p. 320](#)).
- (5) 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](#)).
- (6) Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 ([OJ L 347, 20.12.2013, p. 549](#)).
- (7) Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 ([OJ L 347, 20.12.2013, p. 608](#)).
- (8) Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 ([OJ L 347, 20.12.2013, p. 671](#)).
- (9) Regulation (EU) No 1310/2013 of the European Parliament and of the Council of 17 December 2013 laying down certain transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), amending Regulation (EU) No 1305/2013 of the European Parliament and of the Council as regards resources and their distribution in respect of the year 2014 and amending Council Regulation (EC) No 73/2009 and Regulations (EU) No 1307/2013, (EU) No 1306/2013 and (EU) No 1308/2013 of the European Parliament and of the Council as regards their application in the year 2014 ([OJ L 347, 20.12.2013, p. 865](#)).
- (10) Commission Delegated Regulation (EU) No 807/2014 of 11 March 2014 supplementing Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions ([OJ L 227, 31.7.2014, p. 1](#)).
- (11) Regulation (EU) 2017/2393 of the European Parliament and of the Council of 13 December 2017 amending Regulations (EU) No 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), (EU) No 1306/2013 on the financing, management and monitoring of the common agricultural policy, (EU) No 1307/2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy, (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products and (EU) No 652/2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material ([OJ L 350, 29.12.2017, p. 15](#)).
- (12) 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](#)).
- (13) 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:

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.

[View outstanding changes](#)

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\(3\)](#)