

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**establishing rules on support for common agricultural policy plans (CAP support plans) by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council**

## **EXPLANATORY MEMORANDUM**

[The standard content of an Explanatory Memorandum should be as follows. In principle it should not exceed 15 pages (in particularly complex cases a longer text may be justified). The language should be clear and simple, ensuring reader-friendliness for non-experts. All of the following elements are mandatory unless otherwise stated].

### **1. CONTEXT OF THE PROPOSAL**

- **Reasons for and objectives of the proposal**

[...]

[Describe the reasons behind the proposal and the problem(s) it is expected to tackle. State if this is an initiative within the Regulatory Fitness Programme (REFIT). State any relevant institutional background of the proposal.]

- **Consistency with existing policy provisions in the policy area**

[...]

[Mention relevant existing policy provisions in the policy area and clarify how the proposal relates to them (e.g. differences, complementarity).]

- **Consistency with other Union policies**

[...]

[Mention links with other key Union policies.]

### **2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

- **Legal basis**

[...]

[Explain the choice of legal basis of the proposal. Where several feasible options seem to exist, justify the choice on the basis of objective criteria.]

- **Subsidiarity (for non-exclusive competence)**

[...]

[Explain the Union dimension of the problem. Describe why the objectives cannot be adequately achieved by the Member States (necessity test). Explain why action at Union level would be more effective than action at national level and outline the added value of action at Union level (effectiveness test).]

- **Proportionality**

[...]

[Explain the policy choices of the proposal and why they are considered proportionate (i.e. not going beyond what is necessary to achieve the objectives). Explain why it is considered the most suitable measure for achieving the objective. Where an Impact Assessment

accompanies the proposal, reference should be made to the appropriate parts which discuss proportionality.]

- **Choice of the instrument**

[...]

[Where appropriate, explain the choice of the instrument.]

### **3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS**

- **Ex-post evaluations/fitness checks of existing legislation**

[...]

[If applicable, summarise results of any ex-post evaluations/fitness checks of existing legislation. Clarify the link to the problems identified in the proposal.]

- **Stakeholder consultations**

[...]

[Describe the consultations carried out, summarise the input received, as well as how this was taken into account in the proposal. Where appropriate, explain where the Commission's views diverge and why.]

- **Collection and use of expertise**

[...]

[Where relevant, a short summary on the external expertise on which the Commission has relied (approach, range, advice received and used, publicly available information).]

- **Impact assessment**

[...]

[For proposals not supported by an Impact Assessment, please explain the reasons why no Impact Assessment was carried out with reference to the accompanying roadmap and the Guidelines on Better Regulation.]

[For proposals supported by an Impact Assessment, please provide links to the summary sheet and to the positive opinion of the Regulatory Scrutiny Board. In the absence of a positive opinion from the Board, please provide justification for proceeding with the initiative.]

[Explain which policy alternatives were examined, compare them and explain why the final proposal was considered to be the best policy choice.]

[Describe the main economic, social and environmental impacts of the preferred option, who would be affected and how. Include quantitative estimates of benefits and costs wherever possible and, if not available, explain why.]

[If the final policy proposal deviates from the options assessed in the impact assessment, clarify the differences in approach and their likely impact.]

- **Regulatory fitness and simplification**

[...]

[For proposals linked to REFIT and aimed at reducing regulatory burdens, provide, wherever possible, quantified estimates of the intended burden reduction.]

[Outline whether the proposal exempts micro-enterprises and the reasons why if it does not do so.]

[Explain how the proposal minimizes compliance costs for SMEs (via lighter regimes, mitigating measures, etc.) and other stakeholders, as well as any positive or negative impact on sectoral EU competitiveness or international trade.]

[Explain how the proposal is consistent with the "Digital Check" and is internet ready and appropriate for both the physical and digital environment (please see Better Regulation guideline and tool on ICT impacts in the Better Regulation Toolbox for more information).]

- **Fundamental rights**

[...]

[If the proposal has consequences for the protection of fundamental rights, explain how fundamental rights obligations have been met.]

#### **4. BUDGETARY IMPLICATIONS**

[...]

[Outline the budgetary implications of the initiative (if any) and, where appropriate, refer to the "financial statement" showing the budgetary implications and the human and administrative resources required.]

#### **5. OTHER ELEMENTS**

- **Implementation plans and monitoring, evaluation and reporting arrangements**

[...]

[Refer to the implementation planning associated with the measure, including the monitoring, evaluation and reporting framework set up to assist with its implementation and application and to report on its performance.]

- **Explanatory documents (for directives)**

[...]

[Explain if the proposal requires Explanatory Documents on the transposition and why.]

- **Detailed explanation of the specific provisions of the proposal**

[...]

[Provide more information on the specific provisions, for instance by adding a commentary for each chapter or provision. This may be useful for explaining how the proposed text relates

to existing texts and for indicating any new ideas. The explanation will be useful for the interpretation of the act once adopted.]

Proposal for a

## REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**on support plans to be drawn up by Member States under the Common agricultural policy (CAP support plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council**

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 42 and 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<sup>1</sup>, [where necessary]

Having regard to the opinion of the Committee of the Regions<sup>2</sup>, [where necessary]

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) [Initial capital...].
- (2) Farmers are increasingly facing risks of income volatility, partly because of market exposure, partly because of extreme weather events and frequent sanitary and phytosanitary crises affecting the EU 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 tax base applied to farmers is calculated on the basis of a multiannual period shall be exempted from the application of the State aid rules,

HAVE ADOPTED THIS REGULATION:

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<sup>1</sup> OJ C [...], [...], p. [...].

<sup>2</sup> OJ C [...], [...], p. [...].

# TITLE I

## SUBJECT MATTER, COMMON PROVISIONS AND DEFINITIONS

### Article 1 Subject matter and scope

This Regulation lays down general rules governing Union support for Common agricultural policy support plans (CAP support plans) financed by the European Agricultural Guarantee Fund ("the EAGF") and by the European Agricultural Fund for Rural Development ("the EAFRD") as established by Regulation (EU) No [new HZR]. It sets out:

- (a) the objectives to which the CAP support plans are to contribute and the relevant performance framework;
- (b) the set-up of the CAP support plans and the procedure for its approval and modification;
- (c) the types of interventions and basic requirements that Member States may provide for in their CAP support plans;
- (d) rules on coordination and governance, financial planning, monitoring, reporting and evaluation;
- (e) other principles for the proper operation of the CAP support plans.

### Article 2 General common provisions

1. [New HZR] and the provisions adopted pursuant to it shall apply to the types of interventions set out in this Regulation.
2. Regulation (EU) No [new CPR] and the provisions adopted pursuant to it shall apply to the types of interventions set out in this Regulation to the extent laid down in Regulation (EU) No [new CPR] and the provisions adopted pursuant to it.]

### Article 3 General principles

Member States shall establish the legal framework governing the granting of Union support to beneficiaries in accordance with the principles and requirements set out in this Regulation.

Member States shall establish and implement their CAP support plans in accordance with the general principles of Union law enshrined by the Charter of Fundamental Rights and developed by the Court of Justice of the European Union.

Member States shall ensure that interventions of the CAP support are set out on the basis of objective and non-discriminatory criteria, are compatible with the internal market and do not distort competition.

The Member States and the Commission shall loyally cooperate to ensure effective coordination in the implementation of CAP support plans, taking account of the principles of proportionality and shared management.

Article 4  
Definitions

1. For the purposes of this Regulation, the definitions of "..." as laid down in [Article XXX CPR] apply.
2. For the purposes of granting Union support under this Regulation, Member States shall use the following definitions:
3. "farmer" means a natural or legal person, or a group of natural or legal persons, regardless of the legal status granted to such group and its members by national law, whose holding is situated within the territorial scope of the Treaties, as defined in Article 52 TEU in conjunction with Articles 349 and 355 TFEU, and who exercises an agricultural activity;
4. "holding" means all the units used for agricultural activities and managed by a farmer situated within the territory of the same Member State.
  - (a) "type of intervention" means (Art. 2(1)(c) RDR)
  - (b) "intervention" means (Art. 2(9) CPR)
  - (c) "project" means (Art. 2(9) CPR)
  - (d) "beneficiary" means Art. 2(10) CPR)
  - (e) "recipient" means Art. 2(12) CPR)
  - (f) "rural areas" means (Art. 50 RDR)
  - (g) "region" means Art. 2(1)(b) RDR)
  - (h) "support rate" means (art. 2(1)(d) RDR)
  - (i) "Agricultural Knowledge and Innovation System (AKIS)" means the combined organisational context and interaction of stakeholders who use and produce knowledge and innovation for agriculture and rural areas, including farmers, advisors, trainers, researchers, and other agricultural experts. The scope of the knowledge exchange and innovation within AKIS reaches out to EU, national, regional, and local levels and covers issues related to agriculture and wider rural concerns, including environment, climate change, energy supply, agri-food or bio-based value chains, and rural businesses opportunities.
  - (j) "mutual fund" means a scheme accredited by the Member State in accordance with its national law for affiliated farmers to insure themselves, whereby compensation payments are made to affiliated farmers who experience economic losses.
5. For the purpose of Section 1 of Chapter 1 of Title IV of this Regulation the following definition shall apply:

"requirement" means each individual statutory management requirement under Union law referred to in Annex (on SMR and GAEC) within a given act, differing in substance from any other requirements in the same act.



Article 5  
Governing principles / Framework definitions

Member States shall provide in their CAP support plan the definitions of agricultural activity, agricultural area, eligible hectare genuine farmer and young farmer. All these definitions must respect the requirements set out in paragraphs 1, 5 and 6 of Annex 2 to the Agreement on Agriculture and therefore shall not include any requirement to produce.

- (a) "Agricultural activity" shall be defined in a way that it includes both the production of agricultural products including cotton and short rotation coppice, and maintenance of the agricultural area in a state which makes it suitable for grazing or cultivation, without preparatory action going beyond usual agricultural methods and machineries.
- (b) "Agricultural area" shall be defined in a way that it is composed of arable land, permanent crops and permanent grassland. The terms "arable land", "permanent crops" and "permanent grassland" shall be further specified by Member States within the following framework:
  - (i) "arable land" shall be land cultivated for crop production or areas available for crop production but lying fallow, and include areas set aside in accordance with Articles 22, 23 and 24 of Regulation (EC) No 1257/1999, with Article 39 of Regulation (EC) No 1698/2005 and with Article 28 of Regulation (EU) No 1305/2013;
  - (ii) "permanent crops" shall be non-rotational crops other than permanent grassland and permanent pasture that occupy the land for five years or more, which yield repeated harvests, including nurseries and short rotation coppice;
  - (iii) "permanent grassland" shall be defined as land not included in the crop rotation of the holding for five years or more, used to grow grasses or other herbaceous forage naturally (self-seeded) or through cultivation (sown). It may include other species such as shrubs and/or trees which can be grazed or produce animal feed.
- (c) For the purpose of direct payments interventions, "Eligible hectare" means any agricultural area of the holding,
  - (i) that is used for an agricultural activity or, where the area is also used for non-agricultural activities, is predominantly used for agricultural activities, and which is at the farmer's disposal during the year for which support is requested. Member States shall further specify:
    - (a) The conditions under which the area is considered as "predominantly" used for an agricultural activity,
    - (b) The conditions under which the area is considered "at the farmer's disposal during the year for which support is requested".
  - (ii) which gave a right to payments in 2008 under the single payment scheme or the single area payment scheme laid down, respectively, in Titles III and IVA of Regulation (EC) No 1782/2003, and which:
    - (a) no longer complies with the definition of 'eligible hectare' under point (a) as a result of the implementation of Directive 92/43/EEC, Directive 2000/60/EC and Directive 2009/147/EC;

- (b) for the duration of the relevant commitment by the individual farmer, is afforested pursuant to Article 31 of Regulation (EC) No 1257/1999 or to Article 43 of Regulation (EC) No 1698/2005 or to Article 22 of Regulation (EU) No 1305/2013 or under a national scheme the conditions of which comply with Article 43(1), (2) and (3) of Regulation (EC) No 1698/2005 or Article 22 of Regulation (EU) No 1305/2013; or
- (c) for the duration of the relevant commitment of the individual farmer, is set aside pursuant to Articles 22, 23 and 24 of Regulation (EC) No 1257/1999, to Article 39 of Regulation (EC) No 1698/2005 or to Article 28 of Regulation (EU) No 1305/2013.

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

- (d) “Genuine farmers” shall be defined to ensure that no income support is granted to those whose agricultural activity forms only an insignificant part of their overall economic activities or whose principal business activity is not agricultural, while not precluding from support pluri-active farmers.

Member States shall define which farmers are not considered genuine farmers, based on conditions such as income tests, labor inputs on the farm, company object and/or inclusion in registers.

- (e) The definition of “young farmer” shall include:
  - (i) a maximum age limit that may not exceed 40 years,
  - (ii) the conditions for being "head of the holding",
  - (iii) the appropriate training and/or skills required.

## **TITLE II**

# **OBJECTIVES AND TARGET SETTING**

### Article 6 General objectives of the CAP

Within the overall framework of the CAP, support under the CAP support plans shall be targeted at the achievement of the following general objectives:

- (a) to foster a smart and resilient agricultural sector ensuring food security;
- (b) to bolster environmental care and climate action which contributes to the environmental and climate objectives of the EU;
- (c) to strengthening the socio-economic fabric of rural areas.

These objectives shall be complemented by the cross-cutting objective of fostering knowledge, innovation and digitalisation in agriculture and rural areas.

When pursuing these objectives Member States shall ensure simplification and performance of the CAP support.

### Article 7 Specific objectives of the CAP

1. The achievement of the general objectives of the CAP shall be pursued through the following nine specific objectives:
  - (a) Support viable farm income and resilience across the EU territory (to support food security);
  - (b) Increase competitiveness and enhance market orientation;
  - (c) Improve farmers' position in the value chain;
  - (d) Contribute to climate change mitigation and adaptation;
  - (e) Foster sustainable development and efficient management of natural resources;
  - (f) Preserve nature and landscapes;
  - (g) Attract new farmers and facilitate their business development;
  - (h) Promote employment, growth, social inclusion and local development in rural areas (including bio-economy);
  - (i) Address societal expectations on food and health.

# **TITLE III**

## **CAP SUPPORT PLAN SET-UP**

### **CHAPTER 1**

#### **PLAN ARCHITECTURE AND PLAN CONTENT**

##### **SECTION 1:**

##### **CAP SUPPORT PLAN ARCHITECTURE**

###### Article 8

###### CAP support plans

Union support under this Regulation shall be implemented by the Member States through CAP support plans [in accordance with the Partnership Agreement referred to in Article [...] CPR].

The CAP plans shall implement a strategy designed to meet the specific objectives of the CAP support plans through a set of interventions. The strategy shall be based on the SWOT and the ex ante evaluation.

The CAP support plans may address fewer than nine specific objectives if justified on the basis of the analysis of the situation in terms of strengths, weaknesses, opportunities and threats ("the SWOT analysis") and the ex ante evaluation.

Each Plan shall cover the period from 1 January [2021] to 31 December [2027].

###### Article 9

###### CAP support plan architecture

1. Each Member State shall submit a single CAP support plan for its entire territory.
2. The Member States may decide that [some or all] of the [elements] interventions of the CAP support plan be established at regional level.
3. Where interventions are established at regional level, the Member State shall ensure the coherence and the consistency with the elements of the CAP support plan established at national level.
4. [In duly justified cases, due to their national constitutional requirements, Member States may submit only regional plans. In this case the Member State shall ensure the coherence and the consistency of the regional CAP support plans.]

##### Section 2: Content of the CAP support plans

## SECTION 2 CONTENT OF THE CAP SUPPORT PLANS

### Article 10 Content of the CAP support plans

1. Each CAP support plan shall include the following sections:
  - (a) an assessment of needs;
  - (b) an intervention strategy;
  - (c) a description of elements common to several interventions;
  - (d) a description of the direct payments and [rural development] interventions specified in the strategy;
  - (e) a description of the sectoral programmes and their interventions
  - (f) a financial plan;  
a description of the governance and coordination structures including an assessment of the ex ante conditionalities;
  - (g) a description of the elements which ensure simplification and reduced administrative burden for final beneficiaries.
2. Each CAP support plan shall contain the following Annexes:
  - (a) Annex I on the ex-ante evaluation and the Strategic Environmental Assessment (SEA);
  - (b) Annex II on the SWOT analysis;
  - (c) Annex III on the consultation of the partners;
  - (d) Annex IV on an indicative evaluation plan;
  - (e) Annex V on the additional national financing provided within the scope of the CAP support plan [or "of this Regulation"?];
  - (f) Annex VI on the aid for cotton.

### Article 11 Assessment of needs

The assessment of needs referred to in Article XXX shall include the following:

- (a) summary of the SWOT analysis as referred to under XXX
- (b) identification of needs for each CAP specific objective based on the evidence from the SWOT analysis. All the needs should be described, regardless whether they will be addressed through the CAP support plan or not;
- (c) for the specific environmental and climate objectives referred to in points (d), (e) and (f) of Article XXX of this Regulation, an indicative quantification of these needs, based the Impact Indicators [I.7 to I.15] as defined in Annex XXX of this Regulation;
- (d) for the specific objective of supporting viable farm income and resilience [as referred to in ...], an assessment of needs in relation to risk management;

- (e) prioritisation and ranking of needs, including a sound justification of the choices made and if relevant, why certain identified needs are not addressed or partially addressed in the CAP support plan.

## Article 12 Intervention strategy

The intervention strategy referred to in XXX shall set out, for each specific objective referred to in [...] and addressed in the CAP support Plan:

- (a) Targets for each relevant common [and, where needed, CAP support plan specific] result indicator;

The value of these targets shall be justified in view of the needs assessment referred to in point 1.

- (a) Interventions. These interventions, based on the types of intervention defined in [...], shall be designed to address the specific situation in the area concerned, following a sound intervention logic, supported by the ex ante evaluation referred to in Article XXX, the SWOT analysis referred to in Article XXX and the needs assessment referred to in [ccc];
- (b) The strategy shall also show how the interventions allow reaching the targets and how they are mutually coherent and compatible.
- (c) the allocation of financial resources to the interventions of the CAP support plan is justified and adequate to achieve the targets set, and is consistent with the financial plan as referred to in article vvvv.

The strategy shall also provide the following elements, showing the consistency of the strategy and the complementary of interventions across the specific objectives:

- (a) an overview of the environmental and climate architecture of the CAP support plan which describes the complementarity and baseline conditions between the conditionality and the different interventions addressing the specific environmental and climate objectives referred to in points xx, (e) and zz of Article X of this Regulation, including those which are part of sectoral programmes as referred to in...[...];
- (b) an overview of the sectoral interventions, including coupled income support [as referred to in...] and sectoral programmes referred to in [of this Regulation], providing a justification for targeting the sectors concerned, the list of interventions per sector, their complementarity, as well as the possible specific additional targets related to the sectorial interventions referred to in Article [...];
- (c) an overview of how the CAP support plan will contribute to the cross-cutting general objective related to knowledge and innovation referred to in [point (a) of the second paragraph of article 4], notably through a description of the organisational set up ensuring that advisory services [as referred to in Article 29], research and rural networks will work together, specifying how advice and innovation support services will be provided;
- (d) a short description of the planned support for the development of digital technologies, where relevant, with a view to improving the effectiveness and efficiency of the CAP Support Plan interventions;
- (e) a short explanation as to which interventions will contribute to ensure a coherent and integrated approach to risk management;

- (f) a description of the interplay between national and regional interventions, including the distribution of financial allocations per intervention and per fund.

### Article 13

#### Elements common to several interventions

The description of elements common to several interventions shall include:

- (a) definitions to be set by Member States, in compliance with [*article X on "framework definitions" for genuine farmer, agricultural activity (production / maintenance), eligible hectares, agricultural land (arable land, permanent crop, permanent grassland, Young farmer...]*], as well certain conditions applying to all or several direct payment interventions [*minimum requirements,*];
- (b) a description of the system of conditionality, which comprises the following:
  - (i) for each GAEC standard; a description of the way the EU standard is implemented, including the following elements: summary of the on-farm practice, territorial scope, type of farmers concerned, and justification of the contribution to the main objective of the practice.
  - (ii) a description of the overall contribution to the environmental and climate objectives of the CAP.
- (c) A description of the use of 'technical assistance (where it is funded), CAP network & communication', as referred to in...[*article on technical assistance, CAP Network and communication?*]
- (d) Other implementation information such as:
  - (i) a short description of the establishment of the value of payment entitlements and of the functioning of the reserve where applicable;
  - (ii) the use of the estimated product of capping of direct payments [as referred to in...].

### Article 14

#### Interventions

The description of each intervention specified in the strategy referred to in XXX, shall include:

- (a) the type of intervention it belongs to;
- (b) the territorial scope;
- (c) the specific design or requirements of that intervention that ensures an effective contribution to the specific objective(s). For environmental interventions, articulation with the conditionality requirements shall show that the practices do not overlap;
- (d) the [~~main~~] eligibility conditions and, where appropriate, the principles for defining selection criteria and the eligibility of expenditure, in compliance with the requirement set out in this Regulation, the HzR and the CPR;
- (e) the annual planned outputs for the intervention, and where relevant, a breakdown per unit amount of support;

- (f) the annual planned unit amount of support and a justified maximum upper variation of that unit amount as referred to in article [*variation of unit amount – title VI*]. Where applicable, the following information should also be provided:
  - (i) the form and rate of support,
  - (ii) the calculation of the unit amount of support [and their certification as referred to in ?];
  - (iii) the different uniform unit amounts of support within that intervention;
- (g) the resulting annual financial allocation for the intervention, as referred to in [title VI – article on "indicative financial allocation"]. Where applicable, a breakdown on amounts planned for grants and amounts planned for financial instruments should be provided.
- (h) [*an indication as to whether the intervention is subject to state aid clearance*].

#### Article 15 Financial plan

The financial plan referred to in XXX shall comprise tables consistent with point g of Article 14 including:

- a. The Member States allocations for the types of interventions referred to in Title [DP] and in Title [RD], as well for the sectoral programmes [wine and bee-keeping referred to in Title ] from the year of inclusion in the CAP support plan and indicating transfers of amounts between [DP and RD] in accordance with Article [flexibility and capping estimate] and [any deductions of the Member States allocations to make amounts available for sectorial support] of this Regulation. It shall also include the Member state's [for the sectoral programmes olive oil and hops, referred to in Article...], or if the corresponding programmes are not implemented, the decision to include the corresponding envelopes in the Member State's allocation for direct payments referred to in Article [...].
- b. a breakdown of the Member States allocations for [DP] after transfers as specified under a) based on indicative financial allocations per intervention per year and specifying the planned outputs, the average or uniform unit amount and the maximum variation referred to in Article [maximum deviation from unit amount]. Where applicable, this should include the amount of the reserve of payment entitlements.

Taking into account [Article that allocations may exceed the ceiling], these indicative financial allocations, and the related planned outputs and the corresponding average unit amounts or uniform unit amounts, shall be established before capping and taking into account the use of the product of capping as referred to under article 13 e). The estimated product of capping shall be specified per year.

- c. a breakdown of the Member States allocations for RD after transfers to and from direct payments as specified under a), per type of intervention and per intervention for the period, indicating also the applicable EAFRD contribution rate, broken down per intervention and per type of region where applicable. In case of transfer of funds from direct payments, the intervention(s) or part of intervention financed by the transfer shall be specified. This table shall also



specify the planned outputs per intervention and the average or uniform unit amounts, as well as, where applicable, a breakdown on amounts planned for grants and amounts planned for financial instruments. The amounts for technical assistance shall also be specified.

- d. indications of the interventions contributing to the minimum spending requirements laid down in Article [Ring-fencing]
- e. *[relevant breakdown of the national allocations for sectorial programmes referred to [in ...], broken per intervention and with an indication of the planned outputs and the average unit amount;]*

The elements referred to in this article shall be per year. They shall respect the conditions set out in title VI [xxxx – financial provisions].

- f. [table on additional aid for RD?]

Each CAP support plan shall also include a recapitulative table showing the targets as referred to in Article 14, indicating the break-down by year.

## Article 16

### Governance and coordination structures

The governance and coordination structures referred to in XXX shall comprise:

- (a) identification of all governance bodies referred to in the [HzR];
- (b) identification and role of delegated and intermediate bodies not referred to in the [HzR];
- (c) identification of competent control bodies responsible for the checks of conditionality practices and requirements;
- (d) an assessment of ex ante conditionalities referred to in XXX, including an assessment of which of the ex ante conditionalities established in accordance with [CPR/ CAP support plan R] are applicable to the CAP support plan and which of them are fulfilled at the date of submission of the Plan.

*[Where the ex ante conditionalities are not fulfilled, the CAP support plan shall contain a description of actions to be taken, the bodies responsible and a timetable for such action to fulfil the respective ex ante conditionality.]*

## Article 17

### Simplification and reduced administrative burden

Each CAP support plan shall highlight the elements of the CAP plan and of its delivery mechanisms which will ensure simplification and reduced administrative burden for final beneficiaries.

## Article 18

### Annexes

- 1. Annex I referred to in Article XXX shall include a summary of the main results of the ex-ante evaluation and the Strategic Environmental Assessment (SEA) as referred to in [Article 9 of S.I. No. 435 of 2004], and how they have been

addressed or a justification of why they have not been taken into account, and a link to the complete ex ante evaluation report and SEA report;

2. Annex II referred to in Article XXX shall include a SWOT analysis of the current situation of the area covered by the CAP support plan.

The SWOT analysis shall comprise, for each specific objective of the CAP, a comprehensive overall description of the current situation of the area covered by the CAP support plan, based on common context indicators and other quantitative and qualitative up-to-date information such as studies, past evaluation reports, sectoral analysis, lessons learned from previous experiences.

Such description shall notably highlight in relation to each objective:

- (a) strengths identified in the CAP support plan area;
- (b) weaknesses identified in the CAP support plan area;
- (c) opportunities identified in the CAP support plan area;
- (d) threats identified in the CAP support plan area.
- (e) an analysis of territorial aspects, highlighting those territories specifically targeted by interventions;
- (f) an analysis of sectorial aspects, notably for those sectors subject to specific interventions and/or sectoral programmes.

For the environmental and climate general objective referred to in point (b) of Article 4, the SWOT analysis shall include a short description of national plans emanating from EU environmental/climate legislation such as the Management Plans and Prioritised Action Frameworks for Natura 2000, River Basin Management Plan, Air Quality and Air Pollution Programmes, Biodiversity Strategies, Energy-Climate Plans.

For the generational renewal objective referred to in [article on specific objectives], the SWOT shall include a short analysis of access to land, land mobility and land restructuring, access of finance and credits, and access to knowledge and advice.

For the knowledge and innovation general objective referred to in point (a) of the second paragraph of article 4, the SWOT analysis shall also provide relevant information about the functioning of the agricultural knowledge and information system and related structures.

1. Annex III referred to in Article XXX shall include the outcomes of the consultation of the partners and a brief description of how the consultation was carried out (as defined in CPR)?.
2. Annex IV referred to in Article XXX shall provide a short description of National aids which are provided within the scope of the CAP support plan [or "of this Regulation"?] and an explanation of the complementarity with the CAP support plan interventions.

Where appropriate, information on state aid clearance shall also be provided.

3. Annex V referred to in Article XXX shall provide a brief description of the aid for cotton and its complementarity with the CAP support plan interventions.

## Article 19

The Commission shall adopt implementing acts laying down rules for the presentation of the elements described in Articles XXX in CAP support plans. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article XXX.

# CHAPTER 2 PREPARATION, APPROVAL AND AMENDMENT OF CAP SUPPORT PLANS

## Article 20

### CAP support plan preparation

Member States shall draw up CAP support plans in cooperation with the partners referred to in Article [CPR]. Member States shall draw up the plans based on procedures that are transparent for the public, in accordance with their institutional and legal framework.

## Article 21

### CAP support plan approval

1. Each Member State shall submit to the Commission a proposal for a CAP support plan, containing the information referred to in Article [1].
2. The Commission shall assess the consistency of the CAP support plan with the general principles of Union law, with this Regulation and the provisions adopted pursuant to it as well as with the Horizontal Regulation and the (CPR) referred to in Article **Errore. L'origine riferimento non è stata trovata.**, their effective contribution to the specific objectives and the consistency with [the Partnership Agreement referred to in Article [new CPR]]. The assessment shall address, in particular, the adequacy of the programme strategy, the indicators, targets and the allocation of budgetary resources to meet the specific CAP support plan objectives through the proposed set of interventions on the basis of the analysis of the situation in terms of strengths, weaknesses, opportunities and threats ("the SWOT") and the ex ante evaluation.
3. The Commission shall assess the CAP plans on the basis of the completeness of the plans, the consistency and coherence with this Regulation and where relevant with the [CPR]; their effective contribution to CAP specific objectives; the impact on the proper functioning of the internal market and distortion of competition; the level of administrative burden on beneficiaries. The assessment shall address, in particular, the adequacy of the CAP plan strategy, the corresponding specific objectives, targets, interventions and the allocation of budgetary resources
4. In line with the results of the assessment referred to in paragraph 2, where necessary, the Commission may address observations to the Member States within three months of the date of submission of the CAP support plan.

The Member State shall provide to the Commission all necessary additional information and, where appropriate, revise the proposed plan.

5. The Commission shall approve the proposed CAP support plan provided that the preparatory procedure is completed, the necessary information has been submitted and the Commission is satisfied that the Plan is compatible with the

general principles of Union law, the requirements set out in this Regulation and in the Regulations referred to in Article XXX.

6. The approval of each CAP support plan shall take place no later than six months following its submission by the Member State concerned, but not before 1 January [2021.]

The approval shall not cover the information provided in the Annexes to the CAP support plan referred to in Article XXX.

In duly justified cases, for CAP support plans with regional interventions referred to in Article 2, the Member State may ask the Commission to approve a CAP support plan which does not contain all regional interventions, provided that this does not affect the overall consistency and coherence of the plan. The missing regional interventions of the CAP support plan shall be submitted to the Commission as an amendment of the plan in accordance with Article **Errore. L'origine riferimento non è stata trovata.**

7. Each CAP support plan shall be approved by the Commission by means of an implementing act without applying the Committee procedure referred to in Article XXX.
8. The CAP support plans shall only have legal effects after their approval by the Commission.

## Article 22

### CAP support plan amendment

1. Member States may submit to the Commission requests to amend their CAP support plans.
2. Requests for amendment of CAP support plans shall be duly justified and shall in particular set out the expected impact of the changes to the plan on achieving the specific objectives for the CAP support plans, referred to in Article 1. They shall be accompanied by the revised plan including the updated annexes as appropriate.
3. The Commission shall assess the consistency of the amendment with this Regulation and the provisions adopted pursuant to it as well as with the Regulations referred to in Article (2), its effective contribution to the specific objectives and the consistency with the Partnership Agreement referred to in Article [new CPR].
4. The Commission shall approve the requested amendment to a CAP support plan provided that the procedure is completed, the necessary information has been submitted and the Commission is satisfied that the amended Plan is compatible with the general principles of Union law, the requirements set out in this Regulation and in the Regulations referred to in Article XXX.
5. The Commission may make observations within [30 working days] of the submission of the revised plan and the Member State shall provide to the Commission all necessary additional information.
6. The approval of a request for amendment of a CAP support plan shall take place no later than three months after its submission by the Member State provided

that any observations made by the Commission have been adequately taken into account.

Amendments of a CAP support plan may be proposed no more than one time per calendar year and only after the annual performance review referred to in Article [...]. The correction of clerical errors shall not count against the maximum number of amendments.

When a request for amendment includes a transfer of funds between the EAFRD and the EAGF referred to in Article XXX, it shall be submitted no later than 1 August. Amendments solely submitted for the purpose of transfer of funds shall not count against the maximum number of amendments referred to in [...] paragraph.

### Article 23

#### Calculation of time limits for Commission decisions

[The time limit set for the Commission to adopt or amend a decision pursuant to Articles (on approval and amendment of CAP Plans) shall not include the period which starts on the date following the date on which the Commission sends its observations to the Member State and lasts until the Member State takes all observations adequately into account.]

### Article 24

#### Commission Implementing empowerment

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

- (a) the approval of CAP support plans;
- (b) the submission and approval of proposals for amendments to CAP support plans, including their entry into force [and the frequency with which they are to be submitted during the programming period.]

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

# **TITLE IV**

## **TYPES OF INTERVENTIONS AND BASIC REQUIREMENTS**

### **CHAPTER – 1**

#### **BASIC REQUIREMENTS**

##### **SECTION 1**

###### **CONDITIONALITY**

###### Article 25

###### Principle and scope

1. Member States shall include in the legal framework for the implementation of the CAP Plan that when a beneficiary referred to in Article 26 does not comply with the requirements and standards under conditionality as laid down in paragraph 2, an administrative penalty as laid down in [Article on conditionality penalties in the Horizontal Regulation] shall be imposed on that beneficiary.
  - (a) the climate and environment;
  - (b) public health, animal health and plant health;
  - (c) animal welfare.
2. The legal acts referred to in [ex-Annex II] concerning the statutory management requirements shall apply in the version in force and, in the case of Directives, as implemented by the Member States.

###### Article 26

###### Beneficiaries concerned

Conditionality applies to beneficiaries receiving direct payments under [xxx] or the annual premia under [xxx management commitments and region constraints].

###### Article 27

###### Obligations of Member States relating to good agricultural and environmental condition

1. Member States shall ensure that all agricultural area as defined in Article XXX including land which is no longer used for production purposes, is maintained in good agricultural and environmental condition. Member States shall define, at national or regional level, minimum standards for beneficiaries for good agricultural and environmental condition of land in line with the main objective of the standards as referred to in [ex-Annex II], taking into account the specific characteristics of the areas concerned, including soil and climatic condition, existing farming systems, land use, crop rotation, farming practices, and farm structures.
2. In respect of the main objectives laid down in [ex-Annex II] Member States may prescribe standards additional to those laid down in that Annex against those

main objectives. However, Member States shall not define minimum standards for main objectives other than the main objectives established in [ex-Annex II].

3. Member States shall establish a system for providing to farmers the Farm Sustainability Tool for Nutrients referred to in [ex Annex II], with the minimum content and functionalities as defined therein. The Commission may support the Member States with the design of the Tool as well as with the data storage and processing services required.
4. [In order to ensure the correct EU-wide implementation of the Tool by individual farmers, the Commission shall be empowered to adopt delegated /implementing acts in accordance with Article .... laying down the format and additional minimum elements and functionalities of the Tool.

#### Article 28

##### Commission implementing empowerment

The Commission may adopt implementing acts setting detailed rules for certain good agricultural and environmental condition to ensure their uniform implementation.

#### Article 29

##### Information to beneficiaries

Member States shall provide the beneficiaries concerned, where appropriate by the use of electronic means, with the list of the requirements and standards to be applied at farm level, as well as clear and precise information thereon.)

## SECTION 2

### FARM ADVISORY SYSTEM

#### Article 30

##### Farm advisory system

1. Member States shall include in the legal framework for the implementation of the CAP Plan a system for advising farmers and other beneficiaries of CAP support on land management and farm management ('farm advisory system').
2. The farm advisors shall be integrated within the AKIS in order to be able to cover economic, environmental and social dimensions, as well as to deliver up to date technological and scientific information developed by research and innovation;
3. The farm advisory system shall cover at least the following :
  - (a) all requirements, conditions and management commitments applying to farmers and other beneficiaries of the CAP set in the CAP support plan, including

- requirements and standards under conditionality and conditions for support schemes;
- (b) the requirements as defined by Member States for implementing Article 11(3) of Directive 2000/60/EC (the Water Framework Directive) and Article 55 of Regulation (EC) No 1107/2009, in particular the requirement referred to in Article 14 of Directive 2009/128/EC (the Directive on the sustainable use of pesticides)
  - (c) farm practices preventing the development of antimicrobial resistance as foreseen by [EU Action Plan for antimicrobial resistance].

## **CHAPTER 2**

### **DIRECT PAYMENTS INTERVENTIONS**

#### Article 31

##### Types of interventions belonging to direct payments

1. The following types of interventions belong to decoupled direct payments:
  - the Basic Income Support for Sustainability (BISS);
  - the Complementary Redistributive Income Support for Sustainability (CRISS);
  - the Complementary Income Support for Young Farmers (CIS-YF);
  - the voluntary scheme for the climate and the environment ("Eco-scheme").
2. The following types of interventions belong to coupled direct payments:
  - the coupled income support (CIS);
  - the crop-specific payment for cotton.

#### **SECTION Y**

##### **ELEMENTS APPLYING TO DECOUPLED DIRECT PAYMENTS**

#### Article 32

##### Minimum requirement for receiving decoupled direct payments

1. Member States shall not grant decoupled direct payments to farmers whose eligible area of the holding for which decoupled direct payments are claimed is less than a threshold expressed in area [an area threshold].

By setting the threshold, Member States shall aim at ensuring that decoupled direct payments may only be granted to farmers if:

- (a) The management of the corresponding payments does not cause excessive administrative burden, and
- (b) The corresponding amounts ensure an effective contribution to the objectives of decoupled direct payments set [in the CAP support plan or as referred to in article [article related to specific objectives of the CAP]].



2. The Member States concerned may decide not to apply paragraph 1 to the outermost regions and to the smaller Aegean Islands.

### Article 33

#### Capping

1. Member States shall cap the amount of direct payments to be granted to a farmer pursuant to [cross reference DP chapter] for a given calendar year at EUR 60 000.
1. Before applying paragraph 1, Member States shall subtract from the amount of direct payments to be granted to a farmer pursuant to [cross reference DP chapter] in a given calendar year:
  - (i) the salaries linked to an agricultural activity declared by the farmer, including taxes and social contributions related to employment; and
  - (ii) the equivalent cost of regular and unpaid labour linked to an agricultural activity practiced by persons working on the farm concerned who do not receive a salary (or who receive less remuneration than the amount normally paid for the services rendered) but are rewarded through the economic result of the farm business.

To calculate the amounts referred to in points a) and b), Member States shall use the average standard salaries linked to an agricultural activity at national or regional level multiplied by the number of annual work units declared by the farmer concerned.

Where ex ante analysis undertaken by the Member State concerned shows that the estimate of the product of capping is higher than the needs for the redistributive income support for sustainability based upon, Member States may use the excess product of capping within direct payments to finance other interventions belonging to decoupled direct payments.

Where the capacity to absorb the whole product of capping in decoupled direct payments would be insufficient, Member States may use the excess product of capping to finance types of interventions under the European Agricultural Fund for Rural Development (EAFRD) as specified in Chapter X [cross-reference to RD] by means of a transfer. Such transfer to the EAFRD shall be part of the CAP Plan financial tables and may be reviewed in accordance with the deadlines in the [Article on flexibility]. It would not be subject to the maximum limits for the transfers of funds from EAGF to EAFRD established under Article X [cross-reference to flexibility between funds].

### Sub section

#### Basic Income support

### Article 34

#### Basic income support for sustainability (BISS)

1. Member States shall provide for a basic income support in the form of an annual, decoupled, payment per eligible hectare.

2. Without prejudice to the application of Articles [3 to 8], the basic income support shall be granted for each eligible hectare as defined by Member States in accordance with Article X [*reference to Article on framework definition of “eligible ha”*] declared by a genuine farmer as defined by Member States in accordance with Article X, [*reference to Article on framework definition of “genuine” farmers*].
3. By way of derogation, small farmers, as defined by Member States may receive a payment in the form of a lump-sum payment to be provided by Member States as a separate intervention in the CAP Plan.

#### Article 35

##### Amount of support per hectare

1. Without prejudice to the application of paragraph 2, the support shall be paid as a uniform amount per hectare.
2. However, Member States may decide to differentiate the amount of basic income support per hectare amongst different territories faced with similar socio-economic and/or agronomic conditions.
3. Where Member States decide to differentiate the amount of the basic income support per hectare in accordance with the previous subparagraph, they shall indicate the estimated average amount per hectare and the planned output for each group of territories in the CAP support plan in accordance with Article [X on CAP support plan content].

#### Article 36

##### Payment entitlements

1. Member States having applied the basic payment scheme as laid down in section 1 of Chapter 1 of Regulation (EU) No 1307/2013, may decide to grant the basic income support based on payment entitlements in accordance with the rules laid down in Article [x] to [y] of this regulation.
2. Where Member States having applied the basic payment scheme as laid down in section 1 of Chapter 1 of Regulation (EU) No 1307/2013 decide not to grant the basic income support based on payment entitlements, the payment entitlements allocated under Regulation (EU) No 1307/2013 shall expire on 31 December [20XX].

#### Article 37

##### Activation of payment entitlements

1. Farmers holding owned or leased-in payment entitlements shall be granted basic income support upon activation of those payment entitlements. For the purpose of the activation of payment entitlements farmers shall declare eligible hectares accompanying any payment entitlement.
2. Payment entitlements, including in the case of actual or anticipated inheritance, may be activated only in the Member State or within the group of territories defined in accordance with [reference “regionalisation” Article] where they were allocated.

3. Activated payment entitlements shall give a right to payment of the amount fixed therein, without prejudice to the application of capping in accordance with Article [reference to capping] and financial discipline [reference to HR].

#### Article 38

##### Value of payment entitlements

1. The value of payment entitlements shall be determined by the Member States taking into account the value of payment entitlements as established in accordance with Article 25 and 26 of Regulation (EU) No 1307/2013 for claim year [20xx] and the related payment for agricultural practices beneficial for the climate and environment as defined in Article 9 of the same regulation for claim year [20xx].
2. Member States may decide to differentiate the value of payment entitlements in accordance with the principles laid down in Article [reference “regionalisation” Article]] of this regulation.
3. [The per hectare amount shall not exceed the value of xxx EUR].

#### Article 39

##### Reserves of payment entitlements

1. Each Member State shall manage a national reserve.
2. By way of derogation from paragraph 1, where Member States decide to differentiate the basic income support for sustainability in accordance with Article [reference “regionalisation” Article] of this Regulation, they may decide to have a reserve for each group of territories defined in accordance with paragraph that Article/paragraph.
3. Payment entitlements from the reserve shall only be allocated to genuine farmers as defined by the Member States in accordance with Article X [reference to Article on framework definition of “genuine” farmers]
4. Member States shall use their reserve as a matter of priority to allocate payment entitlements
  - (a) to young farmers who are newly set up for the first time;
  - (b) to farmers who are newly set up for the first time, as head of the holding and with appropriate training and/or acquired necessary skills as defined by the Member States for young farmers in accordance with Article XXX.
5. Member States may define further criteria for the allocation of payment entitlements from the reserve in accordance with Article [reference to general principles Article] of this regulation.
6. Where the reserve is insufficient to cover the allocations of payment entitlements in accordance with paragraph 4 (a) and (b), the reserve shall be replenished by a linear reduction of the value of all payment entitlements.

Member States may decide to lay down further rules for the replenishment of their reserve.

7. The value of payment entitlements allocated from the reserve shall be fixed at the national average value of payment entitlements in the year of allocation or at the average value of payment entitlements for each group of territories defined in accordance with Article 2(2) in the year of allocation.
8. Member States shall allocate payment entitlements or increase the value of the existing ones to farmers that are entitled by virtue of a definitive administrative act of the competent authority of a Member State. The farmer shall receive the number and value of payment entitlements established in that ruling or act at a date to be fixed by the Member State.
9. Member States may decide to allocate new payment entitlements from their national or regional reserves or to increase the value of the existing ones in accordance with Article [reference to general principles Article] of this regulation.

#### Article 40

##### Transfers of payment entitlements

1. Except in the case of transfer by actual or anticipated inheritance, payment entitlements may be transferred only to a genuine farmer as defined by the Member State in accordance with Article [X][reference to Article on framework definition of “genuine farmer”].
2. Where Member States decide to differentiate the basic income support in accordance with [reference “regionalisation” Article], payment entitlements may only be transferred within the group of territories where they were allocated.

## SUB-SECTION 2

### COMPLEMENTARY INCOME SUPPORT

#### Article 41

##### Complementary Redistributive income support for sustainability (CRISS)

1. For the purpose of ensuring redistribution of support from bigger to smaller and/or medium-sized farms, Member States shall provide for a redistributive income support in the form of an annual, decoupled, payment per eligible hectare to farmers who are entitled to [a payment under] the basic income support referred to in Article X [cross reference to BIS].
2. Member States shall establish an amount per hectare or different amounts for different ranges of hectares, as well as the maximum number of hectares per farmer for which the redistributive income support shall be paid.
3. The amount per hectare shall not exceed the national average amount of direct payments per hectare.
4. The national average amount of direct payments per hectare is defined as the ratio of the national ceiling for direct payments for claim year [20XX] as laid down in Annex X [cross reference to Annex with DP ceiling] and the total planned outputs for the basic income support for claim year [20XX], expressed in number of hectares.

Article 42  
Complementary Income Support for Young Farmer (CISYF)

1. As part of their obligations to address generational renewal and in accordance with Article [cross reference financial provisions] Member States may provide a complementary income support for young farmers who are newly set-up for the first time.
1. This complementary income support shall take the form of an annual, decoupled, payment per eligible hectare to farmers who are entitled to a payment under the basic income support.
2. Member States in the CAP support plan shall define eligibility conditions for the complementary income support.

Article 43  
Voluntary scheme for the climate and the environment "eco-scheme"

1. Member States may decide to support under this type of intervention genuine farmers who make commitments to observe, on [eligible hectares to be defined by Member States], agricultural practices beneficial for the climate and the environment referred to in paragraph 2.
2. Member States shall lay down the practices in respect of which payments are made under the scheme. Those practices shall be designed to meet one or more of the specific environmental and climate objectives laid down in points (d), (e) and (f) of Article XXX of this Regulation...

The practices shall include commitments going beyond the relevant mandatory standards, established pursuant to Chapter xx of Title xx of this Regulation [conditionality] and relevant minimum requirements for the use of fertiliser and plant protection products use as well as other relevant mandatory requirements established by national and EU law. These relevant requirements shall be identified in the CAP support plan.

3. Payments under the schemes referred to in this Chapter shall be granted annually.

Payments shall take the form of an annual payment per eligible hectare and it shall be granted as either:

(a) payments additional to [decoupled direct payments], which comply with the requirements laid down in [paragraphs 1, 5 and 6 of Annex 2]. of Annex 2 to the WTO Agreement of Agriculture]; or

(b) payments compensating beneficiaries for all or part of the additional costs incurred and income foregone as a result of the commitments, as set pursuant to the procedure laid down in [calculation procedure for payments for management commitments] and which comply with [point (a) and paragraphs 1 and 12 of Annex to the WTO Agreement of Agriculture].

The Commission shall be empowered to adopt delegated acts in accordance with Article X to set further details for the scheme.

**SECTION XY**  
**ELEMENTS APPLYING TO COUPLED DIRECT PAYMENTS**

Article 44  
Coupled income support

1. Member States may grant coupled income support to genuine farmers under the conditions laid down in this article.
2. Coupled income support may be granted to the following sectors and productions: cereals, oilseeds, protein crops, grain legumes, flax, hemp, rice, nuts, starch potato, milk and milk products, seeds, sheepmeat and goatmeat, beef and veal, olive oil, silkworms, dried fodder, hops, sugar beet, cane and chicory, fruit and vegetables and short rotation coppice.
3. Coupled income support may only be granted to those sectors or specific types of farming therein, which are particularly important for economic, social or environmental reasons and undergo certain difficulties. The Member States' interventions shall help to address these difficulties by improving the competitiveness, and/or the sustainability, and/or the quality of the sectors or types of farming.
4. Coupled income support shall take the form of an annual payment per hectare or animal.
5. Member States may grant area-related coupled income support only for areas that they have defined as eligible areas on the basis of Article [...]. Where Member States grant coupled income support to hemp, the condition referred to in Article [...] of this Regulation shall apply.

Where the coupled support income intervention concerns bovine animals and/or sheep and goats, Member States shall define as eligibility conditions for the support, the requirements to identify and register animals in compliance with the requirements laid down for in Regulation (EC) No 1760/2000 of the European Parliament and of the Council or Council Regulation (EC) No 21/2004 respectively. However, without prejudice to other applicable eligibility conditions, bovine animals and/or sheep and goats shall be considered as eligible for support as long as the identification and registration requirements are met by a certain date in the claim year concerned to be fixed by the Member States

- 1.
6. Where the coupled income support intervention concerns the oilseeds referred to in the Annex to the Memorandum of Understanding between the European Economic Community and the United States of America on oilseeds within the framework of the GATT, the total of the maximum areas to be supported as notified by the Member States on the basis of [CAP support plan provision] shall not exceed a maximum area for the whole Union for the purpose of ensuring compliance with its international commitments.

Where the maximum area referred to in the first subparagraph is exceeded, the Member States concerned shall adjust the area notified on the basis of [CAP support plan provision] by applying a reduction coefficient resulting from the ratio between the maximum area and the total of the areas notified for the support of those oilseeds referred to in the first subparagraph.

The Commission shall fix the reduction coefficient referred to in the second subparagraph by means of implementing acts adopted without applying the procedure referred to in Article [committee procedure]~~71(2) or (3) of Regulation (EU) No 1307/2013~~

7. In order to ensure efficient and targeted use of Union funds the Commission shall be empowered to adopt delegated acts in accordance with Article 70 [...] laying down ~~(a)~~ the conditions for granting coupled support.
2. -
8. 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 2020 on the basis of the production units for which coupled income support was granted in a past reference period.

## **CHAPTER 3**

### **RURAL DEVELOPMENT INTERVENTIONS**

#### **SECTION 1**

#### **ELEMENTS APPLYING TO SEVERAL TYPES OF INTERVENTIONS**

##### Article 45

##### Selection of operations

1. The Managing authority of the CAP support plan or other designated intermediate bodies shall define selection criteria for interventions relating to the following types of interventions: investments, installation grants, cooperation, agricultural knowledge and information system, following consultation with the Monitoring Committee. Selection criteria shall aim to ensure equal treatment of applicants, better use of financial resources and targeting of the support in accordance with the purpose of the interventions.
2. Selection criteria may not be defined for investment interventions clearly targeting environmental purposes or realised in connection with restoration activities
3. The Managing/Planning Authority of the CAP support plan or other designated intermediate bodies may also define selection criteria for other types of interventions, according to the criteria mentioned in paragraph 1. and following consultation with the Monitoring Committee
4. This Article shall not apply where support is provided in the form of financial instruments.

## SECTION 2 TYPES OF INTERVENTIONS

### Article 46

#### Payments for Management Commitments

1. Member States may grant payments for management commitments under the conditions set out in this Article as further defined in their CAP support plans.
2. Member States may make support under this intervention available throughout their territories, in accordance with their national, regional or local specific needs.
3. Member States shall grant payments to farmers and other land managers who undertake, on a voluntary basis, management commitments which are considered to be beneficial to achieving the specific objectives of the CAP.
4. The inclusion of agri-environment-climate commitments in the CAP plan shall be compulsory for Member States.
5. Under this type of intervention, Member States shall only provide payments covering commitments going beyond the relevant mandatory standards, established pursuant to Chapter xx of Title xx of this Regulation and relevant minimum requirements for the use of fertiliser and plant protection products use, animal welfare, as well as other relevant mandatory requirements established by national and EU law. These relevant requirements shall be identified in the CAP plan.
6. Member States shall compensate farmers for costs incurred and income foregone resulting from the commitments made. Where necessary, they may also cover transaction costs. In duly justified cases, Member States may grant support as a flat-rate or as a one- off payment per unit.
7. Where support under this intervention is granted to agri-environment-climate commitments, commitments to convert or maintain organic farming practices and methods as defined in Regulation (EC) No 834/2007, forest environmental and climate services and forest conservation, Member States shall establish a payment per hectare.
8. Member States shall ensure that commitments supported under this type of intervention do not overlap with practices supported under Art [ECOSCHEMES].
9. Member States shall ensure that persons undertaking to carry out operations under this type of intervention are provided with the knowledge and information required to implement such operations.
10. Member States shall ensure that payments comply with the requirements laid down in point 12 of Annex 2 to the [Agreement of Agriculture].

### Article 47

#### Payments for region-specific constraints

1. Member States may grant support to beneficiaries in regions with specific constraints under the conditions set out in this Article as further defined in their CAP support plans.



2. Member States may only grant support under this type of intervention in order to compensate beneficiaries for all or part of the additional costs and income foregone related to the region-specific constraints in the area concerned.
3. The region-specific constraints shall relate to one of the following:
  - (a) natural or other specific constraints;
  - (b) region-specific constraints imposed by standards resulting from the implementation of Directives 92/43/EEC and Directive 2009/147/EC and the Directive 2000/60/EC.
4. Support shall be granted annually per hectare of area.
5. Support for constraints referred to in paragraph 2(a) shall be granted for areas designated pursuant to Article 32 of Regulation (EU) No 1305/2013 during the 2014-2020 programming period.
6. When defining areas with constraints referred to in paragraph 2(b) Member States shall include the following areas:
  - (c) Natura 2000 agricultural and forest areas designated pursuant to Directives 92/43/EEC and 2009/147/EC;
  - (d) other delimited nature protection areas with environmental restrictions applicable to farming or forests which contribute to the implementation of Article 10 of Directive 92/43/EEC, provided that, per CAP support plan, those areas do not exceed 5 % of the designated Natura 2000 areas covered by its territorial scope;
  - (e) agricultural areas included in river basin management plans according to Directive 2000/20/EC.
7. Member States may only grant support for region-specific constraints in relation to disadvantages resulting from requirements that go beyond the good agricultural and environmental condition provided for in Article XXX [conditionality].
8. Member States may only grant support linked to the Water Framework Directive in relation to specific requirements going beyond baseline conditions stemming from Nitrate Directive, to be detailed in the CAP-plan.
9. Member States shall calculate additional costs and income foregone in comparison to areas which are not affected by region-specific constraints.
10. Member States shall ensure that payments for region-specific constraints comply with the requirements laid down in paragraph 13 of Annex 2 to the [Agreement of Agriculture] ("regional assistance programmes").

#### Article 48 Investments

1. Member States may grant investment support under the conditions set out in this Article as further defined in their CAP support plans.
2. Member States may only grant support under this type of intervention for tangible and/or intangible investments, which contribute to achieve the specific CAP objectives referred to in XXX.

3. Member States shall establish in their CAP support plans a list of ineligible investments and categories of expenditure, including at least the following:
  - (a) Purchase of agricultural production rights;
  - (b) Purchase of payment entitlements;
  - (c) Purchase of land with the exception of land purchase for environmental conservation;
  - (d) Purchase of animals, annual plants and their planting other than for the purpose of restoring agricultural or forestry potential following natural disaster and catastrophic events;
  - (e) Interest rate on debt,
  - (f) Value Added Tax [adaptation might be needed following finalisation of CPR],
  - (g) Investments in irrigation leading to unsustainable levels of water use [as defined in article XXX of the Water Framework Directive]
  - (h) Investments in large infrastructures, including for broadband [adaptation might be needed following finalisation of CPR].
4. Support shall be limited to the maximum rate of 75% of the eligibility costs.

The maximum support rate may be increased for the following investments:

- (a) Non-productive investments linked to the environmental and climate objectives referred to in points (d), (e) and (f) of Article 1 of this Regulation
  - (b) Investments in basic services in rural areas;
  - (c) Investments to restore agricultural or forestry potential following natural disasters or catastrophic events
  - (d) when the support is provided through or in combination with financial instruments by 15%.
5. Member States shall ensure that payments for investments comply with the requirements laid down in paragraph 11 of Annex 2 to the [Agreement of Agriculture].
  6. Where support is provided through a financial instrument established in accordance with Article [CPR], working capital may be eligible expenditure.

In case an operation/project receives support in the form of financial instruments and grants according to [reference CPR (new Art.65(11))], the aid element of the financial instrument support shall not be counted against the maximum aid intensity for the grant.

In case of a project covering activities falling within and also outside the scope of Article 42 TFEU, the relevant requirements of the Union State aid rules for mixed projects shall apply.

Member States may set in their CAP support plans preferential conditions for young farmers and new entrants.

[The ex ante evaluation of the CAP support plan shall appraise the rationale for the use of financial instruments according to the requirements as laid down in Article [CPR].]

#### Article 49

##### Agricultural and rural business start up support

1. Member States may grant support for agricultural and rural business start up under the conditions set out in this Article as further defined in their CAP support plans.
2. Member States may only grant support under this type of intervention to help the business start-up of:
  - (a) young farmers as defined in Article [XXX];
  - (b) non-agricultural activities in rural areas linked to agriculture and forestry or farm household income diversification.
3. When establishing eligibility criteria in their CAP support plans, Member States shall define conditions for a submission of a business plan and degressivity of support.]
4. Member States shall grant support in the form of lump sums and shall be limited to the maximum amount of EUR 100 000.

#### Article 50

##### Risk management tools

1. Member States may grant support for risk management tools under the conditions set out in this Article as further defined in their CAP support plans.
2. Member States may grant support under this type of intervention in order to promote risk management tools, which help farmers manage production and market risks related to their agricultural activity and outside the farmer's control.
3. Member States may grant in particular the following support
  - (a) (a) financial contributions to premiums for insurance schemes;
  - (b) (b) financial contributions to mutual funds, including the administrative cost of setting up :
4. Member States shall establish in their CAP support plans:
  - (a) the types and coverage of eligible insurance schemes and mutual funds;
  - (b) the methodology for the calculation of losses and triggering factors for compensation,
  - (c) the rules for the constitution and management of the mutual funds.

Member States shall limit the support to the maximum rate of [70%] of the eligible costs.

#### Article 51

##### Cooperation

1. Member States may grant support for cooperation under the conditions set out in this Article as further defined in their CAP support plans.

2. Member States may only grant support under this type of intervention to promote forms of cooperation, which involves at least two entities and which contributes to achieving the specific objectives of the Common Agricultural Policy referred to in XXX
3. Member States may cover under this type of intervention cost related to all aspects of the cooperation.
4. Member States may grant the support as a global amount covering the cost of cooperation and the cost of the projects and operations implemented or they may cover only the cost of the cooperation and use funds from other types of intervention, national or Union support instruments for project implementation.

Where support is paid as a global amount, Member States shall ensure that EU rules and requirements pertaining to similar actions covered under other types of interventions are respected.

5. When designing the eligibility criteria for the CAP Support Plan Interventions the Member States shall ensure that cooperation solely involving research bodies will not be supported and that, in the case of cooperation in the context of farm succession, no support will be granted to farmers not having reached the retirement age as set under national legislation.
6. Member States shall limit support to a maximum of seven years except for collective environment and climate actions in duly justified cases.

## Article 52

### Agricultural knowledge and innovation systems

1. Member States may grant support for agricultural knowledge and innovation systems under the conditions set out in this Article as further defined in their CAP support plans.
2. Member States shall grant support under this type of intervention to promote access to training and advice and exchange of knowledge and information, which contribute to achieve the specific objectives of the Common Agricultural Policy [reference to article].
3. Member States may cover under this type of intervention costs of any relevant action aiming at disseminating advice, knowledge and information and to promote innovation
4. Member States may grant the support by covering a maximum of 75% of the costs of information actions, or in the form of a fixed amount of maximum € 200,000 for the setting-up of farm advisory services.
5. In duly justified cases Member States may derogate from the maximum support rate defined above. In the case of support to the setting-up of farm advisory services, Member States shall ensure that the support is limited in time.
6. Member States shall ensure that actions supported under this type of intervention be based on and be consistent with the description of the AKIS provided in the CAP support plan referred to in XXX.

## Chapter 4 Sectorial interventions

### SECTION I GENERAL PROVISIONS

#### Article 53

##### *Scope of sectorial interventions*

The sectorial interventions under this Chapter cover the following:

- (a) Fruits and vegetables sector, as defined in point (i) of Article 1(2) of Regulation (EU) No 1308/2013;
- (b) Apiculture products sector, as defined in point (v) of Article 1(2) of Regulation (EU) No 1308/2013;
- (c) Wine sector, as defined in point (l) of Article 1(2) of Regulation (EU) No 1308/2013;
- (d) Olive oil and table olives sector, as defined in point (g) of Article 1(2) of Regulation (EU) No 1308/2013;
- (e) Hops sector, as defined in point (f) of Article 1(2) of Regulation (EU) No 1308/2013;
- (f) Other sectors as defined in Article 1(2) of Regulation (EU) No 1308/2013, except for sectors referred to in points (a) to (e) of this Article and in points (j) [*processed fruit and vegetables*], (n) [*tobacco*], (u) [*ethyl alcohol*] and (x) [*other products*] of Article 1(2) of Regulation (EU) No 1308/2013.

#### Article 54

##### *Mandatory and optional sectorial interventions*

1. The sectorial intervention referred to in point (a) of Article XX [*Scope of sectorial interventions*] shall be mandatory for every Member State.
2. The sectorial intervention referred to in point (c) of Article XX [*Scope of sectorial interventions*] shall be mandatory for the Member States listed in Annex XX
3. Member States may choose in their CAP Plans to implement one or more sectorial interventions referred to in points (b) and (d) to (f) of Article XX [*Scope of sectorial interventions*].

## SECTION II – INTERVENTION IN THE FRUIT AND VEGETABLES SECTOR

### Article 55

### Article 56

1. The intervention in the fruit and vegetables sector shall have the following objectives:
  - (a) planning of production, adjusting production to demand, particularly in terms of quality and quantity, optimisation of production costs and returns on investments and stabilising producer prices, falling under specific objectives referred to in Article 8(1)(a) to (c);
  - (b) concentration of supply and the placing on the market of the products of the fruit and vegetables sector, including through direct marketing, falling under specific objectives referred to in Article 8(1)(a) and (c);
  - (c) research and development of sustainable production methods, innovative practices boosting economic competitiveness and bolstering market developments, falling under specific objectives referred to in Article 8(1)(a) and (c);
  - (d) promoting, developing and implementing methods of production respectful of the environment, environmentally sound cultivation practices and production techniques, sustainable use of natural resources in particular protection of water, soil and other natural resources, falling under specific objectives referred to in Article 8(1)(e) and (f);
  - (e) contribute to climate change mitigation and adaptation, as referred to in Article 8(1)(d);
  - (f) boosting products' commercial value and quality, including improving product quality and developing products with a protected designation of origin, with a protected geographical indication or covered by a national quality schemes, falling under specific objective referred to in Article 8(1)(b);
  - (g) promotion and marketing of the products of the fruit and vegetables sector, whether in a fresh or processed form, falling under specific objectives referred to in Article 8(1)(b) and (c);
  - (h) increasing consumption of the products of the fruit and vegetables sector, whether in a fresh or processed form, falling under specific objective referred to in Article 8(1)(i);
  - (i) crisis prevention and management, aimed at avoiding and dealing with crises on the fruit and vegetables markets, falling under specific objectives referred to in Article 8(1)(a) to (c).
2. Objectives laid down in points (b), (d) and (e) of paragraph 1 shall be mandatory for all Member States. Member States shall set these objectives out in their CAP support plans together with the types of intervention necessary to achieve them, selected by the Member States from among those laid down for each objective in Article 35.
3. The objectives and the types of intervention in the fruit and vegetables sector set out by the Member States in their CAP support plans shall be implemented through operational programmes referred to in Article 36 of producer

organisations and/or associations of producer organisations recognised under Regulation (EU) No 1308/2013.

#### Article 57

#### Article 58

1. To meet the objectives referred to in points (a) to (h) of Article XX(1), Member States shall choose in their CAP support plans one or more of the following types of intervention:
  - (a) Investments in tangible and non-tangible assets, in particular focused on water saving, energy saving, ecological packaging and waste reduction;
  - (b) Research and experimental production, in particular focused on water saving, energy saving, ecological packaging, waste reduction, reduction in the use of pesticides, preventing damage caused by adverse climatic events and boosting the use of fruit and vegetable varieties adapted to changing climate conditions;
  - (c) Organic production;
  - (d) Integrated production;
  - (e) Actions to conserve soil;
  - (f) Actions to create and maintain habitats favourable for biodiversity or to maintain the landscape, including the conservation of its historical features;
  - (g) Actions to save energy and increase energy efficiency;
  - (h) Actions to improve use and management of water, including water saving and drainage;
  - (i) Actions and measures to reduce waste production and to improve waste management;
  - (j) Actions to increase sustainability and efficiency of transport and of storage of products of the fruit and vegetables sector;
  - (k) Actions to save energy and increase energy efficiency;
  - (l) Implementation of Union and national quality schemes,.
  - (m) Promotion and communication, including actions and activities aimed at diversification and consolidation of the fruit and vegetables markets;
  - (n) Advisory services and technical assistance, in particular concerning sustainable pest control techniques and sustainable use of pesticides;
  - (o) Training and exchange of best practices in particular concerning sustainable pest control techniques, sustainable use of pesticides and contributing to climate change adaptation and mitigation.
2. To meet the objective referred to in point (i) of Article XX(1), Member States shall choose in their CAP support plans one or more of the following types of intervention:
  - (a) Setting up and/or refilling of mutual funds by producer organisations recognised under Regulation (EU) No 1308/2013;

- (b) Investments in tangible and non-tangible assets making the management of the volumes placed on the market more efficient;
- (c) Replanting of orchards where that is necessary following mandatory grubbing up for health or phytosanitary reasons on the instruction of the Member State competent authority;
- (d) Market withdrawal for free-distribution or other destinations;
- (e) Green harvesting consisting of the total harvesting on a given area of unripe non-marketable products which have not been damaged prior to the green harvesting, whether due to climatic reasons, disease or otherwise;
- (f) Non-harvesting of fruit and vegetables consisting of the termination of the current production cycle on the area concerned where the product is well developed and is of sound, fair and marketable quality, excluding destruction of products due to a climatic event or disease;
- (g) Harvest insurance that contributes to safeguarding producers' incomes where there are losses as a consequence of natural disasters, adverse climatic events, diseases or pest infestations and at the same time ensuring that beneficiaries take necessary risk prevention measures;
- (h) Coaching to other producer organisations and associations of producer organisations recognised under Regulation (EU) No 1308/2013 or to individual producers;
- (i) Types of interventions referred to in points (m) and (o) of paragraph 1.

#### Article 59

#### Article 60

1. Operational programmes in the fruit and vegetables sector shall have a minimum duration of three years and a maximum duration of seven years. All operational programmes shall end at the latest on 31 December [2030]. They shall include the mandatory objectives referred to in Article XX(2).
2. For each objective the operational programs shall lay down the types of intervention selected from among those set out by the Member States in their CAP support plans.
3. Operational programmes shall be submitted to the Member States for their approval.
4. Operational programmes may be implemented only by producer organisations or by associations of producer organisations recognised under Regulation (EU) No 1308/2013.
5. Operational programmes of associations of producer organisations shall not cover the same types of intervention as operational programmes of member organisations. Operational programmes of associations of producer organisations shall be considered with operational programmes of member organisations.

To that end Member States shall ensure that:

- (j) types of intervention under operational programmes of an association of producer organisations are entirely financed by contributions of those member



organisations of that association and that such funding is collected from the operational funds of those member organisations;

- (k) types of intervention and their corresponding financial share are identified in the operational programme of each member organisation; and

6. Member States shall ensure that:

- (a) at least at least 20% of expenditure under operational programmes covers the types of intervention linked to the objectives referred to in points (d) and (e) of Article XX(1);
- (b) at least 5% of expenditure under operational programmes covers the types of intervention linked to the objective referred to in point (c) of Article XX(1);
- (c) types of intervention linked to objective referred to in point (i) of Article XX(1) do not exceed one third of the total expenditure under operational programmes of producer organisations or associations of producer organisations.

#### Article 61

#### Article 62

- 1. Producer organisations in the fruit and vegetables sector and/or their associations may set up an operational fund. The fund shall be financed by:
  - (a) Financial contributions from:
    - (i) members of the producer organisation and/or producer organisation itself; or
    - (ii) associations of producer organisations through the members of those associations;
  - (b) Union financial assistance, which may be granted to producer organisations or to their associations where those associations present an operational programme or partial operational programme.
- 2. Operational funds shall be used only to finance operational programmes that have been approved by the Member States.

#### Article 63

#### Article 64

- 1. The Union financial assistance shall be equal to the amount of the financial contributions referred to in point (a) of Article XX(1) actually paid and limited to 50% of the actual expenditure incurred.
- 2. The Union financial assistance shall be limited to:
  - (a) 4,1% of the value of the marketed production of each producer organisation;
  - (b) 4,5% of the value of marketed production of each association of producer organisations;
  - (c) 5% of the value of marketed production of each transnational producer organisation or transnational association of producer organisations

However, in case of producer organisations, that percentage may be increased to 4,6% of the value of the marketed production, provided that the amount in excess of 4,1% of the value of marketed production is used solely for one or more interventions linked to the objectives referred to in points (c) to (e), (g), (h) and (i) of Article 34(1).

In case of associations of producer organisations, that percentage may be increased to 5% of the value of marketed production, provided that the amount in excess of 4,5% of the value of marketed production is used solely for one or more interventions linked to the objectives referred to in points (c) to (e), (g), (h) and (i) of Article 34(1) implemented by the association of producer organisations on behalf of its members.

In case of transnational producer organisation or transnational association of producer organisations, that percentage may be increased to 5,5% of the value of marketed production is used solely for one or more interventions linked to the objectives referred to in points (c) to (e), (g), (h) and (i) of Article 34(1) implemented by the transnational producer organisation or transnational association of producer organisations on behalf of its members.

3. At the request of producer organisation, the 50% limit provided for in paragraph 1 shall be increased to 60% for an operational programme or part of an operational programme satisfying at least one of the following conditions:
  - (a) producer organisations operating in different Member States implementing types of intervention linked to the objectives referred to in points (b) and (e) of Article 34(1) transnationally;
  - (b) one or more producer organisations are engaged in types of intervention operated on an interbranch basis;
  - (c) operational programme covers solely specific support for the production of organic products covered by Regulation (EC) No 834/2007;
  - (d) operational programme is for the first time implemented by an association of producer organisations recognised under Regulation (EU) No 1308/2013;
  - (e) producer organisations account for less than 20% of fruit and vegetables production in a Member State;
  - (f) producer organisation operates in one of the outermost regions referred to in Article 349 TFEU
  - (g) operational programme comprises the types of intervention linked to the objectives referred to in points (c) to (e), (h) and (i) of Article 34(1).
4. The 50% limit provided for in paragraph 1 shall be increased to 100% in the following cases:
  - (a) Market withdrawals of fruits and vegetables which do not exceed 5% of the volume of marketed production of each producer organisation and which are disposed by way of:
    - (i) Free distribution to charitable organisations and foundations approved to that effect by the Member States, for use in their activities to assist persons whose right to public assistance is recognised in national law, in particular because they lack the necessary means of subsistence;

- (ii) Free distribution to penal institutions, schools and public education institutions, establishments referred to in Article 22 of Regulation (EU) No 1308/2013 and to children's holiday camps as well as to hospitals and old people's homes designated by the Member States, which will take all necessary steps to ensure that the quantities thus distributed are additional to the quantities normally bought in by such establishments.
- (b) Actions related to coaching of other producer organisations recognised under Regulation (EU) No 1308/2013, provided that those producer organisations are from regions of Member States referred to in Article 39(1) or of individual producers.

#### Article 65

#### Article 66

1. In regions of the Member States in which the degree of organisation of producers in the fruit and vegetables sector is significantly below the Union average, Member States may grant producer organisations recognised under Regulation (EU) No 1308/2013 national financial assistance equal to a maximum of 80% of the financial contributions referred to in point (a) of Article 37(1) and up to 10% of the value of the marketed production of any such producer organisation. The national financial assistance shall be additional to the operational fund.
2. The degree of organisation of producers in a region of a Member State shall be considered as significantly below the Union average where the average degree of organisation has been less than 20% for three consecutive years preceding the implementation of the operational programme. The degree of organisation shall be calculated as the value of fruit and vegetables production that was obtained in the region concerned and marketed by producer organisations and associations of producer organisations recognised under Regulation (EU) No 1308/2013, divided by the total value of the fruit and vegetables production that was obtained in that region.
3. Member States that grant national financial assistance in accordance with paragraph 1 shall inform the Commission of the regions that meet the criteria referred to in paragraph 2 and of the national financial assistance granted to producer organisations in those regions.

### **SECTION III – INTERVENTION IN THE APICULTURE SECTOR**

#### Article 67

##### *Objectives of intervention in apiculture sector and national programmes*

1. The intervention in the apiculture sector shall have at least one of the specific objectives referred to in Article 8(1).
2. For each specific objective Member States set out in their CAP support plans, they shall choose one or more types of intervention from among those laid down in Article XX [*Types of Intervention*]. Member States shall substantiate their choice of specific objectives and types of intervention.

3. Member States shall also set out in their CAP support plans the maximum level of funding provided by them.
4. Member States shall cooperate with representatives of organisations in the beekeeping field when drawing up the CAP support plan.

#### Article 68

##### *Types of intervention*

Member States shall choose in their CAP support plans for each specific objective one or more of the following types of intervention in apiculture sector:

- (a) Technical assistance to beekeepers and beekeepers' organisations;
- (b) Actions to combat beehive invaders and diseases, in particular varroasis;
- (c) Actions to rationalise transhumance;
- (d) Actions to support laboratories for the analysis of apiculture products;
- (e) Restocking of beehives in the Union;
- (f) Cooperation with specialised bodies for the implantation of research programmes in the field of beekeeping and apiculture products.
- (g) Market monitoring actions;
- (h) Actions to enhance product quality.

#### Article 69

##### *Union financial assistance*

The Union financial assistance to the apiculture sector shall be maximum [70%] of the expenditure borne by Member States.

#### Article 70

##### *Delegated powers*

In order to ensure effective and efficient use of Union funds for apiculture, the Commission shall be empowered to adopt delegated acts in accordance with Article XX [*general provision of delegation of powers*]:

- (a) on the basis for allocation of the Union financial assistance to each Member State taking into account, inter alia, on the Member States CAP support plans and the total number of bee hives in the Union;
- (b) on provisional allocation of Union financial assistance to each Member State concerned and on definitive allocation of Union financial assistance to each Member State concerned.

### **SECTION IV – INTERVENTION IN THE WINE SECTOR**

#### Article 71

##### *Objectives of intervention in the wine sector*

1. The intervention in the wine sector shall have the following objectives:
  - (a) Improve competitiveness of Union wine producers including contributing to improvement of sustainable production systems and reduction of environmental footprint of the Union wine sector, falling under specific objectives referred to in points (b) to (f) and (h) of Article 8(1);
  - (b) Improve performance of Union wine enterprises and their adaptation to market demands, as well as increase their competitiveness as regards the production and marketing of grapevine products, including with a view to improving energy savings, global energy efficiency and sustainable processes, falling under specific objectives referred to in points (a), to (e), (g) and (h) of Article 8(1);
  - (c) Contribute to restoring the balance of supply and demand in the Union wine market in order to prevent market crises, falling under specific objective referred to in point (a) of Article 8(1);
  - (d) Contribute to safeguarding Union wine producers' incomes where they incur losses as a consequence of natural disasters, adverse climatic events, animals, diseases or pest infestations, falling under specific objectives referred to in point (a) of Article 8(1);
  - (e) Increase the marketability and competitiveness of Union grapevine products, in particular by developing innovative and products, processes and technologies, and by adding value at any stage of the supply chain, including an element of knowledge transfer, falling under specific objectives referred to in point (a) to (c), (e) and (i) of Article 8(1);
  - (f) Use of wine making by-products for industrial and energy purposes ensuring the quality of Union wine while protecting the environment, falling under specific objectives referred to in points (d) and (e) of Article 8(1);
  - (g) Contribute to increasing consumer awareness about responsible consumption of wine and about Union quality schemes for wine, falling under specific objectives referred to in points (b) and (i) of Article 8(1);
  - (h) Improve competitiveness of Union grapevine products in third countries, falling under objectives referred to in points (b) and (h) of Article 8(1);
  - (i) Contribute to increasing resilience of producers against market fluctuations, falling under objectives referred to in point (a) of Article 8(1).
- (2) Member States concerned shall select from among the objectives laid down in paragraph 1 at least one objective to be set out in their CAP support plans together with the types of intervention laid down in Article XX [*Types of Intervention*]. Member States concerned shall substantiate their selection of objectives and the types of intervention in the wine sector.

## Article 72

### *Types of Intervention*

1. Member States shall choose in their CAP support plans for each specific objective one or more of the following types of intervention in the wine sector:
  - (a) restructuring and conversion of vineyards, excluding the normal renewal of vineyards consisting of replanting of the same parcel of land with the same grape

variety according to the same system of vine cultivation, when vines have to come to the end of their natural life;

- (b) tangible and intangible investments in processing facilities and winery infrastructure, as well as marketing structures and tools,
  - (c) green harvesting comprising the total destruction or removal of grape bunches while still in their immature stage, thereby reducing the yield of the relevant area to zero and excluding non-harvesting comprising of leaving commercial grapes on the plants at the end of the normal production cycle;
  - (d) harvest insurance against income losses as a consequence of adverse climatic events assimilated to natural disasters, adverse climatic events, animals, plant diseases or pest infestations. Insurance contracts shall require beneficiaries to undertake necessary risk prevention measures;
  - (e) tangible and intangible investments in innovation consisting of development of innovative products and by-products of wine making, processes and technologies, other investments adding value at any stage of the supply chain, including for knowledge transfer;
  - (f) distillation of by-products of wine making carried out in accordance with the conditions laid down in Section D of Part II of Annex VIII to Regulation (EU) No 1308/2013;
  - (g) information actions concerning Union wines carried out in Member States about the responsible consumption of wine or about Union quality schemes covering designations of origin and geographical indications;
  - (h) promotion carried out in third countries, consisting of one or more of the following actions:
    - (i) public relations, promotion or advertisement actions, in particular highlighting the high standards of the Union products, especially in terms of quality, food safety or the environment;
    - (ii) participation at events, fairs or exhibitions of international importance;
    - (iii) information campaigns, in particular on the Union quality schemes concerning designations of origin, geographical indications and organic production;
    - (iv) studies of new markets, necessary for the expansion of market outlets;
    - (v) studies to evaluate the results of the information and promotion measures;
    - (vi) technical dossiers comprising [??] aimed at lifting non-trade[??] barriers.
  - (i) temporary and degressive assistance to cover administrative costs of setting up of mutual funds.
2. In addition to the requirements set out in Article XX and in this Article, Member States shall set out in their CAP support plans an implementation schedule for the interventions and a general financial table showing the resources to be deployed and the envisaged allocation of resources between interventions in accordance with the budgetary limits provided for in Annex XX [ex Annex VI to the CMO].

## Article 73

### *Union financial assistance*

1. The Union financial assistance to the wine sector shall be allocated within the budgetary limits provided for in Annex XX [*former Annex VI to the CMO*].
2. The Union contribution to the types of intervention referred to in Article XX shall not exceed the following limits:
  - (a) For restructuring and conversion of vineyards referred to in Article XX(1)(a) 50% of the actual costs of restructuring and conversion of vineyards or 75% of the actual costs of restructuring and conversion of vineyards in less developed regions;

The assistance may only take the form of compensation to producers for loss of revenue due to the implementation of the intervention and contribution to the costs of restructuring and conversion. The compensation to producers for loss of revenue due to the implementation of the intervention may cover up to 100% of the relevant loss.
  - (b) For investments referred to in Article XX(1)(b) [*Types of Intervention*]
    - (i) Maximum 50% of eligible investment costs in less developed regions;
    - (ii) Maximum 40% of eligible investment costs in regions other than less developed regions;
    - (iii) Maximum 75% of eligible investment costs in the outermost regions referred to in Article 349 TFEU;
    - (iv) Maximum 65% of eligible investment costs in the smaller Aegean islands as defined in Article 1(2) of Regulation (EU) No 229/2013.

The Union contribution at its maximum rate, referred to in the first subparagraph:

  - (v) shall apply only to micro, small and medium-sized enterprises within the meaning of Commission Recommendation 2003/361/EC;
  - (vi) may, in addition, apply to all enterprises in the outermost regions referred to in Article 349 TFEU and the smaller Aegean islands as defined in Article 1(2) of Regulation (EU) No 229/2013.

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

No Union financial assistance shall be granted to enterprises in difficulty within the meaning of Union guidelines on State aid for restructuring and restructuring firms in difficulty.

Article 71 of Regulation (EU) No 1303/2013 shall apply *mutatis mutandis* to support/assistance referred to in Article XX(2).

  - (c) For green harvesting referred to in Article XX(1)(c) [*Types of Intervention*], the Union contribution shall not exceed 50% of the sum of the direct costs of the destruction or removal of grape bunches and the loss of revenue related to such destruction or removal;
  - (d) For harvest insurance referred to in Article XX(1)(d) [*Types of Intervention*]:

- (i) 80% of the cost of the insurance premiums paid for by producers for insurance against losses resulting from adverse climatic events which can be assimilated to natural disasters;
- (ii) 50% of the cost of insurance premiums paid by producers for insurance against:
  - (a) losses referred to in point (i) and against losses caused by adverse climatic events;
  - (b) losses caused by animals, plant diseases or pest infestations.

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

- (e) For innovation referred to in Article XX(1)(e) [*Types of Intervention*]:
  - (i) Maximum 50% of eligible investment costs in less developed regions;
  - (ii) Maximum 40% of eligible investment costs in regions other than less developed regions;
  - (iii) Maximum 75% of eligible investment costs in the outermost regions referred to in Article 349 TFEU;
  - (iv) Maximum 65% of eligible investment costs in the smaller Aegean islands as defined in Article 1(2) of Regulation (EU) No 229/2013.

The Union contribution at its maximum rate, referred to in the first subparagraph:

- (v) shall apply only to micro, small and medium-sized enterprises within the meaning of Commission Recommendation 2003/361/EC;
- (vi) may, in addition, apply to all enterprises in the outermost regions referred to in Article 349 TFEU and the smaller Aegean islands as defined in Article 1(2) of Regulation (EU) No 229/2013.

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

- (f) For information and promotion actions referred to in Article XX(1)(g) and (h) [*Types of Intervention*] 50% of eligible expenditure.
3. The Member States concerned shall ensure that the Union financial assistance for harvest insurance does not distort competition in the insurance market.
  4. The Member State concerned shall establish a system based on objective criteria to ensure that green harvesting intervention does not lead to compensation of individual wine producers in excess of the ceiling laid down in point (d) of paragraph 2.
  5. The amount of Union assistance shall be fixed per % volume and per hectolitre of alcohol produced. No Union assistance shall be paid for the volume of alcohol contained in the by-products to be distilled which exceeds 10 % in relation to the volume of alcohol contained in the wine produced.



The Member States concerned shall ensure that the Union financial assistance referred to in point (f) of paragraph 2 is paid to distillers that process by-products of winemaking delivered for distillation into raw alcohol with an alcoholic strength of at least 92% by volume.

The Union financial assistance shall include a lump sum amount to compensate for the costs of collection of the by-products of winemaking. That amount shall be transferred from the distiller to the producer, where the relevant costs are borne by the latter.

The alcohol resulting from the supported distillation of by-products of winemaking referred to in Article XX(1)(f) shall be used exclusively for industrial or energy purposes to avoid distortion of competition.

6. The Member States concerned may set in their national support programmes a minimum percentage of expenditure for actions aimed at protection of the environment, adaption to climate change improving sustainability of production systems and processes, reduction of environmental footprint of the Union wine sector, energy savings and improving global energy efficiency in the wine sector.

## **SECTION V – INTERVENTION IN THE HOPS SECTOR**

### Article 74

#### *Objectives and types of intervention in the hops sector*

1. The intervention in the hops sector shall have the following objectives:
  - (a) planning of production, adjusting production to demand, particularly in terms of quality and quantity, falling under specific objectives referred to in points (a) to (c) of Article 8(1);
  - (b) concentration of supply and the placing on the market of the products of the hops sector, including through direct marketing, falling under specific objectives referred to in points (a) and (c) of Article 8(1);
  - (c) optimising production costs and returns on investments in response to environmental standards and stabilising producer prices; falling under specific objectives referred to in points (a) and (c) of Article 8(1);
  - (d) research and development of sustainable production methods, innovative practices boosting economic competitiveness and bolstering market developments, falling under specific objectives referred to in Article 8(1)(a) and (c);
  - (e) promoting, developing and implementing methods of production respectful of the environment, environmentally sound cultivation practices and production techniques, sustainable use of natural resources in particular protection of water, soil and other natural resources, falling under specific objectives referred to in Article 8(1)(e) and (f);
  - (f) contribute to climate change mitigation and adaptation, as referred to in Article 8(1)(d).
2. Member States shall select from among the objectives laid down in paragraph 1 at least one objective and set out the types of intervention necessary to achieve them in their CAP support plans.

3. Member States shall substantiate in their CAP support plans their selection of objectives and describe in detail the types of intervention necessary to achieve them.

#### Article 75

##### *Union financial assistance*

The Union financial assistance for interventions in the hops sector in Germany shall be EUR 2 277 000 per year.

## **SECTION VI – INTERVENTION IN THE OLIVE OIL AND TABLE OLIVES SECTOR**

#### Article 76

##### *Objectives and types of intervention in the olive oil and table olives sector*

1. The intervention in the olive oil and table olives sector shall have the following objectives:
  - (a) Reinforcing the organisation and management of production of olive oil and table olives falling under specific objectives referred to in points (a) and (b) of Article 8(1);
  - (b) Improvement of medium and long term competitiveness of the olive oil and table olives sector, in particular through modernisation; falling under specific objectives referred to in point (c) of Article 8(1);
  - (c) Reduction environmental impact of olive cultivation; falling under specific objectives referred to in points (d) and (e) of Article 8(1);
  - (d) Improvement of quality of olive oil and table olives; falling under specific objectives referred to in point (f) of Article 8(1).
  - (e) Crisis prevention and management, aimed at avoiding and dealing with crises in the olive oil and table olives markets, falling under specific objectives referred to in point (h) of Article 8(1)
2. Member States shall select from among the objectives laid down in paragraph 1 at least one objective and set out the types of intervention necessary to achieve them in their CAP Plans.
3. Member States shall substantiate in their CAP support plans their selection of objectives and describe in detail the types of intervention necessary to achieve them.
4. The objectives and the types of intervention set out by the Member States in their CAP support plans shall be implemented through operational programmes referred to in Article XX [*Operational programmes*] of producer organisation and/or associations of producer organisations recognised under Regulation (EU) No 1308/2013. Articles XX and XX [*Other sectorial interventions – Operational Plans, Operational Funds*] shall apply also to interventions set out in this Section.

## Article 77

### *Types of intervention*

To meet the objectives referred to in Article XX(1) Member States shall choose in their CAP Plans one or more of the following types of intervention referred to in Article XX [*Types of intervention other sectors*]

## Article 78

### *Union financial assistance*

1. The Union financial assistance for intervention in the olive oil and table olives sector shall be:
  - (a) EUR 11 098 000 per year for Greece;
  - (b) EUR 576 000 per year for France; and
  - (c) EUR 35 991 000 per year for Italy.
2. The Union financial assistance shall be limited to the amounts to the amounts withheld by the Member State. The maximum Union contribution to the eligible costs shall be:
  - (a) 75% for interventions linked to objectives referred to in points (a) to (c) of Article XX(1);
  - (b) 75% for fixed assets investments and 50% for interventions linked to objectives referred to in point (d) of Article XX(1);
  - (c) [5%] of the value of marketed production of each producer organisation or association of producer organisations for interventions linked to objectives referred to in point (e) of Article XX(1);
  - (d) 75% for intervention referred to in Article XX(i) where the operational programme is implemented in at least three third countries or non-producing Member States by producer organisations from at least two producer Member States.
3. Member States shall ensure complementary financing up to 50% of the costs not covered by the Union contribution.

## **SECTION VII – INTERVENTIONS IN OTHER SECTORS**

## Article 79

### *Objectives of interventions in other sectors*

1. The interventions in the sectors referred to in Article XX(f) [*Scope of sectorial interventions*] shall have the following objectives:
  - (a) planning of production, adjusting production to demand, particularly in terms of quality and quantity, optimisation of production costs and returns on investments and stabilising producer prices, falling under specific objectives referred to in Article 8(1)(a) to (c);
  - (b) concentration of supply and the placing on the market of the products of one or more sectors referred to in Article XX(f) [*Scope of sectorial interventions*], falling under specific objectives referred to in Article 8(1)(a) and (c);

- (c) research and development of sustainable production methods, innovative practices and production techniques boosting economic competitiveness and bolstering market developments, falling under specific objectives referred to in Article 8(1)(a) and (c);
  - (d) promoting, developing and implementing methods of production respectful of the environment and of animal welfare standards, environmentally sound cultivation practices and production techniques and production methods, environmentally sound use and management of by-products and waste, sustainable use of natural resources in particular protection of water, soil and other natural resources, falling under specific objectives referred to in Article 8(1)(e) and (f);
  - (e) contribute to climate change mitigation and adaptation, as referred to in Article 8(1)(d);
  - (f) boosting products' commercial value and quality, including improving product quality and developing products with a protected designation of origin, with a protected geographical indication or covered by a national quality schemes, falling under specific objective referred to in Article 8(1)(b);
  - (g) promotion and marketing of the products of one or more sectors referred to in Article XX(f) [*Scope of sectorial interventions*], falling under specific objectives referred to in Article 8(1)(b) and (c);
  - (h) crisis prevention and management, aimed at avoiding and dealing with crises in the markets within one or more sectors referred to in Article XX(f) [*Scope of sectorial interventions*], falling under specific objectives referred to in Article 8(1)(a) to (c);
2. Objectives laid down in points (b), (d), (e) and (h) of paragraph 1 shall be mandatory for each sectorial intervention under this Section that Member States choose to implement in their CAP support plans. Member States shall set out in their CAP support plans these objectives and as appropriate other objectives from among those laid down in paragraph 1, together with the types of intervention necessary to achieve them, selected from among those laid down in Article XX [*Types of Intervention*]. Member States shall substantiate their choice of the types of intervention.
  3. The objectives and the types of intervention set out by the Member States for each sector in their CAP support plans shall be implemented through operational programmes referred to in Article XX [*Operational programmes*] of producer organisation and/or associations of producer organisations recognised under Regulation (EU) No 1308/2013.

## Article 80

### *Types of intervention*

1. To meet the objectives referred to in points (a) to (g) of Article XX(1) Member States shall choose in their CAP support plans one or more of the following types of intervention:
  - (a) Investments in tangible and non-tangible assets;
  - (b) Research and experimental production;
  - (c) Advisory services and technical assistance;

- (d) Training and exchange of best practices.
  - (e) Investments in tangible and non-tangible assets, in particular focused on water saving, energy saving, ecological packaging, animal welfare and waste reduction;
  - (f) Research and experimental production, in particular focused on water saving, energy saving, ecological packaging, animal welfare, waste reduction and reduction in the use of pesticides;
  - (g) Organic production;
  - (h) Actions to conserve soil;
  - (i) Actions to improve animal health and welfare;
  - (j) Actions to create and maintain habitats favourable for biodiversity or to maintain the landscape, including the conservation of its historical features;
  - (k) Actions to save energy and increase energy efficiency;
  - (l) Actions to improve use and management of water, including water saving and drainage;
  - (m) Actions and measures to reduce waste production and to improve the use and the management of by-products and waste;
  - (n) Actions to increase sustainability and efficiency of transport and of storage of products of one or more of the sectors referred to in Article XX(f) [*Scope of sectorial interventions*].
  - (o) Promotion, communication and marketing including actions and activities aimed in particular at raising consumer awareness about Union quality schemes and at diversification of markets;
  - (p) Implementation of Union and national quality schemes.
  - (q) Implementation of traceability and certification systems, in particular the monitoring of the quality of products sold to final consumers.
  - (r) Setting up and refilling of mutual funds by producer organisations recognised under Regulation (EU) No 1308/2013;
  - (s) Investments in tangible and non-tangible assets making the management of the volumes placed on the market more efficient;
  - (t) Market withdrawal;
  - (u) Non-harvesting consisting of the termination of the current production cycle on the area concerned where the product is well developed and is of sound, fair and marketable quality, excluding destruction of products due to a climatic event or disease;
  - (v) Harvest and production insurance that contributes to safeguarding producers' incomes where there are losses as a consequence of natural disasters, adverse climatic events, diseases or pest infestations and at the same time ensuring that beneficiaries take necessary risk prevention measures
2. To meet the objective referred to in point (h) of Article XX(1), Member States shall choose in their CAP support plans one or more of the following types of intervention:

- (a) Setting up and/or refilling of mutual funds by producer organisations recognised under Regulation (EU) No 1308/2013;
- (b) Investments in tangible and non-tangible assets making the management of the volumes placed on the market more efficient;
- (c) Replanting of orchards where that is necessary following mandatory grubbing up for health or phytosanitary reasons on the instruction of the Member State competent authority;
- (d) Market withdrawal for free-distribution or other destinations;
- (e) Green harvesting consisting of the total harvesting on a given area of unripe non-marketable products which have not been damaged prior to the green harvesting, whether due to climatic reasons, disease or otherwise;
- (f) Non-harvesting of fruit and vegetables consisting of the termination of the current production cycle on the area concerned where the product is well developed and is of sound, fair and marketable quality, excluding destruction of products due to a climatic event or disease;
- (g) Harvest insurance that contributes to safeguarding producers' incomes where there are losses as a consequence of natural disasters, adverse climatic events, diseases or pest infestations and at the same time ensuring that beneficiaries take necessary risk prevention measures;
- (h) Coaching to other producer organisations and associations of producer organisations recognised under Regulation (EU) No 1308/2013 or to individual producers;
- (i) Types of interventions referred to in points (d) and (o) of paragraph 1.

## Article 81

### *Operational programmes*

1. Operational programmes in the sectors referred to in Article XX(f) [*Scope of sectorial intervention*] shall have a minimum duration of three years and a maximum duration of seven years. All operational programmes shall end at the latest on 31 December [2030? *check*]. They shall include the mandatory objectives referred to in Article XX(2) [*Objectives of interventions*].
2. The operational programs shall lay down the types of intervention selected from among those set out by the Member States in their CAP support plans.
3. Operational programmes shall be submitted to the Member States for their approval.
4. Operational programmes may be implemented only by producer organisations or by associations of producer organisations recognised under Regulation (EU) No 1308/2013.
5. Operational programmes of associations of producer organisations shall not cover the same types of intervention as operational programmes of member organisations. Operational programmes of associations of producer organisations shall be considered with operational programmes of member organisations.

To that end Member States shall ensure that:

- (a) measures under operational programmes of an association of producer organisations are entirely financed by contributions of those member organisations of that association and that such funding is collected from the operational funds of those member organisations;
  - (b) the measures and their corresponding financial share are identified in the operational programme of each member organisation; and
  - (c) there is no duplication of funding.
6. Member States shall ensure that the intervention linked to objective referred to in point (i) of Article XX(1) [*Objectives of intervention*] do not exceed one third of the total expenditure under operational programmes of producer organisations or associations of producer organisations.

## Article 82

### *Operational funds*

1. Producer organisations and/or their associations in the sectors referred to in Article XX(f) may set up an operational fund. The fund shall be financed by:
  - (a) Financial contributions from:
    - (i) members of the producer organisation and/or producer organisation itself; or
    - (ii) associations of producer organisations through the members of those associations;
  - (b) Union financial assistance, which may be granted to producer organisations or to their associations where those associations present an operational programme or partial operational programme.
2. Operational funds shall be used only to finance operational programmes that have been approved by the Member States.

## Article 83

### *Union financial assistance*

1. The Union financial assistance shall be equal to the amount of the financial contributions referred to in point (a) of Article XX(1) [*Operational funds*] actually paid and limited to 50% of the actual expenditure incurred.
2. The Union financial assistance shall be limited to [5%] of the value of marketed production of each producer organisation or association of producer organisations.

place holder: sectorial programs shall not exceed [5%] of MS EAGF envelopes

## **CHAPTER 5 COTTON**

### *Article 84*

Article (cross reference to Article on target setting for the CAP support plans) and Title III do not apply to this Chapter.

#### *Article 85*

Aid shall be granted to farmers producing cotton falling within CN code 5201 00 under the conditions laid down in this Chapter ("crop-specific payment for cotton").

#### *Article 86*

1. The crop-specific payment for cotton shall be granted per hectare of eligible area of cotton. The area shall be eligible only if it is located on agricultural land authorised by the Member State for cotton production, sown with varieties authorised by the Member State and actually harvested ~~under normal growing conditions~~.

The crop-specific payment for cotton shall be paid for cotton of sound, fair and marketable quality.

2. Member States shall authorise the land and the varieties referred to in paragraph 1 in accordance with the rules and conditions to be adopted pursuant to paragraph 3.
3. In order to ensure an efficient management of the crop-specific payment for cotton, the Commission shall be empowered to adopt delegated acts in accordance with Article X concerning rules and conditions for the authorisation of land and varieties for the purposes of the crop-specific payment for cotton.
4. The Commission shall adopt implementing acts laying down rules on the procedure for the authorisation of land and varieties for the purposes of the crop-specific payment for cotton and on the notifications to the producers related to this authorisation. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article X.

#### *Article 87*

1. The following national base areas are established:
  - Bulgaria: 3 342 ha,
  - Greece: 250 000 ha,
  - Spain: 48 000 ha,
  - Portugal: [360 ha].The following fixed yields in the reference period are established:
  - Bulgaria: 1,2 tonne/ha,
  - Greece: 3,2 tonne/ha,
  - Spain: 3,5 tonne/ha,
  - Portugal: 2,2 tonne/ha.



2. The amount of the crop-specific payment per hectare of eligible area shall be calculated by multiplying the yields established in paragraph 2 with the following reference amounts:
  - Bulgaria: xx,
  - Greece: xx,
  - Spain: xx,
  - Portugal: xx
3. If the eligible area of cotton in a given Member State and in a given year exceeds the base area established in paragraph 1, the amount referred to in paragraph 3 for that Member State shall be reduced proportionately to the overrun of the base area.
4. In order to make it possible to apply the crop-specific payment for cotton, the Commission shall be empowered to adopt delegated acts in accordance with Article X concerning rules on the conditions for the granting of that payment, on the eligibility requirements and on agronomic practices.
5. The Commission may adopt implementing acts laying down rules on the calculation of the reduction provided for in paragraph 4. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article X).

#### Article 88

1. For the purpose of this Chapter, an 'approved interbranch organisation' means a legal entity made up of farmers producing cotton and at least one ginner, carrying out activities such as:
  - (a) helping to better coordinate the way cotton is placed on the market, particularly through research studies and market surveys;
  - (b) drawing up standard forms of contract compatible with Union rules;
  - (c) orienting production towards products that are better adapted to market needs and consumer demand, particularly in terms of quality and consumer protection;
  - (d) updating methods and means to improve product quality;
  - (e) developing marketing strategies to promote cotton via quality certification schemes.
2. The Member State where the ginner is established shall approve interbranch organisations that satisfy the criteria to be laid down pursuant to paragraph 3.
3. In order to ensure the efficient application of the crop-specific payment for cotton, the Commission shall be empowered to adopt delegated acts in accordance with Article 70 laying down:
  - (a) criteria for the approval of interbranch organisations;
  - (b) obligations for producers;
  - (c) rules governing the situation where the approved interbranch organisation does not satisfy the criteria referred to in point (a).

#### Article 89

1. Farmers shall be granted the crop-specific payment for cotton per eligible hectare as established in Article X.
2. In the case of farmers who are members of an approved interbranch organisation, the crop-specific payment for cotton per eligible hectare within the base area laid down in Article 58(1) shall be increased by an amount of EUR x.

# TITLE V COORDINATION AND GOVERNANCE

## Article 90 Managing Authority

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

(a) ensuring that there is an appropriate secure electronic system to record, maintain, manage and report statistical information on the plan and its implementation required for the purposes of monitoring and evaluation and, in particular, information required to monitor progress towards the defined objectives and targets;

(b) ensuring that beneficiaries and other bodies involved in the implementation of interventions:

(i) are informed of their obligations resulting from the aid granted, and maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation;

(ii) are aware of the requirements concerning the provision of data to the Managing Authority and the recording of outputs and results;

(c) ensuring that the ex ante evaluation referred to in Article 55 of Regulation (EU) No 1303/2013 conforms to the evaluation and monitoring system and accepting and submitting it to the Commission;

(d) ensuring that the evaluation plan referred to in Article 56 of Regulation (EU) No 1303/2013 is in place, that the ex post evaluation referred to in Article 57 of Regulation (EU) No 1303/2013 is conducted within the time limits laid down in that Regulation, ensuring that such evaluations conform to the monitoring and evaluation system and submitting them to the Monitoring Committee and the Commission;

(e) providing the Monitoring Committee with the information and documents needed to monitor implementation of the programme in the light of its specific objectives and priorities;

(f) drawing up the annual performance report, including aggregate monitoring tables, and, after approval by the Monitoring Committee, submitting it to the Commission;

(g) ensuring relevant follow-up actions on Commission's observations on the annual performance reports;

(h) ensuring that the paying agency receives all necessary information, in particular on the procedures operated and any controls carried out in relation to interventions selected for funding, before payments are authorised;

(i) ensuring publicity for the programme, including through the national Common Agricultural Policy network, by informing potential beneficiaries, professional organisations, the economic and social partners, bodies involved in promoting equality between men and women, and the non-governmental organisations concerned, including environmental organisations, of the possibilities offered by the programme and the rules for gaining access to programme funding as well as by informing beneficiaries of the Union contribution and the general public on the role played by the Union in the programme.

2. The Member State or the Managing Authority may designate one or more intermediate bodies including local authorities, regional development bodies or non-governmental

organisations, to carry out the management and implementation of rural development operations.

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

4. Subject to the role of the paying agencies and other bodies as set out in this Regulation, where a Member State has more than one plan, a coordinating body may be designated with the purpose of ensuring consistency in the management of the funds and of providing a link between the Commission and the national management authorities.

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

#### Article 91

1. EAGF and EAFRD may each, finance, in a direct manner, on the initiative of the Commission and/or on its behalf, the preparatory, monitoring, administrative and technical support activities, including corporate information technology systems, as well as evaluation, audit and inspection measures, required to implement the CAP plan. Those measures shall include, in particular:

(a) measures required for the analysis, management, monitoring, information exchange and implementation of the CAP, as well as measures relating to the implementation of control systems and technical and administrative assistance;

(b) the acquisition by the Commission of satellite data required for the area monitoring system in accordance with Article 21;

(c) the measures taken by the Commission through remote-sensing applications used for the monitoring of agricultural resources in accordance with Article 22;

(d) measures required to maintain and develop methods and technical means for information, interconnection, monitoring and control of the financial management of the funds used to finance the CAP;

(e) provision of information on the CAP in accordance with Article 45;

(f) studies on the CAP and evaluations of measures financed by the Funds, including improvement of evaluation methods and exchange of information on practices under the CAP;

(g) where relevant, executive agencies that are set up in accordance with Council Regulation (EC) No 58/2003 acting in connection with the CAP;

(h) measures relating to dissemination of information, raising awareness, promoting cooperation and exchanging experience at Union level, EIP, taken in the context of rural development, including the networking of the parties concerned;

(i) information technology networks focusing on information processing and exchange, including corporate information technology tools needed in connection with the management of the CAP;

(j) measures required for the development, registration and protection of logos within the framework of the Union quality policies and for the protection of intellectual property rights linked to it, as well as the necessary information technology (IT) developments;

(k) The EAFRD may also finance the actions provided for in Article xx of Regulation [Reg on quality scheme indications and symbols].

2. Up to 0.35% of EAFRD annual allocation shall be used to finance the actions referred to in paragraph 1.

## Article 92

At the initiative of the Member States, up to 4 % of the total amount of the EAFRD allocation and its national co-financing in each CAP Support plan may be devoted to the tasks referred to in Article [59] of Regulation CPR in relation to the CAP Support plan-

Technical assistance shall not finance certification bodies. Within that 4 % limit an amount shall be reserved for establishing and operating the national CAP network referred to in Article [54].

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

## Article 93

### European and national Common Agricultural Policy Networks

1. An European network for the Common Agricultural Policy (CAP Network) shall be put in place for the networking of national networks, organisations, and administrations, advisors, researchers and other innovation actors active in the field of agriculture and rural development at Union level.
2. Each Member State shall establish a national Common Agricultural Policy Network which for networking organisations and administrations, advisors, researchers and other innovation actors in the field of agriculture and rural development at national level at the latest 12 months after the approval by the Commission of the CAP Support Plan.
3. Networking through the CAP Networks shall have the following objectives:
  - a) increase the involvement of all stakeholders in the design and implementation of CAP strategic plans;
  - b) accompany the MS administrations in the implementation of CAP support plans and the transition to a performance based delivery model;
  - c) facilitate peer to peer learning and interaction among all agricultural and rural stakeholders;
  - d) foster innovation and support the inclusion of all stakeholders in the knowledge-exchange and knowledge-building process;
  - e) support the monitoring and evaluation capacities of all stakeholders;
  - f) contribute to the dissemination of CAP support plans results.

4. The tasks of the CAP Networks for the achievement of the objectives referred to in paragraph XXX shall be:
  - a) collection, analysis and dissemination of information on actions supported under CAP support plans;
  - b) contribution to capacity building for MS administrations and of other actors involved in the implementation of CAP support plans, including as regards monitoring and evaluation processes;
  - c) collection and dissemination of good practice;
  - d) collection of information – including statistics and administrative information - and analysis on developments in agriculture and rural areas relevant to the CAP objectives;
  - e) creation of platforms, fora and events to facilitate exchanges of experience between stakeholders and peer to peer learning, including where relevant exchanges with networks in third countries;
  - f) support for the strengthening of Agricultural Knowledge and Innovation Systems (AKIS) referred to in Article XXX in all MS and their interaction at EU level;
  - g) collection of data and facilitation of networking of funded structures and projects[, such as LEADER local action groups referred to in Article XXX, EIP Operational Groups referred to in Article XXX and equivalent structures and projects ]
  - h) creation of links to other EU funded strategies or networks;
  - i) contribution to the further development of the CAP and preparation of any subsequent planning period;
  - j) in the case of National networks, participating in and contributing to the activities of the EU network.
  
3. The European CAP Network referred to in paragraph 1) shall be financed in accordance with [Article XXX on financing of EU technical assistance]. The national CAP networks referred to in paragraph 2) shall be financed through the national technical assistance referred to in Article xx

#### Article 94

##### European Innovation Partnership Productivity and Sustainability

1. In order to improve the exchange of knowledge and foster innovation an European Innovation Partnership for agricultural productivity and sustainability (EIP) shall be set up.
  
2. The EIP shall have in particular the following objectives:
  - (a) promote a resource efficient, economically viable, productive, competitive, low emission, climate friendly and resilient agricultural and forestry sector, working towards agro-ecological production systems and working in harmony with the essential natural resources on which farming and forestry depend;
  - (b) help deliver a steady and sustainable supply of food, feed and biomaterials, including existing and new types;

- (c) improve processes to preserve the environment, adapt to climate change and mitigate it;
- (d) support and accompany the digitisation of agriculture;
- (e) build bridges between cutting-edge research knowledge and technology and farmers, forest managers, rural communities, businesses, NGOs and advisory services.

3. The EIP shall seek to achieve the objectives referred to in paragraph XXX by:

- (a) creating added value by better linking research and farming practice and encouraging the wider use of available innovation measures;
- (b) promoting the faster and wider transposition of innovative solutions into practice; and
- (c) informing the scientific community about the research needs of farming practice.

4. The EIP shall be based on the interactive innovation model in which knowledge is co-created between practice, scientists, advisers, enterprises, NGOs, etc. This involves looking at different dimensions, including technical, organisational and social aspects which help to bridge the gap between science and practice.

5. The EAFRD shall contribute to the objectives of the EIP in accordance with the CAP Network referred to in Article [Y] and through support for Operational Groups, developing innovation projects based on the EIP interactive model for innovation to be further defined by Member States in their CAP support plans.

# TITLE VI

## FINANCIAL PROVISIONS

### Article 95

1. The EAGF shall finance the types of interventions under this regulation:
  - (a) Belonging to direct payments as referred to in Chapter [...] of Title XXX;
  - (b) Related to sectorial interventions referred to in Chapter [...] of Title XXX.
2. The EAFRD shall finance the type of interventions referred to in Chapter [...] of Title XXX.

### Article 96

#### Financial set up for direct payments

1. The total amount of direct payments which may be granted in a Member State pursuant to Chapter X, X and X of this regulation [all chapters referring to DP including cotton] in respect of a calendar year shall not exceed the allocation of that Member State set out in Annex X [Annex X = net ceiling (current Annex III)].
2. The total amount of direct payments granted in a Member State in accordance with chapter X [cross reference to VCS] shall not exceed 10% of the allocation of that Member State set out in Annex X [cross reference to Annex with DP ceiling] as amended in accordance with paragraph 4.
3. The percentage referred to in paragraph 2, may be exceeded by a maximum of 3%, provided that the amount corresponding to the percentage exceeding the 10% referred to under paragraph 2 is used to finance the support for protein crops under Chapter X [cross reference to VCS]
4. In order to take account of the developments relating to the total maximum amount of direct payments that may be granted, including the transfers referred to in Article [flexibility including YF]; and [capping transfers] or any deductions needed to finance sectorial programmes referred to in Articles [...] [ or increases from [MS stopping hops or olive oil] the Commission shall be empowered to adopt delegated acts in accordance with Article XXX adapting the Member States' allocations.

### Article 97

1. The sum of the indicative financial allocations referred to in Article [moved below to cover both DP and EAFRD] of the direct payment types of interventions referred to in Articles X (new article on what are the types of intervention belonging to direct payment) to be granted in a Member State in respect of a calendar year may exceed the allocation of that Member State set out in Annex X [Annex X = net ceiling(current Annex III)] by the estimated amount of capping taken up in the CAP support plan [as referred to in Article X on CAP support plan content].
2. The sum of the financial allocations of direct payments planned and granted before capping in a Member State in accordance with chapter X [cross reference



to VCS] shall not exceed 10% of the allocation of that Member State set out in Annex X [*Annex X = net ceiling (current Annex III)*] increased by the estimated amount of capping taken up in the CAP support plan [as referred to in Article X on CAP support plan content].

3. The percentage referred to in paragraph 2 , may be exceeded by a maximum of 3%, provided that the amount corresponding to the percentage exceeding the 10% referred to under paragraph 2 is allocated to the support for protein crops under Chapter X [cross reference to VCS].

#### Article 98

##### Financial set up for sectorial interventions

#### Article 99

##### Financial set up for rural development interventions

1. The total amount of Union support for rural development interventions] under this Regulation for the period from 1 January [2021] to 31 December [2027], its annual breakdown and [the minimum amount to be concentrated in less developed regions] shall be fixed by the European Parliament and the Council, on a proposal from the Commission in accordance with the multiannual financial framework for the years [2021 to 2027] (the MFF proposal)<sup>3</sup>.
2. For the purpose of their programming and subsequent inclusion in the general budget of the Union, the amounts referred to in paragraph 1 shall be indexed at [2 %] per year.
3. 0,35% of the total EAFRD contribution to the CAP support plan shall be devoted to technical assistance for the Commission, as referred to in Article [...].
4. The Commission shall, by means of an implementing act, make an annual breakdown to Member State's allocations of the amounts referred to in paragraph 1, after deduction of the amount referred to in paragraph 2 (TA for the COM). In making the annual breakdown the Commission shall take into account:
  - (a) objective criteria linked to the general objectives referred to in Article XXX; and
  - (b) past performance.
5. In order to take account of the developments relating to the annual breakdown referred to in paragraph 1, including the transfers referred to in Article [flexibility]; and capping transfers; 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 review the ceilings set out in the implementing act referred to in paragraph 3.

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<sup>3</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions [...].

Article 100  
EAFRD contribution

1. The decision approving a CAP support plan shall [for the purpose of the budgetary commitment] set the maximum contribution from the EAFRD to the plan. [The decision shall clearly identify, where necessary, the appropriations allocated to the less developed regions.]
2. The EAFRD contribution shall be calculated on the basis of the amount of eligible public expenditure.

Article 101  
EAFRD contribution rates

1. The CAP support plans shall establish a single EAFRD contribution rate applicable to all interventions. [Where applicable, a separate EAFRD contribution rate shall be established for less-developed regions, for outermost regions and for the smaller Aegean islands within the meaning of Regulation (EU) No 229/2013, as well as for transition regions.] The maximum EAFRD contribution rate shall be :
  - (a) [ % of the eligible public expenditure in the less developed regions, in the outermost regions and in the smaller Aegean islands within the meaning of Regulation (EU) No 229/2013;
  - (b) XXX % of the eligible public expenditure in the other regions.

The minimum EAFRD contribution rate shall be [20] %.]

2. By way of derogation from paragraph 0, the maximum EAFRD contribution shall be:
  - (a) [...] % for non-productive investments referred to in Articles [...], for the LEADER local development referred to in [Article ] of Regulation (EU) CPR] and for payments for management commitments referred to in [Article ].
  - (e) 100 % for operations receiving funding from funds transferred to the EAFRD in application of Article [...]on flexibility] or in article XX [on capping of direct payment – Chapter 2].

Article 102  
Minimum and maximum financial allocations ~~EAFRD contribution~~

1. At least [5 %] of the total EAFRD contribution to the CAP support plan as amended in accordance with Article [delegation to amend Member States EAFRD allocations] shall be reserved for LEADER.
2. At least [30 %] of the total EAFRD contribution to the CAP support plan as amended in accordance with Article [delegation to amend Member States EAFRD allocations] shall be reserved for EAFRD financed interventions addressing the specific environmental and climate objectives referred to in points (d), (e) and (f) of Article 1 of this Regulation, with the exception of outermost regions.
3. Maximum [4 %] of the total EAFRD contribution to the CAP support plan as amended in accordance with Article [delegation to amend Member States

EAFRD allocations] shall be devoted to technical assistance for the Member States, as referred to in Article [...].

4. For each Member State and each year, at least 2% of the Member States allocations for direct payments as amended in accordance with Article [delegation to amend Member States EAFRD allocations] shall be reserved for contributing to the objective 'Attract new farmers and facilitate their business development as well as generational renewal'. On the basis of the SWOT analysis and the identification of the needs that are to be addressed, a corresponding amount may be used for the following types of interventions:
  - (a) The Complementary Income Support for Young Farmer as laid down in Article [cross reference] of this regulation; and/or
  - (b) The installation grants referred to in Article [cross reference EAFRD young farmers intervention], by transferring funds to the EAFRD in application of Article [cross reference to transfer of funds from P1 to P2].

#### Indicative financial allocations

1. Member States shall, in their CAP plan, lay down an indicative financial allocation for each intervention. For each intervention, the multiplication of the planned unit amount, without the application the % of variation referred to in Article X [cross reference on Article of variation of unit amount], and the planned outputs, shall equal this indicative financial allocation.
2. Where different unit amounts are defined within an intervention, the sum of the multiplications of the planned unit amounts, without the application the % of variation referred to in Article X [cross reference on Article of variation of unit rate] and the corresponding planned outputs shall equal the indicative financial allocation.

#### Article 103

##### Variation of the unit amount

1. For each intervention based on uniform unit amounts, Member States shall set a maximum amount of support per unit or a percentage by which the actual average or uniform unit amount may exceed the estimated average or uniform unit amount.
2. Without prejudice to the application of capping referred to in Article X [cross reference to article on capping], for each intervention under direct payments, the actual uniform unit amount shall never be lower than the planned unit amount, unless the number of actual outputs exceeds the number of planned outputs as established in the CAP support plan. Where different unit amounts have been defined within an intervention, the present paragraph shall apply to each uniform unit amount of that intervention.

## Article 104

### Flexibility between EAFRD and direct payments envelopes

3. By [1 August 2020], Member States may decide to transfer up to 10% of the Member State's allocation for direct payments set out in Annex [...] to this Regulation for calendar years [2021 to 2026] to the Member State's allocation for EAFRD in financial years 2022 - 2027 or vice versa.

The percentage of transfer from Member State's allocation for direct payments to its allocation for EAFRD referred to in the first subparagraph may be increased by

- up to [10] percentage points provided that Member States use the corresponding increase for EAFRD financed interventions addressing the specific environmental and climate objectives referred to in points X, X and X of Article [reference to beneficiary EAFRD interventions] of this Regulation.
- up to [2] percentage points provided that the Member States use the corresponding increase in accordance with Article [ring-fencing paragraph 4b)

[As a result of the transfer, the corresponding amounts shall no longer be available within the allocations from where they have been transferred.]

[The decisions referred to in the paragraphs 3 and **Errore. L'origine riferimento non è stata trovata.** shall be notified to the Commission by [1 August 2020].] These decisions shall set out the percentage referred to in these paragraphs, which may vary by calendar year.

4. Member States may, by 1 August of 2023, review their decisions referred to in paragraphs 3 and **Errore. L'origine riferimento non è stata trovata.** [Member States shall notify the Commission of any decision based on such review by 1 August of 2023 in which the decision was taken.]

# TITLE VII MONITORING, REPORTING AND EVALUATION

## Article 105

## Article 106

### performance, monitoring and evaluation framework

1. A performance, monitoring and evaluation framework shall be established with a view to measuring the performance of the CAP and shall include the following elements:
  - (a) a set of common context, output, result, and impact indicators;
  - (b) data collection, storage and transmission;
  - (c) regular reporting on monitoring and evaluation activities;
  - (d) the ex-ante, interim, and ex post evaluations and all other evaluation activities linked to the CAP plan;
2. In order to ensure an effective performance measurement, the Commission shall be empowered to adopt implementing acts in accordance with Article XX regarding the content of that framework. This will include, among others: the list of context indicators, other indicators needed for the appropriate monitoring and evaluation of the policy and the necessary provisions to guarantee accuracy and reliability in the data collected by Member States.
3. The Performance, Monitoring and Evaluation Framework shall reflect the structure of the CAP in:
  - (a) the interventions pertinent for CAP Support Plans;
  - (b) the market measures and other interventions provided for in Regulation (EU) No XX

## Article 107

### Objectives of the PMEF

The common performance monitoring and evaluation framework shall aim to:

- (a) set milestones and targets for CAP plan specific objectives;
- (b) monitor progress made towards achieving the targets, and assess the impact, effectiveness, efficiency, and relevance of the CAP plan interventions;
- (c) support a common learning process related to monitoring and evaluation.

## Article 108

### Indicators

Each CAP support plan shall use common indicators in order to establish targets and to assess progress made in the implementation of the plan. The common indicators will be used as the basis for monitoring, evaluation, and the annual performance reporting and review.

Those common indicators shall include:

- (a) output indicators relating to the interventions supported;
- (b) result indicators relating to the specific objectives concerned and used for the establishment of quantified milestones and targets in relation to those specific objectives in the CAP-plans and assessing progress towards the targets;
- (c) impact indicators related to the general objectives of the CAP and used in the context of evaluations of the CAP-plans and of the whole CAP.

The common set of output, result, and impact indicators is set out in Annex [...].

Where relevant, the CAP plans shall include additional CAP plan specific indicators for the types of interventions provided for in Chapters [...] of Title.

#### Article 109

##### Electronic information system

Key information on the implementation of the CAP support plan, on each intervention selected for funding, as well as on completed interventions, needed for monitoring and evaluation, including key information on each beneficiary and project, shall be recorded and maintained electronically by the Member States.

#### Article 110

##### Provision of information

Member States shall ensure that beneficiaries of support under the CAP support plan interventions and local action groups shall undertake to provide to the Managing Authority or other bodies delegated to perform functions on its behalf, all the information necessary to permit monitoring and evaluation of the programme.

#### Article 111

##### Monitoring procedures

1. The Managing Authority and the Monitoring Committee referred to in [Article of CPR] shall monitor the implementation of the CAP support plan and progress made towards achieving CAP support plan targets.
2. The Managing Authority referred to in Article [CPR] and the Monitoring Committee referred to in Article [...] shall monitor each CAP support plan by means of output and result indicators.

#### Article 112

##### Monitoring Committee

The Monitoring Committee shall be set up in accordance with Article [] CPR.

The Monitoring Committee shall satisfy itself as to the performance of the CAP support plan and the effectiveness of its implementation. To that end, in addition to the functions referred to in Article [CPR], the Monitoring Committee shall:

- (d) be consulted and shall issue an opinion on the content of the CAP support plan;

- (e) approve the annual performance reports;
- (f) be consulted and shall issue an opinion, before publication of the relevant call for proposals, on the selection criteria for financed interventions;
- (g) examine the activities and outputs related to the progress in the implementation of the evaluation plan of the CAP support plan;
- (h) examine actions in relation to the follow up to performance reviews of the CAP support plan;
- (i) examine, actions in the CAP support plan relating to the fulfilment of ex ante conditionalities/enabling conditions which fall within the responsibilities of the Managing Authority, and be informed of actions relating to the fulfilment of other ex ante conditionalities; and
- (j) participate in the national rural network to exchange information on CAP support plan implementation.

## **CHAPTER 2 ANNUAL PERFORMANCE REPORTS**

### Article 113

#### Annual performance reports

1. By 15 of February of 2023 and 15 of February of each subsequent year until and including [2031], the Member State shall submit to the Commission an annual performance report on the implementation of the CAP support plan in the previous financial year. The report submitted in 2023 shall cover the financial years 2021/22 and 2022/23.
2. Annual performance reports shall set out key qualitative and quantitative information on implementation of the CAP Support plan by reference to financial data, output and result indicators. They shall also include information about realised outputs, realised expenditure, realised results and distance to respective targets.  
  
Where the realised output and the realised expenditure ratio deviates by [50%] from annual planned output and expenditure ratio, the Member State shall submit a justification for this deviation.
3. The data transmitted shall relate to achieved values for indicators for partial and fully implemented interventions. They shall also set out a synthesis of the state of implementation of the CAP Support plan realised during the previous financial year, any issues which affect the performance of the CAP plan, in particular as regards deviations from milestones, underlining reasons and, where relevant, the measures taken.
4. The presentation of the content of the annual performance report is set out in Annex [...] to this Regulation.[forthcoming]
5. In order to be deemed admissible, the annual performance reports referred to in paragraphs [...] shall contain all the information required in those paragraphs.

6. The Commission shall inform the Member State within 15 working days of the date of receipt of the annual performance report if it is not admissible, failing which it shall be deemed admissible.
7. Annual performance reports shall set out key qualitative and quantitative information on implementation of the CAP Support plan by reference to financial data, output and result indicators. They shall also include information about realised outputs, realised expenditure, realised results and distance to respective targets.

Where the realised output and the realised expenditure ratio deviates by [50%] from annual planned output and expenditure ratio, the Member State shall submit a justification for this deviation.
8. The data transmitted shall relate to achieved values for indicators for partial and fully implemented interventions. They shall also set out a synthesis of the state of implementation of the CAP Support plan realised during the previous financial year, any issues which affect the performance of the CAP plan, in particular as regards deviations from milestones, underlining reasons and, where relevant, the measures taken.
9. Where the reported value of one or more result indicators reveals a gap of more than [30%] from the respective milestone for the reporting year concerned, the Commission may ask the Member State to submit an Action Plan in accordance to [HZR Article on action plans], describing the intended remedial actions and the expected timeframe .
10. The annual performance reports, as well as a summary for citizens of their content, shall be made available to the public.
11. The last annual implementation report, to be submitted by 15 February 20xx, shall comprise a summary of the evaluations carried out during the implementation period.

#### Article 114 Annual Review Meetings

1. Member States shall organise each year an annual review meeting with the Commission, not before two months after the submission of the annual performance report. The last annual review meeting shall take place by xx/xx/xxxx



2. The annual review meeting shall aim at examining the performance of each plan, including progress made towards achieving established targets, any issues affecting performance and past or future actions to be taken to address them

## **CHAPTER 3 - CAP PLAN EVALUATION**

### Article 115

#### CAP Support Plan ex-ante evaluations

Member States shall carry out *ex ante evaluations*, including an analysis of the strength, weaknesses, opportunities and threats relevant for the CAP plan concerned in order to identify the needs to be addressed by the CAP plan.

### Article 116

#### Evaluation of CAP Support Plans during the implementation period

1. Evaluations of CAP Support plans shall be carried out by the Member States during the implementation period to improve the quality of the design and implementation of plans, as well as to assess their effectiveness, efficiency, relevance, coherence, EU added value and impact in relation to their contribution to the CAP general and specific objectives
2. The managing authority shall draw up an evaluation plan providing indications on intended evaluation activities during the implementation period. At least once in the implementation period, but not before the year 2025, managing authorities shall be responsible for evaluating the adequacy of the CAP Support Plan interventions for the purpose of achieving the CAP specific objectives
3. The managing authority or the Member State shall submit the evaluation plan to the monitoring committee no later than one year after the adoption of the plan.
4. Managing authorities shall be responsible for completing a comprehensive evaluation of their CAP-plan by xx/xx/xxx
5. The Member State shall make all evaluations available to the public.

## **CHAPTER 4 - EVALUATION BY THE COMMISSION**

### Article 117

#### CAP Evaluations

1. The Commission shall establish a multiannual evaluation plan to be carried out under the responsibility of the Commission.
2. The Commission carries out an interim evaluation and an ex-post evaluation of the CAP. Based on evidence provided in evaluations on the CAP, including evaluations on CAP Strategic Plans, as well as other relevant information sources, the Commission shall present an initial report on the implementation of this Article, including first results on the performance of the CAP, to the European Parliament and the Council by 31 December 2025. A second report including an assessment of the performance of the CAP shall be presented by 31 December 2031.

## CHAPTER 5 – GENERAL PROVISIONS ON EVALUATION

### Article 118 General Provisions

1. Member States shall provide the Commission with all the necessary information enabling it to perform the monitoring and evaluation of the CAP.
2. Data needed for the context and impact indicators will primarily come from established data sources, such as the Farm Accountancy Data Network and Eurostat. Where data for these indicators are not available or not complete, the gaps will be addressed in the context of the European Statistical Programme established under Regulation (EC) No 223/2009, the legal framework governing the Farm Accountancy Network or through formal agreements with other data providers (for example, the Joint Research Centre and the European Environment Agency).
3. The Commission may adopt implementing acts, laying down rules on the information to be sent by the Member States, taking into account the need to avoid any undue administrative burden, as well as rules on the data needs and synergies between potential data sources. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article XX.
4. Existing administrative registers such as the IACS, LPIS, animal and vineyard registers shall be maintained. The IACS and LPIS shall be further developed to better meet the statistical needs of the CAP. Data from administrative registers shall be used as much as possible for statistical purposes, in cooperation with statistical authorities in Member States and with Eurostat.

## CHAPTER 3- INCENTIVE SYSTEM FOR GOOD ENVIRONMENTAL AND CLIMATE PERFORMANCE

### Article 119 Performance bonus

1. A performance bonus may be assigned to Member States in the year [2026] to reward satisfactory performance in relation to the environmental and climate targets provided the Member States have met the condition mention in [Art X (1), the one below].
2. The performance bonus will be equal to x% of Member States allocations mentioned in Annex [...]. These amounts shall be included indicated in the annual breakdown of Member States allocations from EAFRD in the CAP Plan but not planned as expenditure.

## Article 120

### Attribution of the performance bonus

3. Based on the performance review of the year [2026], the performance bonus withheld from Member State's allocation following the second subparagraph of [article above] may be attributed to this Member State if the result indicators applied to the specific objectives 4, 5, 6 (reference to article on objectives) of their CAP-plans have achieved at least 90% of their target value for the year [2025].
4. The Commission shall within two months of the receipt of the annual performance report in the year [2026] adopt a decision, by means of implementing acts, to determine for each Member State whether the respective CAP-Plans have achieved the target values referred to in paragraph 1. Those implementing acts shall be adopted without applying the Committee procedure referred to in Article XXX.
5. Where the target values referred to in paragraph 1 are achieved, the performance bonus shall be granted by the Commission to the Member States concerned in 2 equal amounts in 2026 and 2027.
6. Where the target values referred to in paragraph 1 are not achieved, the performance bonus shall not be allocated by the Commission.
7. [derogations for allowing attribution of the performance bonus in cases of force majeure, serious socio-economic crises etc. may also be envisaged]
8. The Commission shall adopt implementing acts, laying down the detailed arrangements to ensure a consistent approach for determining the attribution of the performance bonus to Member State. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article XX.

# TITLE IX

## COMPETITION PROVISIONS

### Article 121

#### Rules applying to undertakings

Where support under [Chapter 3 of Title IV] of this Regulation is granted to forms of co-operation between undertakings, it may be granted only to such forms of co-operation which comply with the competition rules as they apply by virtue of Articles [...] of the Regulation of the European Parliament and the Council (EU) No [new CMO Reg].

### Article 122

#### State aid

1. Save as otherwise provided for in this Title, Articles 107, 108 and 109 TFEU shall apply to support under this Regulation.
2. Articles 107, 108 and 109 TFEU shall not apply to payments made by Member States pursuant to, and in conformity with, this Regulation, or to additional national financing referred to in Article [...], within the scope of Article 42 TFEU.

### Article 123

#### Additional national financing

Payments made by Member States in relation to operations falling within the scope of Article 42 TFEU and intended to provide additional financing for interventions for which Union support is granted at any time during the planning period, shall be included by Member States in the CAP support plans as provided for in paragraph [...] of Article [...] and, [where they comply with ,] shall be approved by the Commission.

### Article 124

#### National fiscal measures

Articles 107 to 109 TFEU shall not apply to national fiscal measures whereby the income tax base applied to farmers may be calculated on the basis of a multiannual period

# TITLE X

## FINAL PROVISIONS

### CHAPTER 1 - DELEGATIONS OF POWERS

#### Article 125 Exercise of delegation

3. The power to adopt delegated acts referred to in Articles XXX is conferred on the Commission subject to the conditions laid down in this Article.
4. The power to adopt delegated acts shall be conferred on the Commission for a period of seven years from the date of entry into force of this Regulation. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the seven-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.
5. The power to adopt delegated acts may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the powers specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
6. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
7. A delegated act shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

#### Article 126 Committee procedure

1. The implementing acts referred to in Articles XXX shall be adopted in accordance with the examination procedure referred to in paragraphs 1, 2 and 4.
2. The Commission shall be assisted by a committee called "Common Agricultural Policy Committee". That Committee shall be a committee within the meaning of Regulation (EU) No [182/2011].
3. Where reference is made to this paragraph, Article [5] of Regulation (EU) [No 182/2011] shall apply.

[In the case of acts referred to in Articles XXX, where the committee delivers no opinion, the Commission shall not adopt the draft implementing act and the third subparagraph of Article 5(4) of Regulation (EU) No 182/2011 shall apply.]

4. Where reference is made to this paragraph, Article 8 of Regulation (EU) No 182/2011, in conjunction with Article 5 thereof, shall apply.

## **CHAPTER 2 INFORMATION SYSTEM AND PROTECTION OF PERSONAL DATA**

### Article 127

#### **Article 128**

1. The Commission, in collaboration with the Member States, shall establish an information system to enable the secure exchange of data of common interest between the Commission and each Member State. The Commission shall adopt implementing acts, laying down rules for the operation of that system. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article XXX.

2 The Commission shall ensure that there is an appropriate secure electronic system in which key information and report on monitoring and evaluation can be recorded, maintained and managed.

### Article 129

#### Article 130

1. Member States and the Commission shall collect personal data for the purpose of carrying out their respective management control, monitoring and evaluation obligations under this Regulation, and in particular those laid down in Titles VI and VII, and shall not process this data in a way which is incompatible with this purpose.

2. Where personal data are processed for monitoring and evaluation purposes under Title XXX using the secure electronic system referred to in Article XXX, they shall be made anonymous, and processed in aggregated form only.

3. Personal data shall be processed in accordance with the rules of Directive 95/46/EC and Regulation (EC) No 45/2001. In particular, such data shall not be stored in a form which permits identification of data subjects for longer than is necessary for the purposes for which they were collected or for which they are further processed, taking into account the minimum retention periods laid down in the applicable national and Union law.

4. Member States shall inform the data subjects that their personal data may be processed by national and Union bodies in accordance with paragraph 1 and that in this respect they enjoy the rights set out in the data protection rules of, respectively, Directive 95/46/EC and Regulation (EC) No 45/2001.

5. Articles 111 to 114 in Regulation(EU) 1306/2013 shall apply to this Article.

## CHAPTER 3 - TRANSITIONAL AND FINAL PROVISIONS

### Article 131

#### Measures to resolve specific problems

1. In order to resolve specific problems, the Commission shall adopt implementing acts which are both necessary and justifiable in an emergency. Such implementing acts may derogate from provisions of this Regulation, to the extent and for such a period as is strictly necessary. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article XXX.
2. Where duly justified imperative grounds of urgency so require, and in order to resolve such specific problems while ensuring the continuity of the direct payments system in the case of extraordinary circumstances, the Commission shall adopt immediately applicable implementing acts in accordance with the procedure referred to in Article XXX.
3. Measures adopted under paragraph 1 or 2 shall remain in force for a period not exceeding twelve months. If after this period the specific problems referred to in those paragraphs persist, the Commission may, in order to establish a permanent solution, submit an appropriate legislative proposal.
4. The Commission shall inform the European Parliament and the Council of any measure adopted under paragraph 1 or 2 within two working days of its adoption.

### Article 132

### Article 133

1. For the scheme defined in Regulation (EU) No 228/2013 (POSEI) only point (a) and (b) of Article 4, point (a), (b), (d) of Article 5 [certain definitions+genuine farmer], Chapter I of Title IV [Basic requirements including conditionality and FAS], Article X [minimum requirements] and Title X [Final provisions] shall apply [Provisions intend to keep status quo by making the general provisions for direct payments applicable with exception of reduction of payment - as established today in Regulation (EC) No 1307/2013 where only Titles I, II, VI and VII apply and Art.11 doesn't apply].
2. For the scheme defined in Regulation No 229/2013 (smaller Aegean islands), only point (a) and (b) of Article 4, point (a), (b), (c) and (d) of Article 5 [certain definitions+eligible" hectares+genuine farmer], Chapter I of Title IV [Basic requirements including conditionality and FAS], Chapter 2 of Title IV with the exception of Article X [provisions on Direct payments interventions with the exception of capping] and Title X [Final provisions] shall apply [Note: again like today in 1307/2013 – see above].

#### Article 134

##### Cumulation of support and exclusion of double funding

1. Interventions under this Regulation with identifiable eligible costs may be cumulated with:
  - (a) any other interventions under this Regulation and any other national or Union support instruments, as long as those interventions concern different identifiable eligible costs;
  - (b) any other interventions under this Regulation and any other national or Union support instruments, in relation to the same eligible costs, partly or fully overlapping, only if such cumulation does not result in exceeding the highest aid intensity or aid amount applicable to this intervention under this Regulation.
2. Interventions without identifiable eligible costs may be cumulated with any other interventions under this Regulation and any other national or Union support instruments with identifiable eligible costs, provided that they do not aim at the achievement of the same objectives.
3. Interventions without identifiable eligible costs may be cumulated with other interventions under this Regulation and any other national or Union support instruments without identifiable eligible costs, provided that they do not aim at the achievement of the same objectives.

Member States shall ensure that overcompensation as a result of the combination of the risk management tools referred to in Article XXX with private insurance schemes is avoided.

#### Article 135

##### Repeals

4. Regulation (EU) No 1305/2013 is repealed.

However, it shall continue to apply to operations implemented pursuant to rural development programmes approved by the Commission under that Regulation before [...].

The following provisions of Regulation (EU) No 1307/2013 shall continue to apply: Article 32 and Annex III. References to the rural development programmes shall be read as references to the CAP support plans.

5. Regulation (EU) No 1307/2013 is repealed.

However, it shall continue to apply in respect of aid applications relating to claim years starting before [..].

6. The following provisions of Regulation (EU) No 1307/2013 shall continue to apply:
  - (a) as regards specific provisions for Croatia: Chapter 2 of Title II, Article 17, Article 19, and Annex I, where relevant until 2021;”

#### Article 136

##### Transitional provisions

1. Without prejudice to Article 47 of Regulation (EU) No [Cap-Plan], expenditure relating to legal commitments to beneficiaries incurred under the measures referred to in Articles xxx of Regulation (EC) No 1305/2013[ ...] shall be eligible for an EAFRD contribution in the 2021-



2027 programming CAP support plan period, [where the financial allocation for the relevant measure of the respective programme has already been used up].

This paragraph shall also apply to legal commitments to beneficiaries undertaken under corresponding measures provided for in Regulations (EC) No 1257/1999, (EEC) No 2078/1992, (EEC) No 2080/1992 Regulation (EC) and No 1698/2005, which are receiving support under Regulation (EU) No 1305/2013.

2. The expenditure referred to in paragraph 1 shall be eligible for an EAFRD contribution in the 2021-2027 CAP support plan period, subject to the following conditions:

(a) that such expenditure is provided for in the respective CAP support plan for the 2021-2027 plan period;

(b) that the EAFRD contribution rate of the corresponding type of intervention under Regulation (EU) No [Cap-Plan], as set out in Annex xxx to this Regulation, applies; and

(c) that Member States ensure that the relevant transitional operations are clearly identified through their management and control systems.

3. In order to facilitate the transition from the arrangements provided for in Regulations (EU) No 1305/2013 and (EU) No 1307/2013 to those laid down in this Regulation, the Commission shall be empowered to adopt delegated acts in accordance with Article [...], concerning the necessary measures to protect any acquired rights any acquired rights and legitimate expectations of beneficiaries. [Those transitional rules shall in particular lay down the conditions under which support approved by the Commission under Regulation (EU) No 1305/2013 may be integrated into support provided for under this Regulation, including for technical assistance and for the ex-post evaluations.]

#### Article 137

##### 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*.

It shall apply from [1 January 2021].

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

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

## LEGISLATIVE FINANCIAL STATEMENT

### **1. FRAMEWORK OF THE PROPOSAL/INITIATIVE**

- 1.1. Title of the proposal/initiative
- 1.2. Policy area(s) concerned in the ABM/ABB structure
- 1.3. Nature of the proposal/initiative
- 1.4. Objective(s)
- 1.5. Grounds for the proposal/initiative
- 1.6. Duration and financial impact
- 1.7. Management mode(s) planned

### **2. MANAGEMENT MEASURES**

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
- 2.3. Measures to prevent fraud and irregularities

### **3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE**

- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
  - 3.2.1. *Summary of estimated impact on expenditure*
  - 3.2.2. *Estimated impact on operational appropriations*
  - 3.2.3. *Estimated impact on appropriations of an administrative nature*
  - 3.2.4. *Compatibility with the current multiannual financial framework*
  - 3.2.5. *Third-party contributions*
- 3.3. Estimated impact on revenue

## LEGISLATIVE FINANCIAL STATEMENT

### 1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

#### 1.1. Title of the proposal/initiative

[...]

[...]

#### 1.2. Policy area(s) concerned in the ABM/ABB structure<sup>4</sup>

[...]

[...]

#### 1.3. Nature of the proposal/initiative

- The proposal/initiative relates to a **new action**
- The proposal/initiative relates to a **new action following a pilot project/preparatory action<sup>5</sup>**
- The proposal/initiative relates to **the extension of an existing action**
- The proposal/initiative relates to **an action redirected towards a new action**

#### 1.4. Objective(s)

##### 1.4.1. *The Commission's multiannual strategic objective(s) targeted by the proposal/initiative*

[...]

[...]

##### 1.4.2. *Specific objective(s) and ABM/ABB activity(ies) concerned*

Specific objective No

[...]

ABM/ABB activity(ies) concerned

[...]

---

<sup>4</sup> ABM: activity-based management; ABB: activity-based budgeting.

<sup>5</sup> As referred to in Article 54(2)(a) or (b) of the Financial Regulation.

1.4.3. *Expected result(s) and impact*

*Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.*

[...]  
[...]  
[...]

1.4.4. *Indicators of results and impact*

*Specify the indicators for monitoring implementation of the proposal/initiative.*

[...]  
[...]

**1.5. Grounds for the proposal/initiative**

1.5.1. *Requirement(s) to be met in the short or long term*

[...]  
[...]

1.5.2. *Added value of EU involvement*

[...]  
[...]

1.5.3. *Lessons learned from similar experiences in the past*

[...]  
[...]

1.5.4. *Compatibility and possible synergy with other appropriate instruments*

[...]  
[...]

## 1.6. Duration and financial impact

- Proposal/initiative of **limited duration**
  - Proposal/initiative in effect from [DD/MM]YYYY to [DD/MM]YYYY
  - Financial impact from YYYY to YYYY
- Proposal/initiative of **unlimited duration**
  - Implementation with a start-up period from YYYY to YYYY,
  - followed by full-scale operation.

## 1.7. Management mode(s) planned<sup>6</sup>

- Direct management** by the Commission
  - by its departments, including by its staff in the Union delegations;
  - by the executive agencies
- Shared management** with the Member States
- Indirect management** by entrusting budget implementation tasks to:
  - third countries or the bodies they have designated;
  - international organisations and their agencies (to be specified);
  - the EIB and the European Investment Fund;
  - bodies referred to in Articles 208 and 209 of the Financial Regulation;
  - public law bodies;
  - bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;
  - bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;
  - persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.
  - *If more than one management mode is indicated, please provide details in the 'Comments' section.*

### Comments

[...]

[...]

<sup>6</sup> Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: [http://www.cc.cec/budg/man/budgmanag/budgmanag\\_en.html](http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html)

**2. MANAGEMENT MEASURES**

**2.1. Monitoring and reporting rules**

*Specify frequency and conditions.*

[...] [...]
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**2.2. Management and control system**

**2.2.1. Risk(s) identified**

[...] [...]
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**2.2.2. Information concerning the internal control system set up**

[...] [...]
----------------

**2.2.3. Estimate of the costs and benefits of the controls and assessment of the expected level of risk of error**

[...] [...]
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**2.3. Measures to prevent fraud and irregularities**

*Specify existing or envisaged prevention and protection measures.*

[...] [...]
----------------

### 3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

#### 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [...][Heading..... .....]	Diff./Non-diff. <sup>7</sup>	from EFTA countries <sup>8</sup>	from candidate countries <sup>9</sup>	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
	[...][XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO

- New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [...][Heading..... .....]	Diff./Non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
	[...][XX.YY.YY.YY]		YES/NO	YES/NO	YES/NO	YES/NO

<sup>7</sup> Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

<sup>8</sup> EFTA: European Free Trade Association.

<sup>9</sup> Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

### 3.2. Estimated impact on expenditure

[This section should be filled in using the [spreadsheet on budget data of an administrative nature](#) (second document in annex to this financial statement) and uploaded to CISNET for interservice consultation purposes.]

#### 3.2.1. Summary of estimated impact on expenditure

EUR million (to three decimal places)

<b>Heading of multiannual financial framework</b>	Number	[...][Heading..... .....]
---	--------	------------------------------

DG: <.....>			Year N <sup>10</sup>	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
• Operational appropriations										
Number of budget line	Commitments	(1)								
	Payments	(2)								
Number of budget line	Commitments	(1a)								
	Payments	(2a)								
Appropriations of an administrative nature financed from the envelope of specific programmes <sup>11</sup>										
Number of budget line		(3)								
<b>TOTAL appropriations for DG &lt;.....&gt;</b>	Commitments	=1+1a +3								
	Payments	=2+2a +3								

<sup>10</sup> Year N is the year in which implementation of the proposal/initiative starts.

<sup>11</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.



• TOTAL operational appropriations	Commitments	(4)								
	Payments	(5)								
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)								
<b>TOTAL appropriations under HEADING &lt;...&gt; of the multiannual financial framework</b>	Commitments	=4+ 6								
	Payments	=5+ 6								

**If more than one heading is affected by the proposal / initiative:**

• TOTAL operational appropriations	Commitments	(4)								
	Payments	(5)								
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)								
<b>TOTAL appropriations under HEADINGS 1 to 4 of the multiannual financial framework (Reference amount)</b>	Commitments	=4+ 6								
	Payments	=5+ 6								

<b>Heading of multiannual financial framework</b>	<b>5</b>	'Administrative expenditure'
---	----------	------------------------------

EUR million (to three decimal places)

		Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			<b>TOTAL</b>
DG: <.....>									
• Human resources									
• Other administrative expenditure									
<b>TOTAL DG &lt;.....&gt;</b>	Appropriations								

<b>TOTAL appropriations under HEADING 5 of the multiannual financial framework</b>	(Total commitments = Total payments)								
--	--------------------------------------	--	--	--	--	--	--	--	--

EUR million (to three decimal places)

		Year N <sup>12</sup>	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			<b>TOTAL</b>
<b>TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework</b>	Commitments								
	Payments								

<sup>12</sup> Year N is the year in which implementation of the proposal/initiative starts.

3.2.2. *Estimated impact on operational appropriations*

- The proposal/initiative does not require the use of operational appropriations
- The proposal/initiative requires the use of operational appropriations, as explained below:

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs  ↓			Year N		Year N+1		Year N+2		Year N+3		Enter as many years as necessary to show the duration of the impact (see point 1.6)						TOTAL	
	OUTPUTS																	
	Type <sup>13</sup>	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1 <sup>14</sup> ...																		
- Output																		
- Output																		
- Output																		
Subtotal for specific objective No 1																		
SPECIFIC OBJECTIVE No 2 ...																		
- Output																		
Subtotal for specific objective No 2																		
<b>TOTAL COST</b>																		

<sup>13</sup> Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

<sup>14</sup> As described in point 1.4.2. ‘Specific objective(s)...’

### 3.2.3. Estimated impact on appropriations of an administrative nature

#### 3.2.3.1. Summary

- The proposal/initiative does not require the use of appropriations of an administrative nature
- The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	Year N <sup>15</sup>	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)				<b>TOTAL</b>
--	-------------------------	-------------	-------------	-------------	--	--	--	--	--------------

<b>HEADING 5 of the multiannual financial framework</b>									
Human resources									
Other administrative expenditure									
<b>Subtotal HEADING 5 of the multiannual financial framework</b>									

<b>Outside HEADING 5<sup>16</sup> of the multiannual financial framework</b>									
Human resources									
Other expenditure of an administrative nature									
<b>Subtotal outside HEADING 5 of the multiannual financial framework</b>									

<b>TOTAL</b>									
--------------	--	--	--	--	--	--	--	--	--

The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

<sup>15</sup> Year N is the year in which implementation of the proposal/initiative starts.

<sup>16</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

### 3.2.3.2. Estimated requirements of human resources

- The proposal/initiative does not require the use of human resources.
- The proposal/initiative requires the use of human resources, as explained below:

*Estimate to be expressed in full time equivalent units*

	Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)		
<b>• Establishment plan posts (officials and temporary staff)</b>							
XX 01 01 01 (Headquarters and Commission's Representation Offices)							
XX 01 01 02 (Delegations)							
XX 01 05 01 (Indirect research)							
10 01 05 01 (Direct research)							
<b>• External staff (in Full Time Equivalent unit: FTE)<sup>17</sup></b>							
XX 01 02 01 (AC, END, INT from the 'global envelope')							
XX 01 02 02 (AC, AL, END, INT and JED in the delegations)							
XX 01 04 yy <sup>18</sup>	- at Headquarters						
	- in Delegations						
XX 01 05 02 (AC, END, INT - Indirect research)							
10 01 05 02 (AC, END, INT - Direct research)							
Other budget lines (specify)							
<b>TOTAL</b>							

**XX** is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary staff	
External staff	

<sup>17</sup> AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JED= Junior Experts in Delegations.

<sup>18</sup> Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

3.2.4. *Compatibility with the current multiannual financial framework*

- The proposal/initiative is compatible the current multiannual financial framework.
- The proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts.  
[\[...\]](#)

- The proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.  
[\[...\]](#)

3.2.5. *Third-party contributions*

- The proposal/initiative does not provide for co-financing by third parties.
- The proposal/initiative provides for the co-financing estimated below:

Appropriations in EUR million (to three decimal places)

	Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
Specify the co-financing body								
TOTAL appropriations co-financed								

### 3.3. Estimated impact on revenue

- The proposal/initiative has no financial impact on revenue.
- The proposal/initiative has the following financial impact:
  - on own resources
  - on miscellaneous revenue

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative <sup>19</sup>					Enter as many years as necessary to show the duration of the impact (see point 1.6)		
		Year N	Year N+1	Year N+2	Year N+3				
Article .....									

For miscellaneous ‘assigned’ revenue, specify the budget expenditure line(s) affected.

[...]

Specify the method for calculating the impact on revenue.

[...]

<sup>19</sup> As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25 % for collection costs.