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from: General Secretariat
to: Special Committee on Agriculture / Council

Subject: Proposal for a Regulation of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural development (EAFRD)
– Outcome of the European Parliament's proceedings
(Strasbourg, 11 to 14 March 2013)

I. INTRODUCTION

The Rapporteur, Mr. Luis Manuel CAPOULAS SANTOS (S&D, PT), presented a proposal for a decision on the opening of, and mandate for interinstitutional negotiations to the proposal for a Regulation, on behalf of the Committee on Agriculture and Rural Development.

The proposal was tabled in accordance with the recently established Rule 70 a of the Parliament's Rules of Procedure and it was the first time that the plenary was asked to debate and decide on a negotiating mandate in that context.

The proposal contained 142 amendments (amendments 1-142). In addition 39 other amendments (amendments 143 - 183¹) had been tabled by political groups (S&D, ALDE, Greens/EFA, ECR, EUL/NGL) or groups of 40 or more individual MEPs.

II. DEBATE

The debate on the proposal, which took place on 12 March 2013, was a joint debate on four proposals concerning the reform of the Common Agricultural Policy under the ordinary legislative procedure (direct payments to farmers, single Common Market Organisation, rural development and financing, management and monitoring of the common agricultural policy (horizontal regulation)). A summary of the debate is set out in document 7251/13².

III. VOTE

When it voted on 13 March 2013, the European Parliament adopted a negotiation mandate containing 150 amendments to the proposal for a Regulation.

All but two of the Committee's amendments (amendments 69 and 70 (partly)) were approved for inclusion in the negotiation mandate, together with 9 other amendments (amendment 143 by the S&D political group, amendment 144 by the S&D, Greens/EFA and ALDE political groups, amendments 145 and 146 by the S&D and Greens/EFA political groups, amendment 156 by the EUL/NGL political group, amendments 169, 173, 181 by the EFA/Greens political group and amendment 183 by a group of 40 or more individual MEPs).

The text of the European Parliament's decision on the opening of negotiations and the text of the negotiation mandate itself are set out in the annex to this note.

¹ Three amendments had been cancelled or withdrawn.

² See also docs. 7258/13 and 7260/13.

Support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (Decision on the opening of interinstitutional negotiations)

European Parliament decision of 13 March 2013 on the opening of, and on the mandate for, interinstitutional negotiations on the proposal for a regulation of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (COM(2011)0627/3 – C7-0340/2011 – COM(2012)0553 – C7-0313/2012 – 2011/0282(COD) – 2013/2530(RSP))

The European Parliament,

- having regard to the proposal of the Committee on Agriculture and Rural Development,
- having regard to Rules 70(2) and 70a of its Rules of Procedure,

whereas the financial envelope specified in the legislative proposal is only an indication to the legislative authority and cannot be fixed until agreement is reached on the proposal for a regulation laying down the multiannual financial framework for the years 2014-2020;

decides to open interinstitutional negotiations on the basis of the following mandate:

MANDATE

Amendment 1

Proposal for a regulation Citation 1

Text proposed by the Commission

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 42 and **43** thereof,

Amendment

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 42 and **43(2)** thereof,

Justification

Clarification. The same legal basis should be used for all of the legislative acts of the reform package.

Amendment 2

Proposal for a regulation
Recital 8

Text proposed by the Commission

(8) In order to ensure the immediate start and efficient implementation of rural development programmes, support from the EAFRD should be based on the existence of sound administrative framework conditions. Member States should therefore assess compliance with certain ex ante conditionalities. Each Member State should prepare either a national rural development programme for its entire territory or a set of regional programmes. Each programme should identify a strategy for meeting targets in relation to the Union priorities for rural development and a selection of measures. Programming should comply with Union priorities for rural development, while being adapted to national contexts and complement the other Union policies, in particular the agricultural market policy, cohesion policy and the common fisheries policy. Member States which opt for a set of regional programme should be able to also prepare a national framework, *without a separate budgetary allocation*, in order to facilitate co-ordination among the regions in addressing nation-wide challenges.

Amendment

(8) In order to ensure the immediate start and efficient implementation of rural development programmes, support from the EAFRD should be based on the existence of sound administrative framework conditions. Member States should therefore assess compliance with certain ex ante conditionalities. Each Member State should prepare either a national rural development programme for its entire territory or a set of regional programmes. Each programme should identify a strategy for meeting targets in relation to the Union priorities for rural development and a selection of measures. Programming should comply with Union priorities for rural development, while being adapted to national contexts and complement the other Union policies, in particular the agricultural market policy, cohesion policy and the common fisheries policy. Member States which opt for a set of regional programme should be able to also prepare *a national programme for the implementation of specific measures at national level or* a national framework, in order to facilitate co-ordination among the regions in addressing nation-wide challenges.

Amendment 3

Proposal for a regulation
Recital 12

Text proposed by the Commission

(12) It is necessary to establish certain rules for programming and revising rural development programmes. A *lighter* procedure should be provided for revisions not affecting the strategy of the programmes or the respective Union financial contributions.

Amendment

(12) It is necessary to establish certain rules for programming and revising rural development programmes. A *simplified* procedure should be provided for revisions not affecting the strategy of the programmes or the respective Union financial contributions.

Amendment 4

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) In order to ensure legal certainty and clarity concerning the procedure to be followed in the case of programme amendments, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of ***the setting of the criteria on the basis of which proposed changes of the quantified targets of the programmes shall be considered as major, thus triggering the need to modify the programme by means of an implementing act adopted in accordance with Article 91 of this Regulation.***

Amendment

(13) In order to ensure legal certainty and clarity concerning the procedure to be followed in the case of programme amendments, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of setting criteria ***defining a major reset of quantified targets.***

Justification

Changes to programmes are not purely technical decisions.

Amendment 5

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) Farm advisory services help farmers, forest holders and SMEs in rural areas to improve the sustainable management and overall performance of their holding or business. Therefore both the setting up of such services and the use of advice by farmers, forest holders and SMEs should be encouraged. In order to enhance the quality and effectiveness of the advice offered, provision should be made for the minimum qualifications and regular training of advisors. Farm advisory services, as provided for in Regulation of the European Parliament and of the Council (EU) No *HR/2012 of [...]* should help farmers assess the performance of

Amendment

(16) Farm advisory services help farmers, forest holders and SMEs in rural areas to improve the sustainable management and overall performance of their holding or business. Therefore both the setting up of such services and the use of advice by farmers, forest holders and SMEs should be encouraged. In order to enhance the quality and effectiveness of the advice offered, provision should be made for the minimum qualifications and regular training of advisors. Farm advisory services, as provided for in Regulation of the European Parliament and of the Council (EU) No *.../2013 [HR]* should help farmers assess the performance of

their agricultural holding and identify the necessary improvements as regards the statutory management requirements, good agricultural and environmental conditions, agricultural practices beneficial to the climate and the environment set out in Regulation of the European Parliament and of the Council (EU) No *DP/2012 of [...]*, requirements or actions related to climate change mitigation and adaptation, biodiversity, protection of water, animal disease notification and innovation at least as laid down in Annex I to Regulation (EU) No *HR/2012*. Where relevant, advice should also cover occupational safety standards. Advice may also cover issues linked to the economic, agricultural and environmental performance of the holding or enterprise. Farm management and farm relief services should help farmers improve and facilitate management of their holding.

their agricultural holding and identify the necessary improvements as regards the statutory management requirements, good agricultural and environmental conditions, agricultural practices beneficial to the climate and the environment set out in Regulation of the European Parliament and of the Council (EU) No *.../2013 [DP]*, requirements or actions related to climate change mitigation and adaptation, biodiversity, protection of water, animal disease notification and innovation at least as laid down in Annex I to Regulation (EU) No *.../2013 [HR]*. Where relevant, advice should also cover occupational ***or farm*** safety standards. Advice may also cover ***support for setting up of young farmers, sustainable development of the economic activities of the holding, local processing and marketing*** issues linked to the economic, agricultural and environmental performance of the holding or enterprise. Farm management and farm relief services should help farmers improve and facilitate management of their holding.

Amendment 6

Proposal for a regulation

Recital 19

Text proposed by the Commission

(19) In order to improve the economic and environmental performance of agricultural holdings and rural enterprises, improve the efficiency of the agricultural products marketing and processing sector, provide infrastructure needed for the development of agriculture and support non-remunerative investments necessary to achieve environmental aims, support should be provided to physical investments contributing to these aims. During the 2007-2013 programming period a variety of measures covered different areas of intervention. In the interest of simplification but also of allowing beneficiaries to design and realise integrated projects with increased added

Amendment

(19) In order to improve the economic and environmental performance of agricultural holdings and rural enterprises, improve the efficiency of the agricultural products marketing and processing sector, provide infrastructure needed for the development of agriculture and support non-remunerative investments necessary to achieve environmental aims, support should be provided to physical investments contributing to these aims. During the 2007-2013 programming period a variety of measures covered different areas of intervention. In the interest of simplification but also of allowing beneficiaries to design and realise integrated projects with increased added

value, a single measure should cover all types of physical investments. **Member States should define a threshold for agricultural holdings eligible for aid for investments related to supporting farm viability based on the results of the strengths, weaknesses, opportunities and threats ('SWOT') analysis as means to better target the aid.**

value, a single measure should cover all types of physical investments.

Amendment 7

Proposal for a regulation

Recital 21

Text proposed by the Commission

(21) The creation and development of new economic activity in the form of new farms, new businesses or new investments in non-agricultural activities *is* essential for the development and competitiveness of rural areas. A farm and business development measure should facilitate the initial establishment of young farmers and the structural adjustment of their holdings after initial setting up, diversification of farmers into non-agricultural activities and the setting up and development of non-agricultural SMEs in rural areas. The development of small *farms* which are potentially economically viable should also be encouraged. In order to ensure the viability of new economic activities supported under this measure, support should be made conditional on the submission of a business plan. Support for business start up should cover only the initial period of the life of a business and not become operating aid. Therefore, where Member States opt to grant aid in instalments these should be for a period of no more than five years. In addition in order to encourage the restructuring of the agricultural sector, support ***in the form of annual payments*** should be provided for farmers ***participating in the small farmers scheme established by Title V of Regulation (EU) No DP/2012*** who commit to transfer their entire holding and the

Amendment

(21) The creation and development of new economic activity in the form of new farms, ***new areas of activity***, new ***agriculture- or forestry-related*** businesses or new investments in non-agricultural activities, ***new investments in social agriculture and new investments in tourist activity*** is essential for the development and competitiveness of rural areas. A farm and business development measure should facilitate the initial establishment of young farmers and the structural adjustment of their holdings after initial setting up, ***and should encourage entrepreneurship among women, including the*** diversification of farmers into non-agricultural activities and the setting up and development of non-agricultural SMEs in rural areas. The development of small ***agriculture- and forestry-related businesses*** which are potentially economically viable should also be encouraged. In order to ensure the viability of new economic activities supported under this measure, support should be made conditional on the submission of a business plan. Support for business start up should cover only the initial period of the life of a business and not become operating aid. Therefore, where Member States opt to grant aid in instalments these should be for a period of no more than five years. In addition, in order to encourage the

corresponding payment entitlements to another farmer *who does not participate in that scheme*.

restructuring of the agricultural sector, support should be provided for farmers who commit to transfer their entire holding and the corresponding payment entitlements to another farmer. *In order to make this measure more attractive, such support should take the form of a one-off payment.*

Amendment 8

Proposal for a regulation

Recital 22

Text proposed by the Commission

(22) SMEs are the backbone of **the** Union rural economy. Farm and non-agricultural business development should be aimed at employment promotion and the setting up of quality jobs in rural areas, maintenance of already existing jobs, reduction of seasonality fluctuations in employment, development of non-agricultural sectors outside agriculture and agricultural and food processing while fostering at the same time business integration and local inter-sectoral links. Projects integrating at the same time agriculture, rural tourism through promotion of sustainable and responsible tourism in rural areas, natural and cultural heritage should be encouraged as well as renewable energy investments.

Amendment

(22) SMEs are the backbone of **a sustainable** Union rural economy. Farm and non-agricultural business development should be aimed at employment promotion and the setting up of quality jobs in rural areas, **in particular for young people, as well as the** maintenance of already existing jobs, reduction of seasonality fluctuations in employment, development of non-agricultural sectors outside agriculture and agricultural and food processing, while fostering at the same time business integration and local inter-sectoral links **in line with sustainable regional development**. Projects integrating at the same time agriculture, rural tourism through promotion of sustainable and responsible tourism in rural areas, natural and cultural heritage should be encouraged as well as renewable energy investments. **The sustainable development of rural areas should be strengthened by promoting urban-rural links and cross-regional cooperation.**

Amendment 9

Proposal for a regulation

Recital 27

Text proposed by the Commission

(27) Producer groups help farmers to face jointly the challenges posed by increased

Amendment

(27) Producer groups **and organisations** help farmers to face jointly the challenges

competition and consolidation of downstream markets in relation to the marketing of their products including in local markets. The setting up of producer groups should therefore be encouraged. In order to ensure the best use of limited financial resources only producer groups that qualify as SMEs should benefit from support. In order to ensure that the producer group becomes a viable entity, a business plan should be submitted as a condition for the recognition of a producer group by Member States. To avoid providing operating aid and maintain the incentive role of support, its maximum duration should be limited to five years.

posed by increased competition and consolidation of downstream markets in relation to the marketing of their products including in local markets. The setting up **and development** of producer groups should therefore be encouraged. In order to ensure the best use of limited financial resources only producer groups that qualify as SMEs should benefit from support. In order to ensure that the producer group becomes a viable entity, a business plan should be submitted as a condition for the recognition of a producer group by Member States. To avoid providing operating aid and maintain the incentive role of support, its maximum duration should be limited to five years.

Amendment 10

Proposal for a regulation Recital 28

Text proposed by the Commission

(28) Agri-environment-climate payments should continue to play a prominent role in supporting the sustainable development of rural areas and in responding to society's increasing demands for environmental services. They should **further** encourage farmers **and other land managers** to serve society as a whole by introducing or continuing to apply agricultural practices contributing to climate change mitigation and adaptation and compatible with the protection and improvement of the environment, the landscape and its features, natural resources, the soil and genetic diversity. In this context the conservation of genetic resources in agriculture and the additional needs of farming systems that are of high nature value should be given specific attention. Payments should contribute to covering additional costs and income foregone resulting from the commitments undertaken **and should only cover commitments going beyond relevant**

Amendment

(28) Agri-environment-climate payments should continue to play a prominent role in supporting the sustainable development of rural areas and in responding to society's increasing demands for environmental services. They should, **as a matter of priority**, encourage farmers to serve society as a whole by introducing or continuing to apply agricultural practices contributing to climate change mitigation and adaptation and compatible with the protection and improvement of the environment, the landscape and its features, natural resources, the soil and genetic diversity. In this context the conservation of genetic resources in agriculture and the additional needs of farming systems that are of high nature value should be given specific attention. Payments should contribute to covering additional costs and income foregone resulting from the commitments undertaken. **Outputs from recognised agri-environment measures should count towards the fulfilment of greening**

mandatory standards and requirements, in accordance with the ‘polluter pays’ principle. In many situations the synergies resulting from commitments undertaken jointly by a group of farmers multiply the environmental and climate benefit. However, joint action brings additional transaction costs which should be compensated adequately. In order to ensure that farmers ***and other land managers*** are in a position to correctly implement the commitments they have undertaken, Member States should endeavour to provide them with the required skills and knowledge. Member States should maintain the level of efforts made during the 2007-2013 programming period ***and*** have to spend a minimum of 25 % of the total contribution from the EAFRD ***to*** each rural development programme for climate change mitigation and adaptation and land management, through the agri-environment-climate, organic farming ***and payments to areas facing natural or other specific constraints measures.***

commitments in the context of the direct payments scheme. In many situations the synergies resulting from commitments undertaken jointly by a group of farmers multiply the environmental and climate benefit. However, joint action brings additional transaction costs which should be compensated adequately. In order to ensure that farmers are in a position to correctly implement the commitments they have undertaken, Member States should endeavour to provide them with the required skills and knowledge. Member States should maintain the level of efforts made during the 2007-2013 programming period. ***They should also be required*** to spend a minimum of 25 % of the total contribution from the EAFRD ***on*** each rural development programme for climate change mitigation and adaptation and land management, through the agri-environment-climate ***and*** organic farming payments. ***Farm managers should be eligible for this measure as a matter of priority.***

Amendment 11

Proposal for a regulation

Recital 30

Text proposed by the Commission

(30) Payments for the conversion to or maintenance of organic farming should encourage farmers to participate in such schemes thus answering society's increasing demand for the use of environmentally friendly farm practices and for high standards of animal welfare. In order to increase synergy in biodiversity benefits delivered by the measure, collective contracts or ***collaboration*** between farmers should be encouraged to cover larger adjacent areas. In order to avoid large-scale reversion of farmers to conventional farming, both conversion and maintenance measures should be supported. Payments should contribute to covering additional costs incurred and

Amendment

(30) Payments for the conversion to or maintenance of organic farming should encourage farmers to participate in such schemes thus answering society's increasing demand for the use of environmentally friendly farm practices and for high standards of animal welfare. In order to increase synergy in biodiversity benefits delivered by the measure, collective contracts or ***co-operation*** between farmers ***or other land managers*** should be encouraged to cover larger adjacent areas. In order to avoid large-scale reversion of farmers to conventional farming, both conversion and maintenance measures should be supported. Payments should contribute to covering additional

income foregone as a result of the commitment and should cover only commitments going beyond relevant mandatory standards and requirements.

costs incurred and income foregone as a result of the commitment and should cover only commitments going beyond relevant mandatory standards and requirements.

Justification

See corresponding Amendment to Article 30

Amendment 12

Proposal for a regulation

Recital 33

Text proposed by the Commission

(33) In order to ensure efficient use of Union funds and equal treatment for farmers across the Union mountain areas and areas facing natural or other specific constraints should be defined in accordance with objective criteria. In the case of areas facing natural constraints these should be bio-physical criteria underpinned by robust scientific evidence. ***Transitional arrangements*** should be ***adopted in order to facilitate the phasing out of payments in areas that will no longer be considered as areas facing natural constraints as a result of the application of these criteria.***

Amendment

(33) In order to ensure efficient use of Union funds and equal treatment for farmers across the Union mountain areas and areas facing natural or other specific constraints should be defined in accordance with objective criteria. In the case of areas facing natural constraints these should be bio-physical criteria underpinned by robust scientific evidence. ***By 31 December 2014, the Commission should present a legislative proposal on establishing mandatory bio-physical criteria and the corresponding threshold values to be applied for the future delimitation, as well as the appropriate rules for fine-tuning and transitional arrangements.***

Amendment 13

Proposal for a regulation

Recital 37

Text proposed by the Commission

(37) Farmers are exposed today to increasing economic and environmental risks as a consequence of climate change and increased price volatility. In this context, effective management of risks has an increased importance for farmers. For this reason a risk management measure should be set up to assist farmers in

Amendment

(37) Farmers are exposed today to increasing economic and environmental risks as a consequence of climate change and increased price volatility. In this context, effective management of risks has an increased importance for farmers. For this reason a risk management measure should be set up to assist farmers in

addressing the most common risks faced by them. This measure should therefore support farmers to cover the premiums they pay for crop, animal and plant insurance as well as the setting up of mutual funds and the compensation paid by such funds to farmers for losses suffered as a result of the outbreak of animal or plant diseases *or* environmental incidents. It should also cover an income stabilisation tool in the form of a mutual fund to support farmers facing a severe drop in their income. In order to ensure that there is equal treatment among farmers across the Union, that competition is not distorted and that the international obligations of the Union are respected, specific conditions should be provided for the granting of support under these measures. In order to ensure the efficient use of EAFRD budgetary resources the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of defining the minimum and maximum duration of commercial loans to mutual funds.

addressing the most common risks faced by them. This measure should therefore support farmers *or groups of farmers* to cover the premiums they pay for crop, animal and plant insurance as well as the setting up of mutual funds and the compensation paid by such funds to farmers for losses suffered as a result of the outbreak of animal or plant diseases, *harmful organisms*, environmental incidents *or adverse climatic events*. It should also cover an income stabilisation tool in the form of a mutual fund *or insurance contract* to support farmers facing a severe drop in their income. In order to ensure that there is equal treatment among farmers across the Union, that competition is not distorted and that the international obligations of the Union are respected, specific conditions should be provided for the granting of support under these measures. In order to ensure the efficient use of EAFRD budgetary resources the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of defining the minimum and maximum duration of commercial loans to mutual funds.

Amendment 14

Proposal for a regulation Recital 38

Text proposed by the Commission

(38) The LEADER approach for local development has, over a number of years, proven its utility in promoting the development of rural areas by fully taking into account the multi-sectoral needs for endogenous rural development through its bottom-up approach. LEADER should therefore be continued in the future and its application should remain compulsory for all rural development programmes.

Amendment

(38) The LEADER approach for local development has, over a number of years, proven its utility in promoting the development of rural areas by fully taking into account the multi-sectoral needs for endogenous rural development through its bottom-up approach. LEADER should therefore be continued in the future and its application should remain compulsory for all rural development programmes.
Synergies should be further explored through encouraging cooperation with local development actors in developing

countries , respecting fully traditional knowledge as embodied in the UN Declaration on the Rights of Indigenous People and the UN Convention on Biological Diversity, with the aim of promoting sustainable farming practices, compatible with the protection and improvement of the environment, soil and genetic diversity.

Justification

Traditional and local knowledge and community-based innovation constitute an extensive realm of accumulated practical knowledge and knowledge-generating capacity that is needed if sustainability and development goals are to be reached. Exploration of synergies through cooperation with local development actors shall accordingly be in line with the principles embodied under the UN Convention on Biodiversity and the UN Declaration on the Rights of Indigenous People regarding the protection of traditional knowledge and practices of indigenous and local communities.

Amendment 15

Proposal for a regulation Recital 40

Text proposed by the Commission

(40) Support to LEADER local development from the EAFRD should cover all aspects of the preparation and implementation of local development strategies and operation of local action groups as well as cooperation among territories and groups which carry out bottom-up and community-led local development. In order to enable partners in rural areas not yet applying LEADER to test and prepare for the design and operation of a local development strategy a ‘LEADER start-up kit’ should also be financed. In order to ensure the efficient and effective use of EAFRD budgetary resources the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the detailed definition of eligible animation costs for local action groups.

Amendment

(40) Support to LEADER local development from the EAFRD should cover all aspects of the preparation and implementation of local development strategies and operation of local action groups ***in which decision-making is community-led and occurs in partnership with other relevant actors***, as well as cooperation among territories and groups which carry out bottom-up and community-led local development. In order to enable partners in rural areas not yet applying LEADER to test and prepare for the design and operation of a local development strategy a ‘LEADER start-up kit’ should also be financed. In order to ensure the efficient and effective use of EAFRD budgetary resources ***and the implementation of the LEADER approach***, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the detailed definition of eligible

animation costs for local action groups *and for the purpose of adopting rules to ensure that Member States fully implement the community-led approach.*

Amendment 16

Proposal for a regulation Recital 50

Text proposed by the Commission

(50) The EAFRD should signal the Union's recognition of how local development approaches and a trans-national dimension can reinforce each other, especially when an innovative spirit is applied. It should do this by awarding prizes to a limited number of projects which exemplify these characteristics. The prizes should complement other sources of funding available through rural development policy by conferring recognition on any leading suitable project, whether or not that project was also financed through a rural development programme.

Amendment

deleted

Amendment 17

Proposal for a regulation Recital 51

Text proposed by the Commission

(51) Rural development programmes should provide for innovative actions promoting a resource-efficient, productive and low-emission agricultural sector, with the support of the EIP for agricultural productivity and sustainability. The EIP should aim to promote a faster and wider transposition of innovative solutions into practice. The EIP should create added value by enhancing the uptake and effectiveness of innovation-related instruments and enhancing synergies between them. The EIP should fill gaps by better linking research and practical

Amendment

(51) Rural development programmes should provide for innovative actions promoting a resource-efficient, productive and low-emission agricultural sector, with the support of the EIP for agricultural productivity and sustainability. The EIP should aim to promote a faster and wider transposition of innovative solutions into practice. The EIP should create added value by enhancing the uptake and effectiveness of innovation-related instruments and enhancing synergies between them. The EIP should fill gaps by better linking research and practical

farming.

farming, *thereby facilitating a dialogue.*

Amendment 18

Proposal for a regulation Recital 52

Text proposed by the Commission

(52) Implementation of innovative projects in the context of the EIP for agricultural productivity and sustainability should be undertaken by operational groups bringing together farmers, researchers, advisors, businesses and other actors concerned by innovation in the agricultural sector. In order to ensure that results of such projects profit to the sector as a whole, their results should be *disseminated*.

Amendment

(52) Implementation of innovative projects in the context of the EIP for agricultural productivity and sustainability should be undertaken by operational groups bringing together farmers, researchers, advisors, businesses and other actors concerned by innovation in the agricultural sector. In order to ensure that results of such projects profit to the sector as a whole, *the dissemination of* their results should be *encouraged and dissemination activities should be financed from various sources including technical assistance.* *Cooperation with innovation networks in developing countries, which pursue similar objectives, should be encouraged, in particular those which support decentralised participatory research and the dissemination of knowledge about the best sustainable agricultural practices, including schemes designed specifically for women.*

Amendment 19

Proposal for a regulation Article 2 – paragraph 1 – point d

Text proposed by the Commission

(d) "operation": a project, group of projects, contract, or arrangement or other action selected according to criteria for the rural development programme concerned and implemented by one or more beneficiaries allowing achievement of one or more of the Union priorities for rural development;

Amendment

(d) "operation": a project, group of projects, contract, or arrangement or other action selected according to criteria for the rural development programme concerned and implemented by one or more beneficiaries allowing achievement of one or more of the Union priorities for rural development, *including the possibility to combine the support from different Common Strategic Framework (CSF) funds, including within a single priority*

axis of programmes co-funded by the ERDF and ESF as referred to in Article 87(1) of Regulation No (EU) .../2013 [CSF];

Amendment 20

Proposal for a regulation

Article 2 – paragraph 1 – point f

Text proposed by the Commission

(f) "monitoring and evaluation system": a general approach developed by the Commission and the Member States defining a limited number of common indicators relating to the baseline situation **and the financial execution**, outputs, results, **and impacts** of the programmes;

Amendment

(f) "monitoring and evaluation system": a general approach developed by the Commission and the Member States defining a limited number of common indicators relating to the baseline situation and the financial execution, outputs, results **and financial execution** of the programmes; **the system need not be exclusively metrics based, and such an approach can, where necessary and using appropriate methods, be replaced by a quality-based approach to programme outputs;**

Amendment 21

Proposal for a regulation

Article 2 – paragraph 1 – point j a (new)

Text proposed by the Commission

Amendment

(ja) "transition regions": regions whose gross domestic product (GDP) per capita is between 75 % and 90 % of the average GDP of the EU-27;

Justification

Transition regions should be taken into account, in line with the amendment to Article 65 on fund contribution.

Amendment 22

Proposal for a regulation

Article 2 – paragraph 1 – point l

Text proposed by the Commission

(l) “transaction cost”: a cost linked to a commitment ***but not directly attributable to*** its implementation;

Amendment

(l) “transaction cost”: a cost linked to a commitment ***that is indirectly generated by*** its implementation; ***it may be calculated on a standard-cost basis***;

Amendment 23

Proposal for a regulation

Article 2 – paragraph 1 – point l a (new)

Text proposed by the Commission

Amendment

(la) “production system”: a complex of land and inputs managed as a whole;

Amendment 143

Proposal for a regulation

Article 2 – paragraph 1 – point m a (new)

Text proposed by the Commission

Amendment

(ma) “agro-forestry”: a system of production in which trees and cultivated or grazed plants are grown together on, or on the edge of, the same plots of land;

Amendment 24

Proposal for a regulation

Article 2 – paragraph 1 – point o

Text proposed by the Commission

(o) “adverse climatic event”: weather conditions, such as frost, storms ***and*** hail, ice, heavy rain or severe drought, which can be assimilated to a natural disaster;

Amendment

(o) “adverse climatic event”: weather conditions, such as frost, storms, ***cyclonic winds***, hail, ice, heavy rain or severe drought, which can be assimilated to a natural disaster;

Amendment 25

Proposal for a regulation

Article 2 – paragraph 1 – point r

Text proposed by the Commission

(r) "natural disaster": a naturally occurring event of biotic or abiotic nature that leads to important disturbances of agricultural production systems and forest structures, eventually causing important economic damage to the farming **and** forest sectors;

Amendment

(r) "natural disaster": a naturally occurring event of biotic or abiotic nature that leads to important disturbances of agricultural production systems and forest structures, eventually causing important economic damage to the farming **or** forestry sectors;

Amendment 26

Proposal for a regulation

Article 2 – paragraph 1 – point s

Text proposed by the Commission

(s) "catastrophic event": an unforeseen event of biotic or abiotic nature caused by human action that leads to important disturbances of agricultural production systems and forest structures, eventually causing important economic damage to the farming **and** forest sectors;

Amendment

(s) "catastrophic event": an unforeseen event of biotic or abiotic nature caused by human action that leads to important disturbances of agricultural production systems and forest structures, eventually causing important economic damage to the farming **or** forestry sectors;

Amendment 27

Proposal for a regulation

Article 2 – paragraph 1 – point t

Text proposed by the Commission

(t) 'short supply chain': a supply chain involving a limited number of economic operators, committed to co-operation, local economic development, and close geographical and social relations between producers and consumers;

Amendment

(t) "short supply chain": a supply chain involving a limited number of economic operators **in direct-selling, local-market and community-supported agriculture**, committed to co-operation, local economic development, **using a local development strategy**, and close geographical and social relations between producers, **processors** and consumers;

Justification

In order to promote a holistic approach to short supply chain development and respond directly to the needs of rural communities the definition of short supply chains should make specific reference to marketing channels such as direct selling, local markets and community supported agriculture as means for farmers and producers to market high quality food products.

Amendment 28

Proposal for a regulation

Article 2 – paragraph 1 – point u

Text proposed by the Commission

(u) ‘young farmer’: farmer who is ***less than*** 40 years of age at the moment of submitting the application, possesses adequate occupational skills and competence and is ***setting up for the first time in an agricultural holding as*** head of the holding;

Amendment

(u) "young farmer": farmer who is 40 years of age ***or less*** at the moment of submitting the application, possesses adequate occupational skills and competence and is ***the*** head of the holding;

Amendment 29

Proposal for a regulation

Article 2 – paragraph 1 – point x a (new)

Text proposed by the Commission

Amendment

(xa) “farmer”: an active farmer within the meaning of Article 4(1)(a) and Article 9 of Regulation(EU) No .../2013 [DP].

Amendment 30

Proposal for a regulation

Article 2 – paragraph 1 – point x b (new)

Text proposed by the Commission

Amendment

(xb) "community-led local development": decentralised bottom-up governance and partnership action at local and sub-regional level which encourage rural actors to plan and carry out multi-sectoral area based local development strategies, promoting community ownership, capacity building and innovation;

Amendment 31

Proposal for a regulation

Article 2 – paragraph 1 a (new)

1a. The definitions set out in Article 4 of Regulation (EU) No .../2013 [DP] shall also apply for the purposes of this Regulation.

Amendment 32

Proposal for a regulation Article 2 – paragraph 2

Text proposed by the Commission

Amendment

2. As regards **the definition of young farmer laid down in paragraph 1(u)**, the Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the conditions under which a legal person may be considered **a** ‘young farmer’, including the setting of a grace period for the acquisition of occupational skills.

2. As regards young **farmers, and, small farms**, the Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the conditions under which a legal person may be considered **to be** young farmer, **or a small farmer**, including the setting of a grace period for the acquisition of occupational skills, **and taking into account the special characteristics of each Member State**.

Amendment 33

Proposal for a regulation Article 3

Text proposed by the Commission

Amendment

The EAFRD shall contribute to the Europe 2020 Strategy by promoting sustainable rural development throughout the Union in a complementary manner to the other instruments of the common agricultural policy (hereinafter “CAP”), to cohesion policy and to the common fisheries policy. It shall contribute to a more territorially and environmentally balanced, climate-friendly and resilient **and** innovative Union agricultural sector.

The EAFRD shall contribute to the Europe 2020 Strategy, **within the framework of a European rural development strategy**, by promoting sustainable rural development throughout the Union in a complementary manner to the other instruments of the common agricultural policy (hereinafter “CAP”), **in coordination with and in addition** to cohesion policy and to the common fisheries policy. It shall contribute to **the development of** a more territorially and environmentally balanced, climate-friendly and resilient, **competitive, productive and** innovative Union agricultural **and forestry** sector **and of vital**

rural territories.

Justification

As the objectives of the EAFRD outlined in Articles 4 and 5 also concern measures targeting rural territories beyond the agricultural sector, the mission of the EAFRD should be formulated in a more inclusive manner.

Amendment 34

Proposal for a regulation

Article 4

Text proposed by the Commission

Article 4

Objectives

Within the overall framework of the CAP, support for rural development shall contribute to achieving the following objectives:

- (1) the competitiveness of agriculture;
- (2) the sustainable management of natural resources, and climate action;
- (3) a balanced territorial development of rural **areas**.

Amendment

Article 4

Objectives

Within the overall framework of the CAP, support for rural development shall contribute to achieving the following objectives:

- (1) **fostering** the competitiveness of agriculture **and forestry**;
- (2) **ensuring** the sustainable management of natural resources, and climate action;
- (3) **achieving** a balanced territorial development of rural **economies and communities that creates and maintains employment**.

Amendment 35

Proposal for a regulation

Article 5

Text proposed by the Commission

Article 5

Union priorities for rural development

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

Amendment

Article 5

Union priorities for rural development

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

(1) fostering knowledge transfer and innovation in agriculture, forestry, and rural areas with a focus on the following areas:

(a) fostering innovation and the knowledge base in rural areas;

(b) strengthening the links between agriculture and forestry and research and innovation;

(c) fostering lifelong learning and vocational training in the agricultural and forestry sectors.

(2) enhancing competitiveness of all types of agriculture and **enhancing farm viability**, with a focus on the following areas:

(a) **facilitating restructuring of farms facing major structural problems, notably farms with a low degree of market participation, market-oriented farms in particular sectors and farms in need of agricultural diversification;**

(b) facilitating generational renewal **in the agricultural sector.**

(3) promoting food chain organisation and risk management in agriculture, with a focus on the following areas:

(a) better integrating primary producers into the food chain through quality schemes, promotion in local markets and

(1) fostering knowledge transfer and innovation in agriculture, forestry, and rural areas with a focus on the following areas:

(a) fostering innovation, **new ways of cooperating**, and **the development of the knowledge base** in rural areas;

(b) strengthening the links between agriculture and forestry and research and innovation;

(c) fostering lifelong learning and vocational training in the agricultural and forestry sectors, **including as regards farm safety awareness;**

(2) enhancing **farm viability and the competitiveness** of all types of agriculture and **forestry and of the food sector**, with a focus on the following areas:

(a) **encouraging investment in innovative farm technologies and facilitating their diffusion and uptake;**

(b) facilitating **the entry into the farming sector of new, fully skilled, entrants, including through** generational renewal;

(ba) improving the economic performance of all farms, increasing market participation, orientation and diversification;

(bb) facilitating the restructuring and modernisation of farms;

(bc) maintaining productive agriculture in mountainous or less favoured areas, or in outermost regions;

(bd) improving the competitiveness of the agri-food processing sector, including by increasing efficiency, and the value added to agricultural products.

(3) promoting food chain organisation and risk management in agriculture, with a focus on the following areas:

(a) better integrating primary producers into the food chain through quality schemes, promotion in local markets and

short supply circuits, producer groups and inter-branch organisations;

(b) supporting farm risk management:

(4) restoring, preserving and enhancing ecosystems **dependent on** agriculture and forestry, with a focus on the following areas:

(a) restoring and preserving biodiversity, including in Natura 2000 areas and high nature value farming, and the state of European landscapes;

(b) improving water management;

(c) improving soil management.

(5) promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors, with a focus on the following areas:

(a) increasing efficiency in water use by agriculture;

(b) increasing efficiency in energy use in agriculture and food processing;

(c) facilitating the supply and use of renewable sources of energy, of by-products, wastes, residues and other non food raw material for purposes of the bio-economy;

(d) reducing **nitrous oxide and methane** emissions from agriculture;

(e) fostering carbon sequestration in agriculture and forestry;

(6) promoting social inclusion poverty reduction and economic development in rural areas, with a focus on the following areas:

(a) facilitating diversification, creation of

short supply circuits, producer groups and inter-branch organisations;

(b) supporting farm risk **prevention and** management:

(4) restoring, preserving and enhancing ecosystems **that are influenced by** agriculture and forestry, with a focus on the following areas:

(a) restoring and preserving biodiversity, including in Natura 2000 areas and high nature value farming, and the state of European landscapes;

(aa) improving animal welfare;

(b) improving water management;

(c) improving soil management.

(5) promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors, with a focus on the following areas:

(a) increasing efficiency in water use by agriculture;

(b) increasing efficiency in energy use in agriculture and food processing;

(c) facilitating the supply and use of renewable sources of energy, of by-products, wastes, residues and other non-food raw material for purposes of the bio-economy;

(d) reducing **greenhouse gas and ammonia** emissions from agriculture **and improving air quality;**

(e) fostering carbon **conservation and** sequestration in agriculture and forestry;

(ea) facilitating the use of new research-based products and application methods and processes in the agri-food value chain to improve biodiversity management and resource-efficiency;

(6) promoting social inclusion poverty reduction and economic development in rural areas, with a focus on the following areas:

(a) facilitating diversification, creation of

new small enterprises and job creation;
(b) fostering local development in rural areas;
(c) enhancing accessibility to, use and quality of information and communication technologies (ICT) in rural areas.

All of the priorities shall contribute to the cross-cutting objectives of innovation, environment and climate change mitigation and adaptation.

new small enterprises and job creation;
(b) fostering local development in rural areas;
(c) enhancing accessibility to, use and quality of information and communication technologies (ICT) in rural areas.

All of the priorities shall contribute to the cross-cutting objectives of innovation, environment and climate change mitigation and adaptation.

Amendment 36

Proposal for a regulation

Article 6 – paragraph 1

Text proposed by the Commission

1. There shall be consistency between support from the EAFRD and the measures financed by the European Agricultural Guarantee Fund.

Amendment

1. There shall be consistency between support from the EAFRD and the measures financed by the European Agricultural Guarantee Fund, *or other Union financial instruments.*

Amendment 173

Proposal for a regulation

Article 6 a (new)

Text proposed by the Commission

Amendment

Article 6a

Policy Coherence for Development

The reform shall ensure that, in accordance with Article 208 of the TFEU, objectives of development cooperation, including those approved in the context of the United Nations and other international organisations, are taken into account by the CAP. Measures taken under this Regulation shall not jeopardise the food production capacity and long-term food security of developing

countries, in particular least developed countries (LDCs), and shall contribute to achieving the Union's commitments on mitigating climate change. In promoting sustainable agriculture, the Union should build on the conclusions of the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD).

Amendment 37

Proposal for a regulation

Article 7

Text proposed by the Commission

Article 7

Rural development programmes

1. The EAFRD shall act in the Member States through rural development programmes. These programmes shall implement a strategy to meet the Union priorities for rural development through a set of measures defined in Title III, for the achievement of which aid from the EAFRD will be sought.

2. A Member State may submit *either* a single programme for its entire territory or a set of regional programmes.

3. Member States with regional programmes may also submit for approval a national framework containing common elements for these programmes without a separate budgetary allocation.

Amendment

Article 7

Rural development programmes

1. The EAFRD shall act in the Member States through rural development programmes. These programmes shall implement a strategy to meet the Union priorities for rural development through a set of measures defined in Title III, for the achievement of which aid from the EAFRD will be sought.

2. A Member State may submit a single programme for its entire territory or a set of regional programmes, *or both. Measures implemented at national level shall not be implemented through regional programmes.*

3. Member States with regional programmes may also submit for approval a national framework containing common elements for these programmes without a separate budgetary allocation.

Amendment 38

Proposal for a regulation

Article 8

Text proposed by the Commission

Article 8

Amendment

Article 8

Thematic sub-programmes

1. Member States may include within their rural development programmes thematic sub-programmes, ***contributing to the Union priorities for rural development***, aimed to address specific needs ***identified, in particular in relation*** to:

- (a) young farmers;
- (b) small farms as referred to in the third subparagraph of Article 20(2);
- (c) mountain areas as referred to in Article 33(2);
- (d) short supply chains.

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

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

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

Amendment 39

Proposal for a regulation

Article 9 – paragraph 1 – point c – subparagraph 2 – point vii

Text proposed by the Commission

(vii) initiatives are planned for raising awareness and animating innovative

Thematic sub-programmes

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

- (a) young farmers;
- (b) small farms as referred to in the third subparagraph of Article 20(2);
- (c) mountain areas as referred to in Article 33(2);
- (d) short supply chains;

(da) women in rural areas.

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

2. Thematic sub-programmes may also address specific needs relating to the restructuring of agricultural sectors with a significant impact on the development of a specific rural area ***or other specific needs identified by the Member State.***

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

Amendment

(vii) initiatives are planned for raising awareness and animating innovative

actions and establishing operational groups of the EIP for agricultural **productivity and sustainability**;

actions and establishing operational groups of the EIP for agricultural **production, economic viability** and sustainability;

Amendment 40

Proposal for a regulation

Article 9 – paragraph 1 – point d

Text proposed by the Commission

d) the assessment of the ex ante conditionalities and, where required, the actions referred to in Article 17(4) of Regulation (EU) No [CSF/2012] **and the milestones established for the purpose of Article 19 of Regulation (EU) No [CSF/2012]**;

Amendment

(d) the assessment of the ex ante conditionalities **pertaining to rural development referred to in Annex IV which are relevant to the programme** and, where required, the actions referred to in Article 17(4) of Regulation (EU) No .../2013 [CSF];

Justification

The ex ante conditionalities for rural development programmes should not impinge on areas falling outside the remit of the Rural Development Policy, and should be used only for assessment of conditions directly related to work under the programme.

Amendment 41

Proposal for a regulation

Article 9 – paragraph 1 – point f

Text proposed by the Commission

(f) in relation to local development, a specific description of the coordination mechanisms between the local development strategies, the measure co-operation referred to in Article 36, the measure basic services and village renewal in rural areas referred to in Article 21 and the support for non-agricultural activities in rural areas under the measure farm and business development in rural areas referred to in Article 20;

Amendment

(f) in relation to local development, a specific description of the coordination mechanisms between the local development strategies, the measure **regarding** co-operation referred to in Article 36, the measure **regarding** basic services and village renewal in rural areas referred to in Article 21 **including urban-rural links and cross-regional cooperation** and the support for non-agricultural activities in rural areas under the measure **regarding** farm and business development in rural areas referred to in Article 20;

Amendment 42

Proposal for a regulation
Article 9 – paragraph 1 – point g

Text proposed by the Commission

(g) a description of the approach towards innovation in view of enhancing **productivity** and sustainable resource management and the contribution to achieving the objectives of the EIP for agricultural **productivity** and sustainability referred to in Article 61;

Amendment

(g) a description of the approach towards innovation in view of enhancing **production by farms, their economic viability** and sustainable resource management and the contribution to achieving the objectives of the EIP for agricultural **production, economic viability** and sustainability referred to in Article 61;

Amendment 43

Proposal for a regulation
Article 9 – paragraph 1 – point j

Text proposed by the Commission

(j) an indicator plan comprising for each of the Union priorities for rural development included in the programme the indicators and the selected measures with planned outputs and planned expenditure, broken down between public and private;

Amendment

(j) an indicator plan comprising for each of the Union priorities for rural development included in the programme the indicators and the selected measures with planned **process and policy focused** outputs and planned expenditure, broken down between public and private;

Justification

To ensure a clear link between policy objectives for rural development and evidence in the programming documents justifying specific objectives where intervention is required, it is necessary to maintain a focus on policy objectives in the programme output measures.

Amendment 44

Proposal for a regulation
Article 9 – paragraph 1 – point m

Text proposed by the Commission

(m) information on the complementarity with measures financed by the other common agricultural policy instruments, **through cohesion policy or by the EMFF**;

Amendment

(m) information on the complementarity with measures financed by the other common agricultural policy instruments, **on the mechanisms that ensure coordination with measures supported by other CSF funds, and on the application of financing instruments referred to in**

Amendment 45

Proposal for a regulation

Article 9 – paragraph 2 – point c

Text proposed by the Commission

(c) a separate specific indicator plan, with planned outputs and planned expenditure, broken down between public and private.

Amendment

(c) a separate specific indicator plan, with planned ***process-focused and policy-focused*** outputs and planned expenditure, broken down between public and private.

Justification

To ensure a clear link between policy objectives for rural development and evidence in the programming documents justifying specific objectives where intervention is required, it is necessary to maintain a focus on policy objectives in the programme output measures.

Amendment 46

Proposal for a regulation

Article 10

Text proposed by the Commission

In addition to the ex ante conditionalities referred to in Annex IV, ***the general ex ante conditionalities established in Annex IV of Regulation (EU) No [CSF/2012]*** shall apply for the EAFRD.

Amendment

The ex-ante conditionalities referred to in Annex IV shall apply for the EAFRD ***if they are relevant and can be applied to the specific goals pursued with the programme's priorities.***

Justification

Policy for development in the agricultural area may not be conscientious for the fulfilment of requirements in other political areas. Just for essential priorities of this policy ex-ante-conditionalities should be a requirement.

Amendment 47

Proposal for a regulation

Article 11 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The Commission may approve a rural development programme before the adoption of a Partnership Contract with a Member State in those cases where the Commission considers that all the elements of the rural development programme conform to the provisions of this Regulation and to those parts of the Partnership Contract pertaining to the EAFRD.

Amendment 48

Proposal for a regulation

Article 12 – paragraph 1 – point a – point ii

Text proposed by the Commission

Amendment

(ii) a change in the EAFRD contribution rate of one or more measures;

deleted

Amendment 49

Proposal for a regulation

Article 12 – paragraph 1 – point a – point iv

Text proposed by the Commission

Amendment

(iv) a transfer of funds between measures implemented under different EAFRD contribution rates.

deleted

Amendment 50

Proposal for a regulation

Article 12 – paragraph 1 – point a – point iv a (new)

Text proposed by the Commission

Amendment

(iva) a transfer of funds between programmes, with a view to avoiding the loss of EAFRD resources.

Justification

With a view to avoiding the loss of EU funds by Member States, the reallocation of resources between rural development programmes in the same Member State shall be permitted where implementation analysis demonstrates that there is a risk of automatic de-commitment.

Amendment 51

Proposal for a regulation

Article 12 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The approval referred to in paragraph 1 shall be issued by the Commission within two months of its receiving the request.

Amendment 52

Proposal for a regulation

Article 13 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

The Commission shall, ***by means of implementing acts***, adopt rules on procedures and timetables for:

The Commission shall ***be empowered to adopt delegated acts, in accordance with Article 90, on*** rules on procedures and timetables for:

Justification

This is not simply a technical decision.

Amendment 53

Proposal for a regulation

Article 13 – paragraph 2

Text proposed by the Commission

Amendment

These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 91.

deleted

Amendment 54

Proposal for a regulation
Article 14 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Only those farmers that are active farmers as defined in Regulation (EU) No .../2013 [DP] shall benefit from measures targeting agricultural holdings.

Amendment 55

Proposal for a regulation
Article 15

Text proposed by the Commission

Amendment

Article 15

Article 15

Knowledge transfer and information actions

Knowledge transfer and information actions

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

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

Support may also cover short-term farm management exchange **and** farm **visit**.

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

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

2. Support under this measure shall be for the benefit of persons engaged in the agricultural, food and forestry sector, land managers and other economic actors which are SMEs operating in rural areas. **When providing support under this measure for SMEs, priority may be given to SMEs linked to the agriculture and forestry sectors.**

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

The training or other knowledge transfer and information action provider, **which may be a public body**, shall be the beneficiary of the support.

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

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

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

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

5. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the further specification of eligible costs, the minimum qualifications of bodies providing knowledge transfer services and the duration and content of farm exchange schemes and farm visits.

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

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

5. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the further specification of eligible costs, the minimum qualifications of bodies providing knowledge transfer services and the duration and content of farm exchange schemes and farm visits.

Amendment 56

Proposal for a regulation Article 16

Text proposed by the Commission

Article 16

Advisory services, farm management and farm relief services

1. Support under this measure shall be granted in order to:

(a) help farmers, forest holders and SMEs in rural areas benefit from the use of advisory services for the improvement of the economic and environmental performance as well as the climate friendliness and resilience of their holding, enterprise and/or investment;

(b) promote the setting up of farm management, farm relief and farm advisory services, as well as forestry advisory services, including the Farm Advisory System referred to in Articles 12, 13 and

Amendment

Article 16

Advisory services, farm management and farm relief services

1. Support under this measure shall be granted in order to:

(a) help farmers, forest holders and SMEs in rural areas benefit from the use of advisory services for the improvement of the economic and environmental performance as well as the climate friendliness and resilience of their holding, enterprise and/or investment;

(b) promote the setting up of farm management, farm relief and farm advisory services, as well as forestry advisory services, including the Farm Advisory System referred to in Articles 12, 13 and

14 of Regulation (EU) No *HR/2012*;
(c) promote the training of advisors.

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

3. The authorities or bodies selected to provide advice shall have the appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the fields they advise in. The beneficiaries shall be chosen through calls for proposals. The selection procedure shall be **objective and** be open to public **as well as to** private bodies.

When providing advice, advisory services shall respect the non-disclosure obligations referred to in Article 13(2) of Regulation (EU) No *HR/2012*

4. Advice to farmers shall be linked to **at least one** Union **priority** for rural development and shall cover **as a minimum one** of the following elements:

(a) one or more of the statutory management requirements and/or standards for good agricultural and environmental conditions provided for in Chapter I of Title VI of Regulation (EU) No *HR/2012*;

(b) where applicable, the agricultural

14 of Regulation (EU) No *.../2013 [HR]*;
(c) promote the training of advisors.

(ca) support the setting up of young farmers.

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

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

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

3a. The Farm Advisory System shall meet the requirements laid down in Article 12 of Regulation (EU) No .../2013 [HR]. Additional support for advisory services shall only be granted if the Member State has set up a Farm Advisory System pursuant to Article 12 of Regulation (EU) No .../2013 [HR].

4. Advice to farmers shall be linked to **two or more** Union **priorities** for rural development and shall cover **two or more** of the following elements:

(a) one or more of the statutory management requirements and/or standards for good agricultural and environmental conditions provided for in Chapter I of Title VI of Regulation (EU) No *.../2013 [HR]*;

(b) where applicable, the agricultural

practices beneficial for the climate and the environment as laid down in Chapter 2 of Title III of Regulation (EU) No *DP/2012* and the maintenance of the agricultural area as referred to in Article 4(1)(c) of Regulation (EU) No *DP/2012*;

(c) the requirements or actions related to climate change mitigation and adaptation, biodiversity, the protection of water and soil, animal and plant disease notification and innovation as laid down in Annex I to Regulation (EU) No *HR/2012*;

(d) the sustainable development of the economical activity of the small farms as defined by the Member States and at least of the farms participating in the Small farmers scheme referred to in Title V of Regulation (EU) No *DP/2012*; or

(e) where relevant, occupational safety standards based on Union *legislation*.

Advice may also cover other issues linked to the economic, agricultural and environmental performance of the agricultural holding.

5. Advice to forest holders shall cover as a minimum the relevant obligations under

practices beneficial for the climate and the environment as laid down in Chapter 2 of Title III of Regulation (EU) No *.../2013 [DP]* and the maintenance of the agricultural area as referred to in Article 4(1)(c) of Regulation (EU) No *.../2013 [DP]*;

(c) the requirements or actions related to climate change mitigation and adaptation, biodiversity, the protection of water and soil, animal and plant disease notification and innovation as laid down in Annex I to Regulation (EU) No *.../2013 [HR]*;

(d) the sustainable development of the economical activity of the small farms as defined by the Member States and at least of the farms participating in the Small farmers scheme referred to in Title V of Regulation (EU) No *.../2013 [DP]*; or

(e) where relevant, occupational safety *or farm safety* standards based on Union *or national law*;

(ea) support for the setting up of young farmers or new farmers, access to land and loans for setting up a farm, or any of these;

(eb) the sustainable development of the economic activities of agricultural holdings in line with all measures recommended in the rural development programmes, including farm modernisation, competitiveness building, sectoral integration and the development of organic farming;

(ec) specific advisory services supporting local processing and short distance marketing including training and the implementation of adapted hygiene rules and food safety standards;

(ed) the "One health" aspects of animal husbandry.

Advice may also cover other issues linked to the economic, agricultural and environmental performance of the agricultural holding.

5. Advice to forest holders shall cover as a minimum the relevant obligations under

Directives 92/43/EEC, 2009/147/EC and 2000/60/EC. It may also cover issues linked to the economic and environmental performance of the forest holding.

6. Advice to SMEs may cover issues linked to the economic and environmental performance of the enterprise.

7. Where justified and appropriate, advice may be partly provided in group, while taking into account the situations of the individual user of advisory services.

8. Support under paragraphs 1(a) and (c) shall be limited to the maximum amounts laid down in Annex I. Support under paragraph 1(b) shall be degressive over a maximum period of five years from setting up.

9. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the further specification of the minimum qualifications of the authorities or bodies providing advice.

Directives 92/43/EEC, 2009/147/EC and 2000/60/EC. It may also cover issues linked to the economic and environmental performance of the forest holding.

6. Advice to SMEs may cover issues linked to the economic and environmental performance of the enterprise. ***Priority may be given to micro-enterprises and to SMEs linked to the agriculture and forestry sectors.***

7. Where justified and appropriate, advice may be partly provided in group, while taking into account the situations of the individual user of advisory services.

8. Support under paragraphs 1(a) and (c) shall be limited to the maximum amounts laid down in Annex I. Support under paragraph 1(b) shall be degressive over a maximum period of five years from setting up.

9. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the further specification of the minimum qualifications of the authorities or bodies providing advice.

Amendment 57

Proposal for a regulation

Article 17

Text proposed by the Commission

Article 17

Quality schemes for agricultural products and foodstuffs

1. Support under this measure shall cover new participation by farmers in:

(a) quality schemes for agricultural products, cotton or foodstuffs established by Union *legislation*;

(b) quality schemes for agricultural products, cotton or foodstuffs recognised by the Member States as complying with

Amendment

Article 17

Quality schemes for agricultural products and foodstuffs

1. Support under this measure shall cover new participation by farmers, ***producer groups and producer organisations*** in:

(a) quality schemes for agricultural products, cotton or foodstuffs established by Union *law*;

(b) quality schemes for agricultural products, cotton or foodstuffs recognised by the Member States as complying with

the following criteria:

(i) the specificity of the final product under such schemes is derived from clear obligations to guarantee:

- specific product characteristics, or
- specific farming or production methods,
or

- a quality of the final product that goes significantly beyond the commercial commodity standards as regards public, animal or plant health, animal welfare or environmental protection;

(ii) the scheme is open to all producers;

(iii) the scheme involves binding product specifications and compliance with those specifications is verified by public authorities or by an independent inspection body;

(iv) the scheme is transparent and assures complete traceability of products;

or

(c) voluntary agricultural product certification schemes recognised by the Member States as meeting the Union best practice guidelines for the operation of voluntary certification schemes relating to agricultural products and foodstuffs.

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

the following criteria:

(i) the specificity of the final product under such schemes is derived from clear obligations to guarantee:

- specific product characteristics, or
- specific farming or production methods,
or

- a quality of the final product that goes significantly beyond the commercial commodity standards as regards public, animal or plant health, animal welfare or environmental protection; **or**

- short and local food supply chains

(ii) the scheme is open to all producers;

(iii) the scheme involves binding product specifications and compliance with those specifications is verified by public authorities or by an independent inspection body;

(iv) the scheme is transparent and assures complete traceability of products;

or

(c) voluntary agricultural-product **and farm** certification schemes recognised by the Member States as meeting the Union best practice guidelines for the operation of voluntary certification schemes relating to agricultural products and foodstuffs.

1a. Support may also cover costs arising to farmers or producer groups and producer organisations from information and promotion activities for products under the quality schemes referred to in paragraph 1(a) and (b).

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

By way of derogation from paragraph 1, support may also be provided to beneficiaries who participated in a similar scheme during the programming period 2007-2013, provided that double payments

are excluded and that the overall maximum duration of five years is complied with. Support shall be paid annually on presentation of documents proving participation in the scheme. However, the producer shall make a single application covering a five-year period.

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

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

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the specific Union quality schemes to be covered by paragraph 1(a).

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

3. Support shall be limited to the maximum amount laid down in Annex I. ***Where support is provided to producer groups in accordance with paragraph 1a, Member States may fix a different maximum amount.***

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the specific Union quality schemes to be covered by paragraph 1(a).

Amendment 58

Proposal for a regulation Article 18

Text proposed by the Commission

Article 18

Investments in physical assets

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

(a) improve the overall performance of the agricultural holding;

(b) concern the processing, marketing ***and/or*** development of agricultural products covered by Annex I to the Treaty

Amendment

Article 18

Investments in physical assets

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

(a) improve the overall performance ***and sustainability*** of the agricultural holding, ***including its resource efficiency and greenhouse gas balance;***

(b) concern the processing, marketing, ***conservation or*** development of agricultural products covered by Annex I

or cotton. *The* output of the production process may be a product not covered by that Annex;

(c) concern infrastructure related to the development **and** adaptation of agriculture, including access to farm and forest land, land consolidation and improvement, **energy supply** and, **water management**; or

(d) are non productive investments linked to the achievement of agri- and forest-environment commitments, biodiversity conservation status of species and habitat as well as enhancing the public amenity value of a Natura 2000 area or other high nature value area to be defined in the programme.

2. Support under paragraph 1(a) shall be granted to agricultural holdings. ***In the case of investments to support farm restructuring, only farms not exceeding a certain size, to be defined by the Member States in the programme based on the SWOT analysis carried out in relation to the Union priority for rural development “enhancing competitiveness of all types of agriculture and enhancing farm viability”, shall be eligible.***

3. Support under this measure shall be limited to the maximum support rates laid down in Annex I. These maximum rates may be increased for young farmers, collective investments and integrated projects involving support under more than one measure, investments in areas facing significant natural constraints as referred to in Article 33(3) and operations supported in the framework of the EIP for agricultural productivity and sustainability in accordance with the support rates laid down in Annex I. However, the maximum combined support rate may not exceed 90%.

to the Treaty or cotton, ***including such products covered by quality schemes as referred to in Article 17***; the output of the production process may be a product not covered by that Annex; ***support may be granted for the setting up or development of small scale slaughterhouses***;

(c) concern infrastructure related to the development, ***modernisation or*** adaptation of agriculture, including access to farm and forest land, land consolidation and improvement, ***the supply and saving of energy and water*** and ***the collective management of land and water***, or

(d) are non productive investments linked to the achievement of agri- and forest-environment commitments, biodiversity conservation status of species and habitat ***and to the sustainable management of cynegetic and genetic resources***, as well as enhancing the public amenity value of a Natura 2000 area or other high nature value area to be defined in the programme.

2. Support under paragraph 1(a) shall be granted to agricultural holdings ***or to producer groups and organisations.***

3. Support under this measure shall be limited to the maximum support rates laid down in Annex I. These maximum rates may be increased for young farmers ***for cooperation projects between small farmers to improve the sustainable productivity of their holdings and to encourage them to diversify into alternative sources of revenue including processing; for farmers or groups of farmers investing into agro-ecological production systems***; for collective investments and integrated projects involving support under more than one measure; ***for*** investments in areas facing

significant natural constraints as referred to in Article 33(3) and **for** operations supported in the framework of the EIP for agricultural productivity and sustainability in accordance with the support rates laid down in Annex I. However, the maximum combined support rate may not exceed 90%.

4. Paragraph 3 shall not apply to non-productive investments referred to in paragraph 1(d).

4. Paragraph 3 shall not apply to non-productive investments referred to in paragraph 1(d).

4a. Support may be granted in respect of investments made by farmers in order to comply with newly introduced Union standards in the fields of environmental protection, public health, animal and plant health, animal welfare and occupational safety adopted after the entry into force of this Regulation.

Amendment 59

Proposal for a regulation

Article 19 – paragraph 1 – point a

Text proposed by the Commission

(a) investments in preventive actions aimed at reducing the consequences of probable natural disasters and catastrophic events;

Amendment

(a) investments in preventive actions aimed at reducing the consequences of probable natural disasters, ***adverse ambient conditions*** and catastrophic events;

Amendment 60

Proposal for a regulation

Article 19 – paragraph 1 – point b

Text proposed by the Commission

(b) investments for the restoration of agricultural land and production potential damaged by natural disasters and catastrophic events.

Amendment

(b) investments for the restoration of agricultural land and production potential damaged by natural disasters, ***adverse ambient conditions*** and catastrophic events.

Amendment 61

Proposal for a regulation
Article 20

Text proposed by the Commission

Article 20

Farm and business development

1. Support under this measure shall cover:

(a) business start-up aid for:

(i) young farmers;

(ii) non-agricultural activities in rural areas;

(iii) the development of small farms;

(b) investments in non-agricultural activities;

(c) **annual** payments for farmers participating in the small farmers scheme established by Title V of Regulation (EU) No DP/2012 (hereafter "the small farmers scheme") who permanently transfer their holding to another farmer.

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

Support under paragraph 1(a)(ii) shall be granted to farmers or members of **the** farm household **diversifying** into non-agricultural activities and to non-agricultural micro- and small- enterprises in rural areas.

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

Support under paragraph 1(b) shall be granted to non- agricultural micro- and small- enterprises in rural areas and to farmers or members of the farm household.

Support under paragraph 1(c) shall be granted to farmers participating in the

Amendment

Article 20

Farm and business development

1. Support under this measure shall cover:

(a) business start-up aid for:

(i) young farmers;

(ii) non-agricultural activities **and the provision of agricultural services** in rural areas;

(iii) the development of small farms;

(b) investments in non-agricultural activities;

(c) **one-off** payments for farmers participating in the small farmers scheme established by Title V of Regulation (EU) No .../2013 [DP] (hereafter "the small farmers scheme") who permanently transfer their holding to another farmer;

(ca) payments for farmers who permanently transfer their holding to another farmer with the intention of creating viable economic units.

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

Support under paragraph 1(a)(ii) shall be granted to farmers or members of **a** farm household **who diversify** into non-agricultural activities and to non-agricultural micro- and small- enterprises in rural areas, **including to those engaged in tourism.**

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

Support under paragraph 1(b) shall be granted to non- agricultural micro- and small- enterprises in rural areas and to farmers or members of the farm household.

Support under paragraph 1(c) shall be granted to farmers participating in the

small farmers scheme, at the time of submitting their application for support, for at least one year and who commit to permanently transfer their entire holding and the corresponding payment entitlements to another farmer. Support shall be *paid* from the date of the transfer until 31 December 2020.

small farmers scheme, at the time of submitting their application for support, for at least one year and who commit to permanently transfer their entire holding and the corresponding payment entitlements to another farmer. Support shall be *calculated* from the date of the transfer until 31 December 2020.

Support under paragraph 1(ca) shall be granted to farmers on condition that they:

(a) have practised farming for at least 10 years,

(b) undertake to permanently transfer their entire holding and the corresponding payment entitlements to another farmer and

(c) stop all commercial farming activity definitively.

Member States shall lay down additional criteria for the viability of economic units, which may be subject to support under paragraph 1(ca).

2a. When support is provided under paragraphs 1(a)(ii) or 1(b), priority may be given to non-agricultural activities linked to agriculture and forestry as well as to activities developed by community-led local partnerships.

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

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

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

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

Member States shall define upper and lower thresholds for allowing agricultural holdings access to support under

Member States shall define upper and lower thresholds for allowing agricultural holdings access to support under

paragraphs 1(a)(i) and 1(a)(iii) respectively. The lower threshold for support under paragraph 1(a)(i) shall be significantly higher than the upper threshold for support under paragraph 1(a)(iii). Support shall, however, be limited to holdings coming under the definition of micro- and small- enterprises.

5. Support under paragraph 1(a) shall be in the form of a flat rate payment, which may be paid in at least two instalments over a period of maximum five years. Instalments may be degressive. The payment of the last instalment, under paragraph 1(a)(i) and (ii) shall be conditional upon the correct implementation of the business plan.

6. The maximum amount of support for paragraph 1(a) is laid down in Annex I. Member States shall define the amount of support under paragraph 1(a)(i) and (ii) also taking into account the socio-economic situation of the programme area.

7. Support under paragraph 1(c) shall be equal to 120% of the annual payment that the beneficiary received under the small farmers scheme.

8. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the minimum content of business plans and the criteria to be used by Member States for setting the thresholds referred to in paragraph 4.

paragraphs 1(a)(i) and 1(a)(iii) respectively. The lower threshold for support under paragraph 1(a)(i) shall be significantly higher than the upper threshold for support under paragraph 1(a)(iii). Support shall, however, be limited to holdings coming under the definition of micro- and small- enterprises.

Support under paragraph 1(a)(i) may also be targeted at land leasing for young farmers, and may take the form of a bank guarantee for land lease contracts and support for interest rates.

5. Support under paragraph 1(a) shall be in the form of a flat rate payment, which may be paid in at least two instalments over a period of maximum five years. Instalments may be degressive. The payment of the last instalment, under paragraph 1(a)(i) and (ii) shall be conditional upon the correct implementation of the business plan.

6. The maximum amount of support for paragraph 1(a) is laid down in Annex I. Member States shall define the amount of support under paragraph 1(a)(i) and (ii) also taking into account the socio-economic situation of the programme area.

7. Support under paragraph 1(c) shall be equal to 120% of the annual payment that the beneficiary received under the small farmers scheme, ***calculated for the period from the date of the transfer until 31 December 2020. The corresponding amount shall be paid in the form of a one-off payment.***

7a. Support under paragraph 1(ca) shall be granted in the form of a one-off payment up to the maximum amount laid down in Annex I.

8. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the minimum content of business plans and the criteria to be used by Member States for setting the thresholds referred to in paragraph 4.

Amendment 62

Proposal for a regulation

Article 21

Text proposed by the Commission

Article 21

Basic services and village renewal in rural areas

1. Support under this measure shall cover in particular:

(a) the drawing up and updating of plans for the development of municipalities in rural areas and their basic services and of protection and management plans relating to NATURA 2000 sites and other areas of high nature value;

(b) investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy;

(c) broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government solutions;

(d) investments in the setting-up, improvement or expansion of local basic services for the rural population, including leisure and culture, and the related infrastructure;

(e) investments *by* public *bodies* in recreational infrastructure, tourist information and sign-posting of touristic sites;

(f) studies and investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages and rural landscapes, including related socio-economic aspects;

(g) investments targeting the relocation of activities and conversion of buildings or

Amendment

Article 21

Basic services and village renewal in rural areas

1. Support under this measure shall cover in particular:

(a) the drawing up and updating of plans for the development of municipalities in rural areas and their basic services and of protection and management plans relating to NATURA 2000 sites and other areas of high nature value;

(b) investments in the creation, improvement or expansion of all types of small scale infrastructure, including *the development and expansion of local marketing and agro-tourism; and* investments in renewable energy, *energy saving systems and sustainable resource and waste management systems;*

(c) broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government solutions;

(d) investments in the setting-up, improvement or expansion of local basic services for the rural population, including leisure and culture, and the related infrastructure;

(e) investments *for* public *benefit* in recreational infrastructure, tourist information, *small scale tourist infrastructure, marketing of rural tourism services* and sign-posting of touristic sites;

(f) studies and investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages and rural landscapes, including related socio-economic aspects;

(g) investments targeting the relocation of activities and conversion of buildings or

other facilities located close to rural settlements, with a view to improving the quality of life or increasing the environmental performance of the settlement.

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

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

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the definition of the types of renewable energy infrastructure that shall be eligible for support under this measure.

other facilities located close to rural settlements, with a view to improving the quality of life or increasing the environmental performance of the settlement.

Priority may be given to investment in community-led local development initiatives and investment projects that are subject to community ownership and control.

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

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

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the definition of the types of renewable energy infrastructure that shall be eligible for support under this measure.

Amendment 63

Proposal for a regulation

Article 22

Text proposed by the Commission

Article 22

Investments in forest area development and improvement of the viability of forests

1. Support under this measure shall

Amendment

Article 22

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

1. Support under this measure shall

concern:

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

2. Limitations on ownership of forests provided for in Articles **36** to **40** shall not apply *for* the tropical or subtropical forests and *for* the wooded areas of the territories of the Azores, Madeira, the Canary islands, the smaller Aegean islands within the meaning of Council Regulation (EEC) No 2019/93 and the French overseas departments.

For holdings above a certain size, to be determined by the Member States in the programme, support shall be conditional on the *submission* of a forest management plan or equivalent instrument in line with sustainable forest management as defined by the Ministerial Conference on the Protection of Forests in Europe of 1993 (hereinafter "sustainable forest management").

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the conditions for establishing the occurrence of a natural disaster or of pests and diseases outbreaks, and the definition of eligible types of preventive actions.

concern:

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

2. Limitations on ownership of forests provided for in Articles **23** to **27** shall not apply *to* the tropical or subtropical forests and *to* the wooded areas of the territories of the Azores, Madeira, the Canary islands, the smaller Aegean islands within the meaning of Council Regulation (EEC) No 2019/93 *of 19 July 1993 introducing specific measures for the smaller Aegean islands concerning certain agricultural products* and the French overseas departments.

For holdings above a certain size, to be determined by the Member States in the programme, support shall be conditional on the *presentation of the relevant information from* a forest management plan or equivalent instrument in line with sustainable forest management as defined by the Ministerial Conference on the Protection of Forests in Europe of 1993 (hereinafter "sustainable forest management").

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the conditions for establishing the occurrence of a natural disaster or of pests and diseases outbreaks, and the definition of eligible types of preventive actions.

Amendment 64

Proposal for a regulation

Article 23

Text proposed by the Commission

Article 23

Afforestation and creation of woodland

1. Support under Article 22(1)(a) shall be granted to private land-owners and tenants, municipalities and their associations and shall cover the costs of establishment and an annual premium per hectare to cover the costs of maintenance, including early and late cleanings, for a maximum period of **ten** years.

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

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 **concerning** the definition of the minimum environmental requirements referred to in paragraph 2.

Amendment

Article 23

Afforestation and creation of woodland

1. Support under Article 22(1)(a) shall be granted to private land-owners and tenants, municipalities and their associations and shall cover the costs of establishment and an annual premium per hectare to cover the costs of maintenance, including early and late cleanings, for a maximum period of **fifteen** years.

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

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 **laying down** the definition of the minimum environmental requirements referred to in paragraph 2, **which shall take into account the diversity of forest ecosystems throughout the Union.**

Amendments 65 and 169

Proposal for a regulation

Article 24

Text proposed by the Commission

Article 24

Establishment of agro-forestry systems

1. Support under Article 22(1)(b) shall be granted to private landowners, tenants, municipalities and their associations and shall cover the costs of establishment and an annual premium per hectare to cover the costs of maintenance for a maximum period of **three** years.
2. "Agro-forestry systems" shall mean land use systems in which trees are grown in combination with **extensive** agriculture on the same land. **The** maximum number of trees to be planted per hectare **shall be determined by the Member States** taking account of local pedo-climatic conditions, forestry species and the need to ensure agricultural use of the land.
3. Support shall be limited to the maximum support rate laid down in Annex I.

Amendment

Article 24

Establishment of agro-forestry systems

1. Support under Article 22(1)(b) shall be granted to private landowners, tenants, municipalities and their associations and shall cover the costs of establishment and an annual premium per hectare to cover the costs of maintenance for a maximum period of **five** years.
2. "Agro-forestry systems" shall mean land use systems in which trees are grown in combination with agriculture on the same land. **Member States shall determine the minimum and** maximum number of trees to be planted **or preserved** per hectare, taking account of local pedo-climatic **and environmental** conditions, forestry species and the need to ensure **sustainable** agricultural use of the land.
3. Support shall be limited to the maximum support rate laid down in Annex I.

Justification

Agro-forestry systems should not be limited to extensive agriculture.

Amendment 66

Proposal for a regulation

Article 25

Text proposed by the Commission

Article 25

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

1. Support under Article 22(1)(c) shall be granted to private, semi public and public forest owners, municipalities, state forests and their associations and shall cover the

Amendment

Article 25

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

1. Support under Article 22(1)(c) shall be granted to private, semi public and public forest owners, municipalities, state forests and their associations and shall cover the

costs for:

(a) the establishment of protective infrastructure. In the case of firebreaks support may also cover aid contributing to maintenance costs. No support shall be granted for agricultural related activities in areas covered by agri-environment commitments;

(b) local, small scale prevention activities against fire or other natural hazards;

(c) establishing and improving forest fire, pest and diseases monitoring facilities and communication equipment;

(d) restoring forest potential damaged from fires and other natural disasters including pests, diseases as well as catastrophic events and climate change related events.

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

Eligible operations shall be consistent with the forest protection plan established by the Member States. For holdings above a certain size, to be determined by the Member States in the programme, support shall be conditional on the submission of a forest management plan detailing the preventive objectives

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

costs for:

(a) the establishment of protective infrastructure. In the case of firebreaks support may also cover aid contributing to maintenance costs. No support shall be granted for agricultural related activities in areas covered by agri-environment commitments. ***Support may be given to livestock farmers whose grazing animals prevent fires through their grazing activity.***

(b) local, small scale prevention activities against fire or other natural hazards;

(c) establishing and improving forest fire, pest and diseases monitoring facilities and communication equipment; ***and***

(d) restoring forest potential damaged from fires and other natural disasters including pests, diseases as well as catastrophic events and climate change related events.

In areas designated as high-risk, the introduction of equipment to prevent forest fires is a precondition for support.

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

Eligible operations shall be consistent with the forest protection plan established by the Member States. For holdings above a certain size, to be determined by the Member States in the programme, support shall be conditional on the submission of a forest management plan detailing the preventive objectives..

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

established by the Member States shall be eligible for support relating to forest fire prevention.

3. Support under paragraph 1(d) shall be subject to the formal recognition by the competent public authorities of Member States that a natural disaster has occurred and that this disaster, or measures adopted in accordance with Directive 2000/29/EC to eradicate or contain a plant disease or pest **has** caused **the** destruction **of at least 30%** of the relevant forest potential. **This percentage** shall be determined on the basis of either the average existing forest potential in the three-year period immediately preceding the disaster or on the average of the five-year period immediately preceding the disaster, excluding the highest and the lowest entry.

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

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

established by the Member States shall be eligible for support relating to forest fire prevention.

3. Support under paragraph 1(d) shall be subject to the formal recognition by the competent public authorities of Member States that a natural disaster has occurred and that this disaster, or measures adopted in accordance with Directive 2000/29/EC to eradicate or contain a plant disease or pest, **have** caused **significant** destruction of the relevant forest potential **with a threshold to be defined by Member States**. **The extent of the damage** shall be determined on the basis of either the average existing forest potential in the three-year period immediately preceding the disaster or on the average of the five-year period immediately preceding the disaster, excluding the highest and the lowest entry.

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

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

Amendment 67

Proposal for a regulation Article 27

Text proposed by the Commission

Article 27

*Investments in **new** forestry technologies and in processing and marketing of forest products*

1. Support under Article 22(1)(e) shall be granted to private forest owners, municipalities and their associations and to SMEs for investments enhancing forestry potential or relating to processing and marketing adding value to forest products. In the territories of the Azores, Madeira,

Amendment

Article 27

*Investments in **improved** forestry technologies and in processing, **mobilising** and marketing of forest products*

1. Support under Article 22(1)(e) shall be granted to private forest owners, municipalities and their associations and to SMEs for investments enhancing forestry potential or relating to processing, **mobilising** and marketing adding value to forest products. In the territories of the

the Canary islands, the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93 and the French overseas departments support may also be granted to enterprises that are not SMEs.

2. Investments related to the improvement of the economic value of forests shall be at the level of the forest holding and may include investments for soil and resource friendly harvesting machinery and practices.

3. Investments related to the use of wood as a raw material or energy source shall be limited to all working operations prior to industrial processing.

4. Support shall be limited to the maximum support rates laid down in Annex I.

Azores, Madeira, the Canary islands, the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93 and the French overseas departments support may also be granted to enterprises that are not SMEs.

Support shall be granted only to investments and technologies that comply with Regulation No (EU) 995/2010 and that do not harm biodiversity or other forest ecosystem services.

2. Investments related to the improvement of the economic value of forests shall be at the level of the forest holding and may include investments for soil and resource friendly harvesting machinery and practices.

3. Investments related to the use of wood as a raw material or energy source shall be limited to all working operations prior to industrial processing.

4. Support shall be limited to the maximum support rates laid down in Annex I.

Amendment 68

Proposal for a regulation Article 28

Text proposed by the Commission

Article 28

Setting up of producer groups

1. Support under this measure shall be granted in order to facilitate the setting up of producer groups in the agriculture and forestry sectors for the purpose of:

(a) adapting the production and output of producers who are members of such groups to market requirements;

(b) jointly placing goods on the market, including preparation for sale, centralisation of sales and supply to bulk buyers;

Amendment

Article 28

Setting up of producer groups and organisations

1. Support under this measure shall be granted in order to facilitate the setting up ***and development*** of producer groups ***and organisations*** in the agriculture and forestry sectors for the purpose of:

(a) adapting the production and output of producers who are members of such groups to market requirements;

(b) jointly placing goods on the market, including preparation for sale, centralisation of sales and supply to bulk buyers;

(c) establishing common rules on production information, with particular regard to harvesting and availability; and

(d) other activities that may be carried out by producer groups, such as development of business and marketing skills and organisation and facilitation of innovation processes.

2. Support shall be granted to producer groups which are officially recognised by the Member States' competent authority on the basis of a business plan. ***It shall be limited*** to producer groups ***coming under*** the definition of SMEs.

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

3. The support shall be paid as a flat rate aid in annual instalments for the first five years following the date on which the producer group was recognised on the basis of its business plan. It shall be calculated on the basis of the group's annual marketed production. Member States shall pay the last instalment only after having verified the correct implementation of the business plan.

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

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

(c) establishing common rules on production information, with particular regard to harvesting and availability; and

(d) other activities that may be carried out by producer groups, such as development of business and marketing skills and organisation and facilitation of innovation processes.

2. Support shall be granted to producer groups which are officially recognised by the Member States' competent authority on the basis of a business plan. ***Priority may be given to producer groups of quality products covered by Article 17 as well as to micro-enterprises. No support shall be granted*** to producer groups ***which do not satisfy the criteria in*** the definition of SMEs.

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

3. The support shall be paid as a flat rate aid in annual instalments for the first five years following the date on which the producer group was recognised on the basis of its business plan. It shall be calculated on the basis of the group's annual marketed production. Member States shall pay the last instalment only after having verified the correct implementation of the business plan.

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

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

Amendments 144

Proposal for a regulation
Article 29

Text proposed by the Commission

Agri-environment- climate

1. Member States shall make support under this measure available throughout their territories, in accordance with their national, regional or local specific needs and priorities. ***Inclusion of this measure*** in rural development programmes shall be compulsory.

2. Agri-environment-climate payments shall be granted to farmers, groups of farmers or groups of farmers and other land-managers who undertake, on a voluntary basis, to carry out operations consisting of one or more agri-environment-climate commitments on agricultural land. Where duly justified to achieve environmental objectives, agri-environment-climate payments may be granted to other land-managers or groups of other land-managers.

3. Agri-environment-climate payments cover only those commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No HR/2012 and

Amendment

Agri-environment- climate

1. Member States shall make support under this measure available throughout their territories, in accordance with their national, regional or local specific needs and priorities. ***This measure shall be targeted to the preservation as well as the promotion of the necessary changes into agricultural practices that make a positive contribution to the environment and climate. Its inclusion*** in rural development programmes shall be compulsory.

2. Agri-environment-climate payments shall be granted to farmers, groups of farmers or groups of farmers and other land-managers who undertake, on a voluntary basis, to carry out operations consisting of one or more agri-environment-climate commitments on agricultural land ***or on land suitable for agriculture. Agri-environmental programmes shall target examples of best practice (according to the "forerunner principle"), including those relating to soil management, water management, biodiversity, nutrient recycling and ecosystem maintenance, and prioritise investment in these techniques. Programmes shall seek to spread best practice throughout the territory of the programme. Climate schemes may target the improvement of the greenhouse gas reduction performance of the entire agricultural holding or farm system.*** Where duly justified to achieve environmental objectives, agri-environment-climate payments may be granted to other land-managers or groups of other land-managers.

3. Agri-environment-climate payments cover only those commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No HR/2012 and

other relevant obligations established under Chapter 2 of Title III of Regulation (EU) No DP/2012, relevant minimum requirements for fertiliser and plant protection products use as well as other relevant mandatory requirements established by national legislation. All such mandatory requirements shall be identified in the programme.

4. Member States shall endeavour to provide persons undertaking to carry out operations under this measure with the knowledge and information required to implement them, including by commitment-related expert advice and/or by making support under this measure conditional to relevant training.

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

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

all relevant obligations established under Chapter 2 of Title III of Regulation (EU) No DP/2012, relevant minimum requirements for fertiliser and plant protection products use as well as other relevant mandatory requirements established by national legislation. All such mandatory requirements shall be identified in the programme.

4. Member States shall endeavour to provide persons undertaking to carry out operations under this measure with the knowledge and information required to implement them, including by commitment-related expert advice and/or by making support under this measure conditional to relevant training.

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

For new commitments directly following the commitment performed in the initial period, Member States may provide for a shorter period in their rural development programmes.

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

No support from EAFRD shall be granted for commitments covered by Chapter 2 of Title III of Regulation (EU) No DP/2012.

6a. For operations concerning environmental conservation, Member States may, in duly justified cases, by way

of derogation from paragraph 6, grant support as a flat rate or one-off payment per unit in respect of commitments to renounce commercial use of areas. Such support shall be calculated on the basis of additional costs incurred and income foregone.

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

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

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

9. Support may be provided for the conservation of genetic resources in agriculture for operations not covered by the provisions under paragraphs 1 to 8.

10. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the annual extension of the commitments after the initial period of the operation, conditions applicable to commitments to extensify or manage differently livestock farming, to limit fertilisers, plant protection products or other inputs, to rear local breeds in danger of being lost to farming or to preserve plant genetic resources as well as concerning definition of eligible operations under paragraph 9.

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

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

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

9. Support may be provided for the conservation **and for the sustainable use and development** of genetic resources in agriculture for operations not covered by the provisions under paragraphs 1 to 8.

10. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the annual extension of the commitments after the initial period of the operation, conditions applicable to commitments to extensify or manage differently livestock farming, to limit fertilisers, plant protection products or other inputs, to rear local breeds in danger of being lost to farming or to preserve plant genetic resources as well as concerning definition of eligible operations under paragraph 9.

Amendments 70 and 145

Proposal for a regulation

Article 30

Text proposed by the Commission

Article 30

Organic farming

1. Support under this measure shall be granted, per hectare of UAA, to farmers or

Amendment

Article 30

Organic farming

1. Support under this measure shall be granted, per hectare of UAA, to farmers or

groups of farmers who undertake, on a voluntary basis to convert to or maintain organic farming practices and methods as defined in Council Regulation (EC) No 834/2007.

2. Support shall only be granted for commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No HR/2012, relevant minimum requirements for fertiliser and plant protection products *use* as well as other relevant mandatory requirements established by national *legislation*. All such requirements shall be identified in the programme.

3. Commitments under this measure shall be undertaken for a period of five to seven years. Where support is granted for the maintenance of organic farming, Member States may provide in their rural development programmes for annual extension after the termination of the initial period.

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

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

groups of farmers who undertake, on a voluntary basis to convert to or maintain organic farming practices and methods as defined in Council Regulation (EC) No 834/2007 *of 28 June 2007 on organic production and labelling of organic products*.

2. Support shall only be granted for commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No HR/2012, *the relevant obligations established under Chapter 2 of Title III of Regulation (EU) No DP/2012*, relevant minimum requirements for *the use of* fertiliser and plant protection products as well as other relevant mandatory requirements established by national *law*. All such requirements shall be identified in the programme.

3. Commitments under this measure shall be undertaken for a period of five to seven years. *In order to encourage the uptake of this measure also after 2015, Member States may establish a mechanism to support farmers by a follow-up measure after 2020*. Where support is granted for the maintenance of organic farming, Member States may provide in their rural development programmes for annual extension after the termination of the initial period.

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

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

5a. In their rural development programmes, Member States shall set out how this measure can be combined with other measures, and in particular with the

measures laid down in Articles 17, 18, 28, 29, 31 and 36, in order to expand organic farming and to fulfil environment and rural economic objectives.

Amendments 71 and 146

Proposal for a regulation Article 31

Text proposed by the Commission

Article 31

*Natura 2000 and Water framework
directive payments*

1. Support under this measure shall be granted annually and per hectare of UAA or per hectare of forest in order to compensate beneficiaries for costs incurred and income foregone resulting from disadvantages in the areas concerned, related to the implementation of **Directives** , 92/43/EEC, 2009/147/EC and 2000/60/EC.

Amendment

Article 31

*Natura 2000 and Water **Framework Directive** payments*

1. Support under this measure shall be granted annually and per hectare of UAA or per hectare of forest in order to compensate beneficiaries for costs incurred and income foregone resulting from disadvantages in the areas concerned, related to the implementation of **Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora¹, Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds² and Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy³.**

For requirements of a permanent nature the support may take the form of a lump sum payment per hectare of UAA or forest to cover full compensation. In this case the requirements shall be recorded as servitudes on the future use of the land in a national land register. In duly justified cases support may be granted based on unitary costs other than hectare unitary costs, such as the number of kilometres of water course.

The support may cover tangible and/or intangible non productive investments which are necessary to comply with requirements linked to Directives

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

3. Support to farmers, linked to Directives 92/43/EEC and 2009/147/EC shall only be granted in relation to disadvantages resulting from requirements that go beyond the good agricultural and environmental condition provided for in Article 94 and Annex II of Council Regulation (EU) No *HR/2012*.

4. Support to farmers, linked to Directive 2000/60/EC shall only be granted in relation to specific requirements that:

(a) were introduced by Directive 2000/60/EC, are in accordance with the programmes of measures of the river basin management plans for the purpose of achieving the environmental objectives of that Directive and go beyond the measures required to implement other Union *legislation* for the protection of water;

(b) go beyond the statutory management requirements and the good agricultural and environmental condition provided for in Chapter I of Title VI of Regulation (EU) No *HR/2012* and the obligations established under Chapter 2 of Title III of Regulation (EU) No *DP/2012*;

(c) go beyond the level of protection of the Union *legislation* existing at the time Directive 2000/60/EC was adopted as laid down in Article 4(9) of Directive 2000/60/EC; and

(d) impose major changes in type of land use, and/or major restrictions in farming practice resulting in a significant loss of

2009/147/EC, 92/43/EEC and 2000/60/EC.

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

3. Support to farmers, linked to Directives 92/43/EEC and 2009/147/EC shall only be granted in relation to disadvantages resulting from requirements that go beyond the good agricultural and environmental condition provided for in Article 94 and Annex II of Council Regulation (EU) No *.../2013 [HR]* **and the relevant obligations established under Chapter 2 of Title III of Regulation (EU) No *DP/2012*. Specific provisions may be foreseen in the rural development programme for cases where these obligations are incompatible in the holding concerned with the objectives of those Directives.**

4. Support to farmers, linked to Directive 2000/60/EC shall only be granted in relation to specific requirements that:

(a) were introduced by Directive 2000/60/EC, are in accordance with the programmes of measures of the river basin management plans for the purpose of achieving the environmental objectives of that Directive and go beyond the measures required to implement other Union *law* for the protection of water;

(b) go beyond the statutory management requirements and the good agricultural and environmental condition provided for in Chapter I of Title VI of Regulation (EU) No *.../2013 [HR]* and the obligations established under Chapter 2 of Title III of Regulation (EU) No *.../2013 [DP]*;

(c) go beyond the level of protection of the Union *law* existing at the time Directive 2000/60/EC was adopted as laid down in Article 4(9) of Directive 2000/60/EC; and

(d) impose major changes in type of land use, and/or major restrictions in farming practice resulting in a significant loss of

income.

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

6. The following areas shall be eligible for payments:

(a) Natura 2000 agricultural and forest areas designated pursuant to Directives 92/43/EEC and 2009/147/EC ;

(b) other delimited nature protection areas with environmental restrictions applicable to farming or forests which contribute to the implementation of Article 10 of Directive 92/43/EEC. These areas shall, per rural development programme, not exceed **5%** of the designated Natura 2000 areas covered by its territorial scope;

(c) agricultural areas included in river basin management plans according to Directive 2000/60/EC.

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

income.

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

6. The following areas shall be eligible for payments:

(a) Natura 2000 agricultural and forest areas designated pursuant to Directives 92/43/EEC and 2009/147/EC ;

(b) other delimited nature protection areas with environmental restrictions applicable to farming or forests which contribute to ***the improvement of populations of species under Annex IV to Directive 92/43/EEC, to the implementation of Article 10 of Directive 92/43/EEC and to all bird species in accordance with Article 1 of Directive 2009/147/EC.*** These areas shall, per rural development programme, not exceed **7%** of the designated Natura 2000 areas covered by its territorial scope;

(c) agricultural ***and forest*** areas included in river basin management plans according to Directive 2000/60/EC.

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

Member States may, in their financing plans, present separate budgets for payments under Natura 2000 agricultural areas, Natura 2000 forest areas and Water Framework Directive.

¹ OJ L 206, 22.7.1992, p.7.

² OJ L 20, 26.1.2010, p.7.

³ OJ L 327, 22.12.2000, p.1.

Amendment 72

Proposal for a regulation

Article 32

Text proposed by the Commission

Article 32

Payments to areas facing natural or other

Amendment

Article 32

Payments to areas facing natural or other

specific constraints

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

Additional costs and income foregone shall be calculated in comparison to areas which are not affected by natural or other specific constraints, ***taking into account payments pursuant to Chapter 3 of Title III of Regulation (EU) No DP/2012.***

2. Payments shall be granted to farmers who undertake to pursue their farming activity in the areas designated pursuant to Article 33.

3. Payments shall be fixed between the minimum and maximum amount laid down in Annex I.

4. Member States shall provide for degressivity of payments above a threshold level of area per holding, to be defined in the programme.

5. Member States may grant payments

specific constraints

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

Additional costs and income foregone shall be calculated in comparison to areas which are not affected by natural or other specific constraints. ***Member States shall ensure that overcompensation as a result of the combination of this measure with other national or Union support instruments is avoided.***

When calculating additional costs and income forgone, Member States may, where duly justified, differentiate in order to take into account

- the situation and development objectives peculiar to a region;

- the severity of any permanent natural handicap affecting farming activities;

- the type of production and, where appropriate, the economic structure of the holding.

2. Payments shall be granted to farmers who undertake to pursue their farming activity in the areas designated pursuant to Article 33.

3. Payments shall be fixed between the minimum and maximum amount laid down in Annex I.

Member States may, when duly justified, grant individual payments above the maximum amount laid down in Annex I, on condition that the maximum amount is respected on average at programming level.

4. Member States shall provide for degressivity of payments above a threshold level of area per holding, to be defined in the programme.

5. Member States may grant payments

under this measure ***between 2014 and 2017*** to farmers in areas which were eligible under Article 36(a)(ii) of Regulation (EC) No 1698/2005 during the 2007-2013 programming period but are no longer eligible following ***the*** new delimitation referred to in Article 33(3). These payments shall be degressive starting in ***2014*** at 80% of the payment received ***in 2013 and ending in 2017*** at 20%.

under this measure ***for a period of four years*** to farmers in areas which were eligible under Article 36(a)(ii) of Regulation (EC) No 1698/2005 during the 2007-2013 programming period but are no longer eligible following ***a*** new delimitation referred to in Article 33(3). These payments shall be degressive starting, in ***the first year***, at 80% of the payment received ***during the 2007-2013 programming period and ending, in the fourth year***, at 20%.

6. In Member States which have not completed the delimitation referred to in Article 33(3) before 1 January 2014, paragraph 5 shall apply to farmers receiving payments in areas which were eligible for such payments during the 2007-2013 period. Following completion of the delimitation, farmers in areas that remain eligible shall receive full payments under this measure. Farmers in areas that are no longer eligible shall continue to receive payments in accordance with paragraph 5.

Amendment 73

Proposal for a regulation Article 33

Text proposed by the Commission

Article 33

Designation of areas facing natural and other specific constraints

1. Member States shall, on the basis of paragraphs 2, 3 and 4, designate areas eligible for payments provided for in Article 32 under the following categories:
 - (a) mountain areas;
 - (b) areas, other than mountain areas, facing significant natural constraints; and
 - (c) other areas affected by specific constraints.
2. In order to be eligible for payments under Article 32, mountain areas shall be

Amendment

Article 33

Designation of areas facing natural and other specific constraints

1. Member States shall, on the basis of paragraphs 2, 3 and 4, designate areas eligible for payments provided for in Article 32 under the following categories:
 - (a) mountain areas;
 - (b) areas, other than mountain areas, facing significant natural constraints; and
 - (c) other areas affected by specific constraints.
2. In order to be eligible for payments under Article 32, mountain areas shall be

characterized by a considerable limitation of the possibilities for using the land and by an appreciable increase in production costs due to:

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

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

Areas north of the 62nd parallel and certain adjacent areas shall be regarded as mountain areas.

3. In order to be eligible for payments under Article 32, areas, other than mountain areas, shall be considered as facing significant natural constraints if at least 66% of the UAA meets at least one of the criteria listed in Annex II at the threshold value indicated. Respect of this condition shall be ensured at the appropriate level of local administrative units ("LAU 2" level).

When delimiting the areas concerned by this paragraph, Member States shall undertake a fine-tuning exercise, based on objective criteria, with the purpose of excluding areas in which significant natural constraints in accordance with the first subparagraph have been documented but have been overcome by investments or by economic activity.

4. Areas other than those referred to in paragraphs 2 and 3 shall be eligible for payments under Article 32 if they are affected by specific constraints and where land management should be continued in order to conserve or improve the environment, maintain the countryside and preserve the tourist potential of the area or in order to protect the coastline.

characterized by a considerable limitation of the possibilities for using the land and by an appreciable increase in production costs due to:

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

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

Areas north of the 62nd parallel and certain adjacent areas shall be regarded as mountain areas.

3. Member States shall designate areas, other than mountain areas, facing significant natural constraints, as eligible for payments under Article 32. These areas shall be characterised by significant natural constraints, notably low soil productivity or poor climate conditions and by the fact that maintaining extensive farming activity is important for the management of the land.

By 31 December 2014, the Commission shall present a legislative proposal for mandatory bio-physical criteria and the corresponding threshold values to be applied for the future delimitation, as well as appropriate rules for fine-tuning and transitional arrangements.

4. Areas other than those referred to in paragraphs 2 and 3 shall be eligible for payments under Article 32 if they are affected by specific constraints, **including very low population density**, and where land management should be continued in order to conserve or improve the environment, maintain the countryside and preserve the tourist potential of the area or

Areas affected by specific constraints shall comprise farming areas which are homogeneous from the point of view of natural protection conditions and their total extent shall not exceed 10% of the area of the Member State concerned.

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

(a) the existing or amended delimitation pursuant to paragraphs 2 and 4;

(b) the new delimitation of the areas referred to in paragraph 3.

in order to protect the coastline.

Areas affected by specific constraints shall comprise farming areas which are homogeneous from the point of view of natural protection conditions and their total extent shall not exceed 10% of the area of the Member State concerned.

5. Member States shall attach to their rural development programmes the existing or amended delimitation pursuant to paragraphs 2, 3 and 4.

Amendment 74

Proposal for a regulation Article 34 – paragraph 2

Text proposed by the Commission

2. Animal welfare payments cover only those commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No *HR/2012* and other relevant mandatory requirements established by national *legislation*. These relevant requirements shall be identified in the programme.

Those commitments shall be undertaken for a renewable period of *one year*.

Amendment

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

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

Amendment 75

Proposal for a regulation Article 35 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Support under this measure shall be granted per hectare of forest to forest holders, municipalities and their

Amendment

Support under this measure shall be granted per hectare of forest *exclusively* to forest holders, municipalities and their

associations who undertake, on a voluntary basis, to carry out operations consisting of one or more forest-environment commitments. Bodies managing state owned forests may also benefit from support provided they are independent from the state budget.

associations who undertake, on a voluntary basis, to carry out operations consisting of one or more forest-environment commitments. Bodies managing state owned forests may also benefit from support provided they are independent from the state budget.

Amendment 76

Proposal for a regulation

Article 35 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

For forest holdings above a certain threshold to be determined by Member States in their rural development programmes, support under paragraph 1 shall be conditional on the submission of a forest management plan or equivalent instrument in line with sustainable forest management.

deleted

Justification

There is already adequate statutory provision at national level for the progressive management of woods and forests irrespective of the size of the holdings concerned. Requiring forest holders to draw up management plans would only mean more red tape.

Amendment 77

Proposal for a regulation

Article 35 – paragraph 3

Text proposed by the Commission

Amendment

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

3. Payments shall compensate beneficiaries for all or part of the additional costs and income foregone resulting from the commitments made. Where necessary they may also cover transaction costs to a value of up to 20 % of the premium paid for the forest-environment commitments. Support shall be limited to the maximum amount laid down in Annex I. ***In clearly justified cases, support for agreements not to use trees or stands of trees may also be granted in the form of one-off payments***

***or flat-rate amounts per project,
calculated on the basis of the relevant
additional costs and loss of income.***

Justification

In forest ecosystems it is often more efficient to elaborate funding through several projects rather than through size-based funding. A uniform flat rate of 200,--/ha does not seem to be equivalent to cover the real costs as forests have a long vegetation period.

Amendment 78

Proposal for a regulation

Article 36

Text proposed by the Commission

Article 36

Co-operation

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

(a) co-operation approaches among different actors in the Union agriculture and food chain, forestry sector and among other actors that contribute to achieving the objectives and priorities of rural development policy, including inter-branch organisations;

(b) the creation of clusters and networks;

(c) the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability as referred to in Article 62.

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

(a) pilot projects;

(b) the development of new products, practices, processes and technologies in the

Amendment

Article 36

Co-operation

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

(a) co-operation approaches among different actors in the Union agriculture and food chain, forestry sector and among other actors that contribute to achieving the objectives and priorities of rural development policy, including ***producer groups, cooperatives and*** inter-branch organisations;

(b) the creation of clusters and networks ***and coordination points***;

(c) the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability as referred to in Article 62.

(c a) innovation and co-operation through twinning between networks in the Union and in third countries;

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

(a) pilot projects, ***demonstration and flagship projects***;

(b) the development of new products, practices, processes and technologies in the agriculture, food and forestry sectors

agriculture, food and forestry sectors

(c) co-operation among small operators in organising joint work processes, sharing facilities and resources;

(d) horizontal and vertical co-operation among supply chain actors for the establishment of logistic platforms to promote short supply chains and local markets;

(e) promotion activities in a local context relating to the development of short supply chains and local markets;

(f) joint action undertaken with a view to mitigating or adapting to climate change;

(g) *collective* approaches to environmental projects and ongoing environmental practices;

(h) horizontal and vertical cooperation among supply chain actors in the sustainable production of biomass for use in food, energy production and industrial processes.

(i) implementation, in particular by public-private partnerships other than those defined in Article 28(1)(b) of Regulation (EU) No [CSF/2012], of local development strategies addressing one or more of the Union priorities for rural development;

(j) drawing up of forest management plans or equivalent instruments.

including those for the reduction of waste;

(c) co-operation among small operators in organising joint work processes, sharing facilities and resources;

(d) horizontal and vertical co-operation among supply chain actors for the establishment of logistic platforms to promote short supply chains and local **and regional** markets;

(e) promotion activities in a local context relating to the development of short supply chains and local **and regional** markets **and of products under quality schemes;**

(f) joint action undertaken with a view to mitigating or adapting to climate change;

(g) *co-ordinated* approaches to environmental projects and ongoing environmental practices; **including efficient water management, the use of renewable energy and the preservation of agricultural landscape;**

(h) horizontal and vertical cooperation among supply chain actors in the sustainable production of biomass for use in food, energy production and industrial processes.

(i) implementation, in particular by public-private partnerships other than those defined in Article 28(1)(b) of Regulation (EU) No .../2013 [CSF], of local development strategies addressing one or more of the Union priorities for rural development;

(j) drawing up of forest management plans or equivalent instruments.

(ja) the development, including the marketing, of tourism services relating to rural tourism;

(jb) development of ‘social agriculture’ projects.

2a. When allocating support, priority may be given to cooperation among entities involving primary producers.

3. Support under paragraph 1(b) shall be granted only to newly formed clusters and

networks and those commencing an activity that is new to them.

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

4. The results of pilot projects and operations by individual actors under paragraph 2(b) shall be disseminated.

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

(a) studies of the area concerned, feasibility studies, and costs for the drawing up of a business plan or a forest management plan or equivalent, or local development strategy other than the one referred to in Article 29 of Regulation EU (No) [CSF/2012];

(b) animation of the area concerned in order to make a collective territorial project feasible. In the case of clusters, animation may also concern the organisation of training, networking between members and the recruitment of new members;

(c) running costs of the co-operation;

(d) direct costs of specific projects linked to the implementation of a business plan, a local development strategy other than the one referred to in Article 29 of Regulation (EU) No [CSF/2012] or an action targeted towards innovation;

(e) costs of promotion activities.

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

7. Co-operation among actors located in different regions or Member States shall

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

4. The results of pilot projects and operations by individual actors under paragraph 2(b) shall be disseminated.

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

(a) studies of the area concerned, feasibility studies, and costs for the drawing up of a business plan or a forest management plan or equivalent, or local development strategy other than the one referred to in Article 29 of Regulation EU (No) .../2013 [CSF];

(b) animation of the area concerned in order to make a collective territorial project feasible. In the case of clusters, animation may also concern the organisation of training, networking between members and the recruitment of new members;

(c) running costs of the co-operation;

(d) direct costs of specific projects linked to the implementation of a business plan, a local development strategy other than the one referred to in Article 29 of Regulation (EU) No .../2013 [CSF] or an action targeted towards innovation;

(e) costs of promotion activities.

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

7. Co-operation among actors located in different regions or Member States *as well*

also be eligible for support.

8. Support shall be limited to a maximum period of seven years except for collective environmental action in duly justified cases.

9. Co-operation under this measure may be combined with projects supported by Union funds other than the EAFRD in the same territory. Member States shall ensure that overcompensation as a result of the combination of this measure with other national or Union support instruments is avoided.

10. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the further specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets that will be eligible for support, as well as concerning the conditions for granting aid to the types of *operation* listed in paragraph 2.

as co-operation with actors from developing countries shall also be eligible for support.

8. Support shall be limited to a maximum period of seven years except for collective environmental action in duly justified cases.

9. Co-operation under this measure may be combined with projects supported by Union funds other than the EAFRD in the same territory. Member States shall ensure that overcompensation as a result of the combination of this measure with other national or Union support instruments is avoided.

10. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the further specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets that will be eligible for support, as well as concerning the conditions for granting aid to the types of *co-operation* listed in paragraph 2.

Amendment 79

Proposal for a regulation

Article 37

Text proposed by the Commission

Article 37

Risk management

1. Support under this measure shall cover:

(a) financial contributions, paid directly to farmers, to premiums for crop, animal and plant insurance against economic losses caused by adverse climatic events and animal or plant diseases or pest infestation;

(b) financial contributions to mutual funds to pay financial compensations to farmers, for economic losses caused by the outbreak of an animal or plant disease *or* an environmental incident;

Amendment

Article 37

Risk management

1. Support under this measure shall cover:

(a) financial contributions, paid directly to farmers *or to groups of farmers*, to premiums for crop, animal and plant insurance against economic losses caused by adverse climatic events and animal or plant diseases or pest infestation;

(b) financial contributions to mutual funds to pay financial compensations to farmers, for economic losses caused by the outbreak of an animal or plant disease, *harmful organisms*, an environmental incident *or adverse climatic events, including*

(c) an income stabilisation tool, in the form of financial contributions to mutual funds, providing compensation to farmers who experience a severe drop in their income.

2. For the purpose of paragraph 1 points (b) and (c), ‘mutual fund’ shall mean 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 affected by economic losses caused by the outbreak of an animal or plant disease *or* an environmental incident or experiencing a severe drop in their income.

3. Member States shall ensure that overcompensation as a result of the combination of this measure with other national or Union support instruments or private insurance schemes is avoided.
Direct income support received under the European Globalisation Adjustment Fund³⁶ (hereinafter "EGF") shall also be taken into consideration when estimating the income levels of farmers.

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the minimum and maximum duration of the commercial loans to mutual funds referred to in Articles 39(3)(b) and 40(4).

draughts;

(c) an income stabilisation tool, in the form of financial contributions to mutual funds *or insurance*, providing compensation to farmers who experience a severe drop in their income *or of financial contributions paid directly to farmers for the payment of insurance premiums to cover the risk of a severe drop in income.*

2. For the purpose of paragraph 1 points (b) and (c), ‘mutual fund’ shall mean 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 affected by economic losses caused by the outbreak of an animal or plant disease, *harmful organisms*, an environmental incident *or adverse climatic events* or experiencing a severe drop in their income.

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

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the minimum and maximum duration of the commercial loans to mutual funds referred to in Articles 39(3)(b) and 40(4).

The Commission shall carry out a mid-term review concerning the implementation of the risk management measure and shall subsequently submit a report to the European Parliament and the Council. The report shall be accompanied, where necessary, by appropriate legislative proposals for improvement of the implementation of the risk management measure.

Amendment 80

Proposal for a regulation

Article 38

Text proposed by the Commission

Article 38

Crop, animal, and plant insurance

1. Support under Article 37(1)(a) shall only be granted for insurance contracts which cover for loss caused by an adverse climatic event or by an animal or plant disease or a pest infestation or a measure adopted in accordance with Directive 2000/29/EC to eradicate or contain a plant disease or pest which **destroys** more than 30 % **of** the average annual production of the farmer **in** the preceding **three-year period** or **a three-year average based on** the preceding **five-year period**, excluding the highest and lowest **entry**.

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

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

Amendment

Article 38

Crop, animal, and plant insurance

1. Support under Article 37(1)(a) shall only be granted for insurance contracts which cover loss caused by an adverse climatic event or by an animal or plant disease or a pest infestation or **for** a measure adopted in accordance with Directive 2000/29/EC to eradicate or contain a plant disease or pest which **results in a reduction of annual production of** more than 30 % **as compared to** the average annual production of the farmer. **That average annual production shall be calculated by taking the figures for** the preceding **three years** or **for** the preceding **five years and** excluding the highest and lowest **figures, or, in duly justified exceptional circumstances, by taking the figures for a specific year in the preceding five years**.

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

(a) biological indexes (quantity of biomass loss) or equivalent yield loss indexes established at farm, local, regional or national level, or

(b) weather indexes (including quantity of rainfall and temperature) established at local, regional or national level.

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

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

deemed to be granted.

3. Insurance payments shall compensate for not more than the total of the cost of replacing the losses referred to in Article 37(1)(a) and shall not require or specify the type or quantity of future production.

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

4. Support shall be limited to the maximum rate laid down in Annex I.

deemed to be granted.

3. Insurance payments shall compensate for not more than the total of the cost of replacing the losses referred to in Article 37(1)(a) and shall not require or specify the type or quantity of future production.

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

4. Support shall be limited to the maximum rate laid down in Annex I.

Amendment 81

Proposal for a regulation Article 39

Text proposed by the Commission

Article 39

Mutual funds for animal and plant diseases and environmental incidents

1. In order to be eligible for support the mutual fund concerned shall:
 - (a) be accredited by the competent authority in accordance with national law;
 - (b) have a transparent policy towards payments into and withdrawals from the fund;
 - (c) have clear rules attributing responsibilities for any debts incurred.
2. Member States shall define the rules for the constitution and management of the mutual funds, in particular for the granting of compensation payments to farmers in the event of crisis and for the administration and monitoring of compliance with these rules.

Amendment

Article 39

*Mutual funds for animal and plant diseases, **harmful organisms**, and environmental incidents **and adverse climatic events***

1. In order to be eligible for support the mutual fund concerned shall:
 - (a) be accredited by the competent authority in accordance with national law;
 - (b) have a transparent policy towards payments into and withdrawals from the fund;
 - (c) have clear rules attributing responsibilities for any debts incurred.
2. Member States shall define the rules for the constitution and management of the mutual funds, in particular for the granting of compensation payments to farmers in the event of crisis and for the administration and monitoring of compliance with these rules. ***Member States may decide to complement mutual funds by insurance systems.***
Farmers shall only be eligible for compensation payments if they have taken all necessary precautionary measures to improve the resilience of their holding

3. The financial contributions referred to in Article 37(1)(b) may only relate to:

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

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

4. As regards animal diseases, financial compensation under Article 37(1)(b) may **only** be granted in respect of diseases mentioned in the list of animal diseases established by the World Organisation for Animal Health **and/or** in the Annex to Decision 90/424/EEC.

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

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

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

against environmental degradation, animal and plant diseases, harmful organisms and climate change events.

3. The financial contributions referred to in Article 37(1)(b) may only relate to:

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

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

4. As regards animal diseases, financial compensation under Article 37(1)(b) may be granted in respect of diseases mentioned in the list of animal diseases established by the World Organisation for Animal Health ***or*** in the Annex to Decision 90/424/EEC ***and in respect of bee diseases.***

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

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

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

Amendment 82

Proposal for a regulation Article 40

Text proposed by the Commission

Article 40

Income stabilisation tool

1. Support under Article 37(1)(c) may only be granted where the drop of income exceeds 30% of the average annual income

Amendment

Article 40

Income stabilisation tool

1. Support under Article 37(1)(c) may only be granted where the drop of income exceeds 30% of the average annual income

of the individual farmer in the preceding three-year period or a three-year average based on the preceding five-year period excluding the highest and lowest entry. Income for the purposes of Article 37(1)(c) shall refer to the sum of revenues the farmer receives from the market, including any form of public support, deducting input costs. Payments by the mutual fund to farmers shall compensate for not more than 70% of the income lost.

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

(a) be accredited by the competent authority in accordance with national law;

(b) have a transparent policy towards payments into and withdrawals from the fund;

(c) have clear rules attributing responsibilities for any debts incurred.

3. Member States shall define the rules for the constitution and management of the mutual funds, in particular for the granting of compensation payments to farmers in the event of crisis and for the administration and monitoring of compliance with these rules.

4. The financial contributions referred to in Article 37(1)(c) *may* only relate to the amounts paid by the mutual fund as financial compensation to farmers. In addition, the financial contribution may relate to interest on commercial loans taken out by the mutual fund for the purpose of paying the financial compensation to farmers in case of crisis.

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

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

of the individual farmer in the preceding three-year period or a three-year average based on the preceding five-year period excluding the highest and lowest entry. Income for the purposes of Article 37(1)(c) shall refer to the sum of revenues the farmer receives from the market, including any form of public support, deducting input costs. Payments by the mutual fund *or insurance* to farmers shall compensate for not more than 70% of the income lost.

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

(a) be accredited by the competent authority in accordance with national law;

(b) have a transparent policy towards payments into and withdrawals from the fund;

(c) have clear rules attributing responsibilities for any debts incurred.

3. Member States shall define the rules for the constitution and management of the mutual funds, in particular for the granting of compensation payments to farmers in the event of crisis and for the administration and monitoring of compliance with these rules.

The financial contributions referred to in Article 37(1)(c) ***shall only be granted for insurance policies covering the losses of income referred to in paragraph 1 or, alternatively, shall*** only relate to the amounts paid by the mutual fund as financial compensation to farmers. In addition, the financial contribution may relate to interest on commercial loans taken out by the mutual fund for the purpose of paying the financial compensation to farmers in case of crisis.

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

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

Amendment 83

Proposal for a regulation
Article 41 – paragraph 1 – point c

Text proposed by the Commission

(c) demarcation with other measures, conversion to units other than those used in Annex I, calculation of transaction costs and conversion or adjustment of commitments under the agri-environment-climate measure referred to in Article 29, the organic farming measure referred to in Article 30 and the forest-environmental and climate services and forest conservation measure referred to in Article 35;

Amendment

(c) demarcation with other measures, conversion to units other than those used in Annex I, calculation of transaction costs and conversion or adjustment of commitments under the agri-environment-climate measure referred to in Article 29, the organic farming measure referred to in Article 30, ***the animal welfare measure referred to in Article 34*** and the forest-environmental and climate services and forest conservation measure referred to in Article 35;

Justification

Article 34 also mentions transaction costs whereby these should be outlined in this context along with the transaction costs of the other measures.

Amendment 84

Proposal for a regulation
Article 42 – paragraph 1

Text proposed by the Commission

1. In addition to the tasks referred to in Article 30 of Regulation (EU) No [CSF/2012] local action groups may also perform additional tasks delegated to them by the Managing Authority and/or the paying agency.

Amendment

1. In addition to the tasks referred to in Article 30 of Regulation (EU) No .../2013 [CSF] local action groups may also:

(a) perform additional tasks delegated to them by the Managing Authority and/or the paying agency, ***or***

(b) ***implement alone or together with partners operations with a wide territorial dimension, so-called "umbrella projects", within local development strategy.***

Justification

We propose to allow local action groups for independent implementation of projects in the framework of local development strategy of the broad territorial reach, with participation of partners from the LDS area. The current regulations limit the role of LAGs to being an intermediary in transfer of financial means and an animator. It seems that possibility of realisation of flagship projects in the framework of a strategy would create a significant added value. Moreover, our polish experiences show that there is a huge demand for small-scale projects of short duration. Unfortunately, in situation when they have to follow the same administrative path, many applicants resign. Thanks to the proposed amendment, those partners would have contact only with a LAG and they would not need to get through the complicated administrative path.

Amendment 85

Proposal for a regulation

Article 43 – paragraph 1 – point b

Text proposed by the Commission

(b) capacity building, training and networking with a view to preparing and implementing a local development strategy.

Amendment

(b) capacity building, training and networking with a view to preparing and implementing a **community-led** local development strategy.

Amendment 86

Proposal for a regulation

Article 43 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) the possibility for existing local action groups to perform the research and planning of community projects necessary in order to apply for new areas to be covered by the Leader programme.

Amendment 87

Proposal for a regulation

Article 44 - paragraph 1 - point (a) – subparagraph 1

Text proposed by the Commission

(a) inter-territorial or transnational co-operation projects;

Amendment

(a) inter-territorial or transnational co-operation projects, ***including cooperation projects with developing countries;***

Justification

PCD goes beyond the "do-no-harm" principle, implying that possible synergetic effects of EU internal policies with regard to development objectives should be explored. The Commission Communication and Council Conclusions for a Food Security Policy framework highlight the need to involve key stakeholder groups, such as community development groups, farmer organisations and women's associations, in policy making on rural and agricultural development. This could also be supported through transnational exchanges in the context of LEADER projects.

Amendment 180

Proposal for a regulation

Article 42 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Local action groups comprise also existing LEADER-groups already qualified under Leader II¹ or Leader+² or Article 62 of COUNCIL REGULATION (EC) No 1698/2005 (EAFRD)³ provided that these groups fulfil all requirements laid down in Articles 28, 29 and 30 of the Regulation [CPR].

¹ ***Commission notice to the Member States laying down guidelines for global grants or integrated operational programmes for which Member States are invited to submit applications for assistance in the framework of a Community initiative for rural development (Leader II) (OJ C 180, 1.7.1994, p. 48).***

² ***Commission notice to the Member States of 14 April 2000 laying down guidelines for the Community initiative for rural development (Leader+) (OJ C 139, 18.5.2000, p. 5). Notice as last amended by Commission communication amending the notice to the Member States of 14 April 2000 laying down guidelines for the Community Initiative for rural development (Leader+) (OJ C 294, 4.12.2003, p. 11).***

³ ***Council Regulation (EC) No1698/2005***

Amendment 88

Proposal for a regulation

Article 44 – paragraph 2 – point b a (new)

Text proposed by the Commission

Amendment

(ba) bodies that pursue development objectives consistent with the priorities laid down in Article 5 of this Regulation.

Amendment 89

Proposal for a regulation

Article 45 – paragraph 2

Text proposed by the Commission

Amendment

2. Costs for the animation of the territory referred to in Article 31(d) of Regulation (EU) No [CSF/2012] are costs to ***cover actions*** to inform about the local development strategy ***as well as project development tasks.***

2. Costs for the animation of the territory referred to in Article 31(d) of Regulation (EU) No .../2013 [CSF] are costs ***incurred in order to facilitate the exchange between stakeholders***, to inform about ***and to promote*** the local development strategy, ***and to support potential beneficiaries in the development of projects and in the preparation of applications***

Amendment 90

Proposal for a regulation

Article 46

Text proposed by the Commission

Amendment

Article 46

Article 46

Investments

Investments

1. ***In order to be eligible for EAFRD support investment operations shall be preceded by an*** assessment of the expected environmental impact in accordance with ***legislation*** specific to that kind of investment ***where the investment is likely***

1. ***Member States may make the eligibility of investment operations conditional on a prior*** assessment of the expected environmental impact in accordance with ***national and Union law*** specific to that kind of investment. ***Member States may***

to have negative effects on the environment.

2. Eligible expenditure shall be limited to:

- (a) the construction, acquisition, including leasing, or improvement of immovable property;
- (b) the purchase or lease purchase of new machinery and equipment including computing software up to the market value of the asset;
- (c) general costs linked to expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, feasibility studies, the acquisition of patents or licenses.

3. In the case of irrigation, *only* investments *that lead to a reduction of previous water use by at least 25%* shall be considered *as* eligible expenditure. *By way of derogation, in the Member States that adhered to the Union from 2004 onwards investments in new irrigation installations can be considered eligible expenditure in cases where an environmental analysis provides evidence that the investment concerned is sustainable and has no negative environmental impact.*

4. In the case of agricultural investments, the purchase of agricultural production rights, payment entitlements, animals, annual plants and their planting shall not be eligible for investment support. However, in case of restoration of agricultural production potential damaged by natural disasters in accordance with Article 19(1)(b), expenditure for the purchase of animals may be eligible expenditure.

give priority to investments which:

(a) substantially improve the environmental, climate and animal-welfare performance of the holdings;

(b) help to diversify the income sources of farmers; or

(c) consist of joint activities.

2. Eligible expenditure shall be limited to:

- (a) the construction, acquisition, including leasing, or improvement of immovable property;
- (b) the purchase or lease purchase of new machinery and equipment including computing software up to the market value of the asset;
- (c) general costs linked to expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, *fees relating to advice on environmental and economic sustainability , including* feasibility studies, *and* the acquisition of patents or licenses.

3. In the case of irrigation, *new* investments, *including the modernisation of existing systems for the improvement of water use efficiency and energy efficiency*, shall be considered *to be* eligible expenditure. *In areas where river basin management plans, with associated implementation programmes, have been drawn up under Directive 2000/60/EC, those investments shall only be considered to be eligible expenditure if they comply with the environmental objectives of such plans.*

4. In the case of agricultural investments, the purchase of agricultural production rights, payment entitlements, animals, annual plants and their planting shall not be eligible for investment support. However, in case of restoration of agricultural production potential damaged by natural disasters in accordance with Article 19(1)(b), expenditure for the purchase of animals may be eligible expenditure.

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

6. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the conditions under which other costs connected with leasing contracts, second hand equipment and simple replacement investments may be considered as eligible expenditure.

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

6. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the conditions under which other costs connected with leasing contracts, second hand equipment and simple replacement investments may be considered as eligible expenditure.

Amendment 91

Proposal for a regulation Article 49 – paragraph 1

Text proposed by the Commission

1. The Managing Authority of the rural development programme shall define selection criteria for operations under all measures following consultation with the Monitoring Committee. Selection criteria shall aim to ensure ***equal treatment of applicants***, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development. In defining ***selection*** criteria the principle of proportionality shall be taken into account ***in relation to small grants***.

Amendment

1. The Managing Authority of the rural development programme shall define selection criteria for operations under all measures following consultation with the Monitoring Committee. ***The*** selection criteria shall aim to ensure ***that the measures targeting agricultural holdings are applied only to ‘active farmers’ as defined in Regulation (EU) No .../2013 [DP]. Moreover, these criteria shall aim to ensure a*** better use of financial resources and targeting of measures in accordance with the Union priorities for rural development. In defining ***and applying*** these criteria the principle of proportionality shall be taken into account.

Justification

Support through measures targeting agricultural holdings should only benefit ‘active farmers’ as defined by the proposed regulation on CAP direct payments. If this distinction is made in the first pillar, it must also be made in the second pillar.

Amendment 92

Proposal for a regulation Article 50 – paragraph 1

Text proposed by the Commission

For the purposes of this Regulation the Managing Authority shall define "rural area" at programme level.

Amendment

For the purposes of this Regulation the Managing Authority shall define "rural area" at programme level. ***It may also designate various specific areas within a given measure where there is objective justification for so doing.***

Amendment 93

**Proposal for a regulation
Article 51 – paragraph 2**

Text proposed by the Commission

2. A sum of EUR 30 million shall be withdrawn from the allocation referred to in paragraph 1 and used to finance the prize for innovative, local cooperation referred to in Article 56.

Amendment

deleted

Amendment 94

**Proposal for a regulation
Article 51 – paragraph 3 – subparagraph 1**

Text proposed by the Commission

At the initiative of the Member States up to 4% of the total amount of each rural development programme may be devoted to the tasks referred to in Article 52 of Regulation (EC) No [CSF/2012], as well as costs related to preparatory work for the delimitation of areas facing natural constraints referred to in Article 33(3).

Amendment

At the initiative of the Member States up to 4% of the total amount of each rural development programme may be devoted to the tasks referred to in Article 52 of Regulation (EU) No .../2013 [CSF], as well as costs related to preparatory work for the delimitation of areas facing natural ***and other specific*** constraints referred to in Article 33.

Amendment 95

**Proposal for a regulation
Article 52 – paragraph 2 – point a**

Text proposed by the Commission

(a) increase the involvement of stakeholders in the implementation of rural

Amendment

(a) increase the involvement of ***agricultural, forestry and other rural***

development;

stakeholders in the implementation of rural development;

Amendment 96

Proposal for a regulation Article 52 – paragraph 4

Text proposed by the Commission

4. The Commission shall, **by means of implementing acts, set out** the organisational structure and operation of the European network for rural development *network*. **These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 91.**

Amendment

4. The Commission shall **be empowered to adopt delegated acts, in accordance with Article 90, concerning** the organisational structure and operation of the European network for rural development.

Justification

This is not a purely technical decision.

Amendment 97

Proposal for a regulation Article 53

Text proposed by the Commission

Article 53

EIP network

1. A EIP network shall be put in place to support the EIP for agricultural **productivity** and sustainability referred to in Article 61, in accordance with Article 51(1). It shall enable the networking of operational groups, advisory services and researchers
2. The tasks of the EIP network shall be to:
 - (a) provide a help desk function and provide information to key actors concerning the EIP;

(b) animate discussions at the level of the programme in view of encouraging the

Amendment

Article 53

EIP network

1. A EIP network shall be put in place to support the EIP for agricultural **production, economic viability** and sustainability referred to in Article 61, in accordance with Article 51(1). It shall enable the networking of operational groups, advisory services and researchers
2. The tasks of the EIP network shall be to:
 - (a) provide a help desk function and provide information to key actors, **particularly primary producers, those that supply them and those that they supply,** concerning the EIP;

setting up of operational groups;

(c) screen and report on research results and knowledge relevant to the EIP;

(d) collect, consolidate and disseminate good practice relevant to innovation;

(e) organise conferences and workshops and disseminate information in the field of the EIP.

3. The Commission shall, *by means of implementing acts, set out* the organisational structure and operation of the EIP network. *These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 91.*

(d) collect, consolidate and disseminate research findings and new technologies relevant to innovation and knowledge exchange;

(da) establish a dialogue between farmers and the research community.

3. The Commission shall *be empowered to adopt delegated acts, in accordance with Article 90, concerning* the organisational structure and operation of the EIP network.

Amendment 98

Proposal for a regulation Article 54 – paragraph 3

Text proposed by the Commission

3. The Commission shall, *by means of implementing acts, set out* the organisational structure and operation of the European evaluation network for rural development. *These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 91.*

Amendment

3. The Commission shall *be empowered to adopt delegated acts, in accordance with Article 90, concerning* the organisational structure and operation of the European evaluation network for rural development.

Justification

This is not a purely technical decision.

Amendment 99

Proposal for a regulation

Article 55 – paragraph 2 – point c

Text proposed by the Commission

Amendment

(c) inform the broader public and potential beneficiaries on rural development policy;

(c) inform the broader public and potential beneficiaries on rural development policy ***and funding opportunities***;

Amendment 100

Proposal for a regulation

Article 55 – paragraph 2 – point d

Text proposed by the Commission

Amendment

d) foster innovation in agriculture

(d) foster innovation in agriculture ***and forestry***.

Amendment 101

Proposal for a regulation

Article 55 – paragraph 3 – point b – introductory part

Text proposed by the Commission

Amendment

(b) for the preparation and implementation of an action plan ***containing at least*** the following:

(b) for the preparation and implementation of an action plan ***which may contain*** the following:

Amendment 102

Proposal for a regulation

Article 55 – paragraph 3 – point b – point iii

Text proposed by the Commission

Amendment

(iii) support for monitoring, in particular through collection and sharing of relevant feed-back, recommendations and analysis notably from the Monitoring Committees referred to in Article 41 of Regulation (EU) No [CSF/2012]. Local action groups shall also be supported by the national rural network for the monitoring and evaluation of the local development strategies;

deleted

Amendment 103

Proposal for a regulation
Article 55 – paragraph 3 – point b – point v

Text proposed by the Commission

Amendment

(v) collection of examples of projects covering all priorities of the rural development programmes; *deleted*

Amendment 104

Proposal for a regulation
Article 55 – paragraph 3 – point b – point vi

Text proposed by the Commission

Amendment

(vi) ongoing studies and analysis; *deleted*

Amendment 105

Proposal for a regulation
Article 55 – paragraph 3 – point b – point vii

Text proposed by the Commission

Amendment

(vii) networking activities for local action groups and in particular technical assistance for inter-territorial and transnational co-operation, facilitation of co-operation among local action groups and the search of partners for the measure referred to in Article 36; *deleted*

Amendment 106

Proposal for a regulation
Article 55 – paragraph 3 – point b – point vii a (new)

Text proposed by the Commission

Amendment

(vii a) a plan to encourage local digital or physical "one-stop-shops", digital or physical, to make information on rural development programmes and the other CSF Fund programmes locally accessible for potential beneficiaries.

Amendment 107

Proposal for a regulation
Article 55 – paragraph 3 – point c

Text proposed by the Commission

Amendment

c) the setting up of a pre-selection board of independent experts and the process of pre-selection of applications for the prize for innovative local co-operation referred to in Article 58(2).

deleted

Amendment 108

Proposal for a regulation
Article 55 – paragraph 4

Text proposed by the Commission

Amendment

4. The Commission shall, **by means of implementing acts, adopt rules** for the establishment and operation of national rural networks. **These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 91.**

4. The Commission shall **be empowered to adopt delegated acts, in accordance with Article 90, concerning** the establishment and operation of national rural networks.

Justification

This is not a purely technical decision.

Amendment 109

Proposal for a regulation
Article 56

Text proposed by the Commission

Amendment

Article 56

deleted

Prize for innovative, local cooperation in rural areas

The funds referred to in Article 51(2) shall be used for financing the award of a prize to cooperation projects involving at least two entities located in different Member States that realise an innovative, local concept.

Amendment 110

Proposal for a regulation
Article 57

Text proposed by the Commission

Amendment

Article 57

deleted

Call for proposals

1. Starting at the latest in 2015 and every year thereafter the Commission shall launch a call for proposals in view of awarding the prize referred to in Article 56. The last call for proposals shall be launched no later than in 2019.

2. The call for proposals shall indicate a theme for the proposals which shall be related to one of the Union priorities for rural development. The theme shall also be appropriate for implementation through cooperation at transnational level.

3. The call for proposals shall be open to both local action groups and individual entities cooperating for the purpose of the specific project.

Amendment 111

Proposal for a regulation
Article 58

Text proposed by the Commission

Amendment

Article 58

deleted

Selection procedure

1. Applications for the prize shall be submitted by applicants in all Member States to the respective national rural network, which will be responsible for pre-selecting applications.

2. National rural networks shall set up, from within their members, a pre-selection board of independent experts in order to pre-select applications. Pre-selection of applications shall be done on the basis of the exclusion, selection and award criteria defined in the call for proposals. Each National Rural Network

shall pre-select no more than 10 applications and shall transmit them to the Commission.

3. The Commission shall be responsible for the selection of fifty winning projects among the applications pre-selected in all the Member States. The Commission shall set up an ad hoc steering group composed of independent experts. This steering group shall prepare the selection of the winning applications on the basis of the exclusion, selection and award criteria defined in the call for proposals.

4. The Commission shall, by means of an implementing act, decide on the list of projects to which the prize is awarded.

Amendment 112

Proposal for a regulation Article 59

Text proposed by the Commission

Amendment

Article 59

deleted

Financial Prize – conditions and payment

1. In order for projects to be eligible for the prize, the time required for their completion shall not exceed two years from the date of adoption of the implementing act awarding the prize. The time frame of realisation of the project shall be defined in the application.

2. The prize shall be granted in the form of a lump sum payment. The amount of the payment shall be determined by the Commission, by means of implementing acts, in line with criteria defined in the call for proposals and taking into account the estimated cost of realisation of the project indicated in the application. The maximum prize per project shall not exceed 100 000 euro.

3. Member States shall pay the award to winning applicants after verifying that the project has been completed. The relevant expenditure shall be reimbursed by the Union to Member States in accordance

with the provisions of Section 4 of Chapter II of Title IV of Regulation (EU) No HR/2012. Member States may decide to pay fully or partly the sum of the prize to the winning applicants before having verified the completion of the project but they shall, in this case, bear the responsibility for the expenditure until the completion of the project is verified.

Amendment 113

Proposal for a regulation

Article 60

Text proposed by the Commission

Amendment

Article 60

deleted

Rules on the procedure, timetables and setting up of the steering-group

The Commission shall by means of implementing acts lay down detailed provisions on the procedure and timetables for the selection of projects and rules on the setting up of the steering group of independent experts referred to in Article 58(3). These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 91.

Amendment 114

Proposal for a regulation

Title IV

Text proposed by the Commission

Amendment

EIP for agricultural productivity and sustainability

EIP for agricultural **production, economic viability** and sustainability

Amendment 115

Proposal for a regulation
Article 61

Text proposed by the Commission

Article 61

Aims

1. The EIP for agricultural **productivity** and sustainability shall:

(a) promote a resource efficient, productive, low emission, climate friendly and resilient agricultural sector, working in harmony with the essential natural resources on which farming **depends**;

(b) help deliver a steady supply of food, feed and biomaterials, both existing and new ones;

(c) improve processes to preserve the environment, adapt to climate change and mitigate it;

(d) build bridges between cutting-edge research knowledge and technology and farmers, businesses and advisory services.

2. The EIP for agricultural **productivity** and sustainability shall seek to achieve its aims by:

(a) creating added value by better linking research and farming practice and encouraging the wider use of available innovation measures;

(b) promoting the faster and wider transposition of innovative solutions into

Amendment

Article 61

Aims

1. The EIP for agricultural **production, economic viability** and sustainability shall:

(a) promote a resource efficient, productive, **competitive** low emission, climate friendly and resilient agricultural **and forestry** sector, working in harmony with the essential natural resources on which farming **and forestry depend**;

(b) help **to sustainably increase productivity of European agriculture and** deliver a steady supply of food, feed and biomaterials, both existing and new ones;

(c) improve processes to preserve the environment, **promote agro-ecological production systems** adapt to climate change and mitigate it; **and**

(d) build bridges between cutting-edge research knowledge and technology and farmers, **forest managers, rural communities**, businesses, **NGOs** and advisory services.

(da) facilitate the exchange of research, knowledge and technology relevant for agricultural productivity and sustainability between the Union and developing countries, paying particular attention to the needs of smallholder farmers.

2. The EIP for agricultural **production, economic viability** and sustainability shall seek to achieve its aims by:

(a) creating added value by better linking research and farming practice and encouraging the wider use of available innovation measures **through a participatory approach on the part of stakeholders**;

(b) promoting the faster and wider transposition of innovative solutions into

practice; *and*

(c) informing the scientific community about the research needs of farming practice.

3. The EAFRD shall contribute to the aims of the EIP for agricultural **productivity** and sustainability through support, in accordance with Article 36, of the EIP operational groups referred to in Article 62 and the EIP Network referred to in Article 53.

Amendment 116

Proposal for a regulation Article 62

Text proposed by the Commission

Article 62

Operational groups

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

practice;

(c) informing the scientific community about the research needs of farming practice; *and*

(ca) cooperating with relevant networks and institutions in developing countries.

(cb) identifying regulatory bottlenecks impeding innovation and investment in research and development, in accordance with the principles established in the Commission Communications on ‘Better regulation for growth and jobs in the European Union’ and on ‘Smart regulation in the European Union’.

3. The EAFRD shall contribute to the aims of the EIP for agricultural **production, economic viability** and sustainability through support, in accordance with Article 36, of the EIP operational groups referred to in Article 62 and the EIP Network referred to in Article 53.

Amendment

Article 62

Operational groups

1. EIP operational groups shall form part of the EIP for agricultural **production, economic viability** and sustainability. They shall be set up by interested actors such as farmers, researchers, advisors and businesses involved in the agriculture and food sector. ***The formation of an operational group shall be determined by a consensus on the part of stakeholders representing the broad spectrum of interests across the fields of agriculture rural development and research. Operational groups shall not be set up by a single stakeholder or by a group of stakeholders representing only one set of interests. Operational groups can operate within the borders of a Member State,***

2. EIP operational groups shall establish internal procedures that ensure transparency in their operation and avoid situations of conflict of interest.

have members in more than one Member State and in third countries.

2. EIP operational groups shall establish internal procedures that ensure transparency in their operation and avoid situations of conflict of interest.

Amendment 117

Proposal for a regulation Article 63

Text proposed by the Commission

Amendment

Article 63

Article 63

Tasks of operational groups

Tasks of operational groups

1. EIP operational groups shall draw up a plan that contains the following:
 - (a) a description of the innovative project to be developed, tested, adapted or implemented;
 - (b) a description of the expected results and the contribution to the EIP objective of enhancing productivity and sustainable resource management.
2. In implementing their innovative projects operational groups shall:
 - (a) make decisions on the elaboration and implementation of innovative actions; and
 - (b) implement innovative actions through measures financed through the rural development programmes.
3. Operational groups shall disseminate the results of their project, in particular through the EIP network.

1. EIP operational groups shall draw up a plan that contains the following:
 - (a) a description of the innovative project to be developed, tested, adapted or implemented;
 - (b) a description of the expected results and the contribution to the EIP objective of enhancing productivity and sustainable resource management.
2. In implementing their innovative projects operational groups shall:
 - (a) make decisions on the elaboration and implementation of innovative actions; and
 - (b) implement innovative actions through measures financed through the rural development programmes, ***or the Horizon 2020 and other Union research programmes, facilitating the application of research results in practice by farmers.***
3. Operational groups shall disseminate the results of their project, in particular through the EIP network.

Amendment 118

Proposal for a regulation
Article 64

Text proposed by the Commission

Article 64

Resources and their distribution

1. The total amount of Union support for rural development under this Regulation for the period from 1 January 2014 to 31 December 2020, 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 2014 to 2020 and the Interinstitutional Agreement on cooperation in budgetary matters and on sound financial management for the same period.

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

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

4. ***The Commission shall, by means of an implementing act, make an annual breakdown by Member State of the amounts referred to in paragraph 1, after deduction of the amount referred to in paragraph 2 and taking into account the transfer of funds referred to in Article 14(2) of Regulation (EU) No DP/2012. In making the annual breakdown the Commission shall take into account:***

(a) objective criteria linked to the objectives referred to in Article 4; and

(b) past performance.

Amendment

Article 64

Resources and their distribution

1. The total amount of Union support for rural development under this Regulation for the period from 1 January 2014 to 31 December 2020, 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 2014 to 2020 and the Interinstitutional Agreement on cooperation in budgetary matters and on sound financial management for the same period.

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

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

4. The annual breakdown by Member State of the amounts referred to in paragraph 1, after deduction of the amount referred to in paragraph 2 and taking into account the transfer of funds referred to in Article 14(2) of Regulation (EU) No .../2013 [DP] ***is set out in Annex Ia.***

4a. The Commission shall be empowered to adopt delegated acts, in accordance with Article 90, modifying, where necessary, Annex Ia in order to include

the funds transferred to the EAFRD pursuant to Article 7(2) and Article 14 of Regulation (EU) No .../2013 [DP].

5. In addition to the amounts referred to in paragraph 4, the implementing act referred to in the same paragraph shall also include the funds transferred to the EAFRD in application of Articles 7(2) and 14(1) of Regulation (EU) No DP/2012 and the funds transferred to the EAFRD in application of Articles 10b and 136 of Council Regulation (EC) No 73/2009 in respect of calendar year 2013.

6. For the purposes of the allocation of the performance reserve referred to in Article 20(2) of Regulation (EU) No [CSF/2012], available assigned revenue collected in accordance with Article 45 of Regulation (EU) No HR/2012 for the EAFRD shall be added to the amounts referred to in Article 18 of Regulation (EU) No [CSF/2012]. It shall be allocated to Member States proportionally to their share of the total amount of support from the EAFRD.

6. The available assigned revenue collected in accordance with Article 45 of Regulation (EU) No .../2013 [HR] for the EAFRD shall be allocated to Member States proportionally to their share of the total amount of support from the EAFRD.

(Commission text in paragraph 5 of Article 64 replaced with text from COM(2012)0553))

Amendment 119

Proposal for a regulation Article 65

Text proposed by the Commission

Article 65

Fund contribution

1. The decision approving a rural development programme shall set the maximum contribution from the EAFRD to the programme. The decision shall clearly identify, where necessary, the appropriations allocated to the less developed regions.
2. The EAFRD contribution shall be calculated on the basis of the amount of eligible public expenditure.
3. The rural development programmes

Amendment

Article 65

Fund contribution

1. The decision approving a rural development programme shall set the maximum contribution from the EAFRD to the programme. The decision shall clearly identify, where necessary, the appropriations allocated to the less developed regions.
2. The EAFRD contribution shall be calculated on the basis of the amount of eligible public expenditure.
3. The rural development programmes

shall establish a single EAFRD contribution rate applicable to all measures. Where applicable, a separate EAFRD contribution rate shall be established for less developed regions, and for outermost regions and the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93. The maximum EAFRD contribution rate shall be:

(a) 85% of the eligible public expenditure in the less developed regions, the outermost regions and the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93 ;

(b) 50% of the eligible public expenditure in the other regions.

The minimum EAFRD contribution rate shall be 20%.

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

(a) 80% for the measures referred to in Articles 15, 28 and 36, for the LEADER local development referred to in Article 28 of Regulation (EU) No [CSF/2012] and for operations under Article 20(1)(a)(i). It may be increased to 90% for the programmes of less developed regions, the outermost regions and the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93;

(b) 100% for operations receiving funding under Article 66.

shall establish a single EAFRD contribution rate applicable to all measures. Where applicable, a separate EAFRD contribution rate shall be established for less developed regions, and for outermost regions and the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93. The maximum EAFRD contribution rate shall be:

(a) 85% of the eligible public expenditure in the less developed regions, the outermost regions and the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93;

(b) 50% of the eligible public expenditure in the other regions.

The minimum EAFRD contribution rate shall be 20%.

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

(a) 80% for the measures referred to in Articles 15, 28 and 36, for the LEADER local development referred to in Article 28 of Regulation (EU) No .../2013 [CSF] and for operations under Article 20(1)(a)(i). It may be increased to 90% for the programmes of less developed regions, the outermost regions and the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93;

(c) 55 % for the agri-environment-climate measures referred to in Article 29. It may be increased to 90 % for the programmes of less developed regions, outermost regions and smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93.

By way of derogation from paragraph 3 (b), in order to ensure coherence with the level of co-financing rates of other CSF-Funds in transition regions, Member States may increase the maximum EAFRD contribution for measures run

under the multi-funds approach in programmes implemented in transition regions as defined in Article 82(2) of Regulation (EU) No .../2013 [CSF].

By way of derogation from paragraph 3, the funds transferred to the EAFRD in application of Article 14 of Regulation (EU) No .../2013 [DP] may be subject to a 95 % EAFRD contribution rate if a Member State fulfils one of the following conditions:

(i) Union financial assistance is made available to it under Council Regulation (EU) No 407/2010 of 11 May 2010 establishing a European financial stabilisation mechanism¹;

(ii) medium-term financial assistance is made available to it in accordance with Council Regulation (EC) No 332/2002 of 18 February 2002 establishing a facility providing medium-term financial assistance for Member States' balances of payments²; or

(iii) financial assistance in the form of an ESM loan is made available to it in accordance with the Treaty establishing the European Stability Mechanism.

4a. The funds derived from the application of Article 14(1a) of Regulation (EU) No .../2013 [DP] shall be reserved for measures under Article 29.

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

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

5a. At least 25% of the total EAFRD contribution to the rural development programme shall be reserved for measures under Articles 29 and 30.

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

6. An expenditure co-financed by the EAFRD shall not be co-financed by way of a contribution from the Structural Funds, the Cohesion Fund or any other Union financial instrument. *This shall not restrict or prevent programming that combines, in a coherent, integrated way, the support by different CSF funds which may be*

necessary to achieve the thematic objectives in Article 9 of Regulation (EU) No .../2013 [CSF].

6a. The national contribution to the eligible public expenditure may be replaced by non-commercial private contributions.

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

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

¹ *OJ L 118, 12.5.2010, p.1.*

² *OJ L 53, 23.2.2002, p. 1.*

(Commission text in paragraph 5 of Article 65 replaced with text from COM(2012)0553))

Amendment 120

Proposal for a regulation Article 66

Text proposed by the Commission

Amendment

Article 66

deleted

Funding for operations with a significant contribution to innovation

The funds transferred to the EAFRD in application of Article 7(2) of Regulation (EU) No DP/2012 shall be reserved for operations which provide a significant contribution to innovation relevant to agricultural productivity and sustainability, including climate mitigation or adaptation.

Amendment 121

Proposal for a regulation Article 67 – paragraph 2 – subparagraph 1

Text proposed by the Commission

Amendment

Expenditure shall be eligible for an EAFRD contribution only where incurred for operations decided upon by the Managing Authority of the programme in

Expenditure shall be eligible for an EAFRD contribution only where incurred for operations decided upon by the Managing Authority of the programme in

question or under its responsibility, in accordance with selection criteria referred to in Article 49.

question or under its responsibility, in accordance with selection criteria referred to in Article 49, ***with the exception of proposals presented during the transition period between the two programmes, to avoid any hiatus likely to obstruct investment.***

Amendment 181

Proposal for a regulation Article 67 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. Concerning expenditure, VAT amounts shall be eligible where they are not recoverable under national VAT legislation.

Amendment 122

Proposal for a regulation Article 69 – paragraph 2

Text proposed by the Commission

Amendment

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

2. Where aid is granted on the basis of standard costs or additional costs and income foregone, Member States shall ensure that the relevant calculations are adequate and accurate and established in advance on the basis of a fair, equitable and verifiable calculation. To this end, a body that is independent from the authorities responsible for the calculations and possesses the appropriate expertise shall provide a certificate confirming the adequacy and accuracy of the calculations. That certificate shall be included in the rural development programme. ***The Commission shall ensure, before approving programmes, that all relevant elements are included in the calculations, that the main assumptions are reasonable and that the main parameters are appropriate.***

Justification

This modification reflects the problems identified by the Court as regards problems in the establishment of aid amounts (see paragraph 97 in Special Report 7/2011).

Amendment 183

Proposal for a regulation
Article 70 – paragraph -1 (new)

Text proposed by the Commission

Amendment

-1. Beneficiaries of support, including local action groups, may request the payment of an advance of up to 50% of public support if that option is included in the rural development programme.

Amendment 123

Proposal for a regulation
Article 73 – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) providing the Commission, on ***a quarterly*** basis, with relevant indicator data on operations selected for funding, including ***key characteristics of the beneficiary as well as the project***;

(b) providing the Commission, on ***an annual*** basis, with relevant indicator data on operations selected for funding, including ***information about output indicators and financial indicators***;

Justification

A quarterly report leads to an enormous increase of administration, which disagrees with all efforts to simplify.

Amendment 124

Proposal for a regulation
Article 73 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Where a Member State has more than one programme, a coordinating body may be designated with the purpose of at least ensuring consistency in the management of the funds and of providing a link

between the Commission and the national management authorities.

Justification

As proposed in recital 5 of Regulation 1290/2005 on the financing of the common agricultural policy, it is important to recognise the need for a body coordinating the paying agencies.

Amendment 125

Proposal for a regulation
Article 75 – point a

Text proposed by the Commission

(a) to **demonstrate** the progress and achievements of rural development policy and assess the impact, effectiveness, efficiency and relevance of rural development policy interventions;

Amendment

(a) to **evaluate critically and objectively** the progress and achievements of rural development policy and assess the impact, effectiveness, efficiency and relevance of rural development policy interventions;

Justification

The original wording is too prescriptive.

Amendment 126

Proposal for a regulation
Article 76 – paragraph 1

Text proposed by the Commission

1. A list of common indicators relating to the initial situation as well as to the financial execution, outputs, results **and impact** of the programme and applicable to each programme shall be specified in the monitoring and evaluation system provided for in Article 74 to allow for aggregation of data at Union level.

Amendment

1. A list of common indicators relating to the initial situation as well as to the financial execution, outputs **and** results of the programme and applicable to each programme shall be specified in the monitoring and evaluation system provided for in Article 74 to allow for aggregation of data at Union level.

Amendment 127

Proposal for a regulation
Article 78 – paragraph 1

Text proposed by the Commission

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

Amendment

Beneficiaries of support under rural development measures and local action groups shall undertake to provide to the Managing Authority and/or to appointed evaluators or other bodies delegated to perform functions on its behalf, all the information necessary to permit monitoring and evaluation of the programme, in particular in relation to meeting specified objectives and priorities, ***ensuring that the rights to confidentiality and to the protection of personal data enshrined in national and Union law are respected.***

Amendment 128

Proposal for a regulation

Article 81 – paragraph 1 – point b

Text proposed by the Commission

(b) shall examine the ***activities and outputs related to the*** evaluation plan ***of the programme;***

Amendment

(b) shall examine the evaluation plan ***presented by the Managing Authority and progress in its implementation.***

Amendment 129

Proposal for a regulation

Article 82 – paragraph 1

Text proposed by the Commission

1. By ***31 May*** 2016 and by ***31 May*** each subsequent year until and including ***2023***, the Member State shall submit to the Commission an annual implementation report on implementation of the rural development programme in the previous calendar year. The report submitted in 2016 shall cover the calendar years 2014 and 2015.

Amendment

1. By ***30 June*** 2016 and by ***30 June*** each subsequent year until and including ***2022***, the Member State shall submit to the Commission an annual implementation report on implementation of the rural development programme in the previous calendar year. The ***final implementation report shall be submitted by the Member State by 31 December 2023.*** The report submitted in 2016 shall cover the calendar years 2014 and 2015

Amendment 130

Proposal for a regulation Article 85

Text proposed by the Commission

In 2023, an ex post evaluation report shall be prepared by the Member States for each of their rural development programmes. This report shall be **submitted to the Commission** by 31 December 2023 at the latest.

Amendment

In 2023, an ex post evaluation report shall be prepared by the Member States for each of their rural development programmes. This report shall be **completed** by 31 December 2023 at the latest.

Amendment 131

Proposal for a regulation Article 88 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Where Articles 107, 108 and 109 TFEU are applicable, the Commission shall be empowered to adopt delegated acts, in accordance with Article 90, concerning provisions for exempting from state aid rules all measures pursuant to this Regulation that do not fall within the scope of Article 42 TFEU.

Amendment 132

Proposal for a regulation Article 89 – title

Text proposed by the Commission

Additional national financing

Amendment

Additional national financing **and aid that does not fall within the scope of Article 42 TFEU**

Amendment 133

Proposal for a regulation Article 89 – paragraph 1

Text proposed by the Commission

Payments made by the Member States in

Amendment

Payments made by the Member States in

relation to operations falling within the scope of Article 42 *of the Treaty* and intended to provide additional financing for rural development for which Union support is granted, shall be notified by Member States and approved by the Commission in accordance with this Regulation as part of the programming referred to in Article 7. When assessing these payments, the Commission shall apply, by way of analogy, the criteria established for the application of Article 107 *of the Treaty*. The Member State concerned shall not put its proposed additional financing for rural development into effect until it has been approved.

relation to operations falling within the scope of Article 42 *TFEU* and intended to provide additional financing for rural development for which Union support is granted, ***and payments made by the Member States in relation to operations which do not fall within the scope of Article 42 TFEU***, shall be notified by Member States and approved by the Commission in accordance with this Regulation as part of the programming referred to in Article 7. When assessing these payments, the Commission shall apply, by way of analogy, the criteria established for the application of Article 107 *TFEU*. The Member State concerned shall not put its proposed additional financing for rural development into effect until it has been approved.

Amendment 134

Proposal for a regulation Article 90 – paragraph 2

Text proposed by the Commission

2. The power to adopt delegated acts referred to in this Regulation shall be conferred on the Commission for ***an indeterminate*** period of ***time from the date of*** entry into force of this Regulation.

Amendment

2. The power to adopt delegated acts referred to in this Regulation shall be conferred on the Commission for ***a*** period of ***five years from the*** entry into force of this Regulation. ***The Commission shall draw up a report in respect of the delegation of power no later than nine months before the end of the five-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.***

Justification

The European Parliament should actively confirm the delegation of powers to the Commission and, in case of doubt, should not have to fight to reclaim its own legislative rights.

Amendment 135

Proposal for a regulation
ANNEX I – Article 18(3)

Text proposed by the Commission

18(3)	Investment in physical assets	<p>50 %</p> <p>75 %</p> <p>65 %</p> <p>40 %</p> <p>50 %</p> <p>75 %</p>	<p><u>Agricultural sector</u></p> <p>Of the amount of eligible investment in less developed regions</p> <p>Of the amount of eligible investment in outermost regions</p> <p>Of the amount of eligible investment in the smaller Aegean islands</p> <p>Of the amount of eligible investment in other regions</p> <p>The above rates may be increased by 20 %, provided that maximum combined support does not exceed 90 %, for:</p> <ul style="list-style-type: none"> - Young farmers setting up - Collective investments and integrated projects - Areas facing natural constraints as referred to in Article 33. - Operations supported in the framework of the EIP <p><u>Processing and marketing of Annex I products</u></p> <p>Of the amount of eligible investment in less developed regions</p> <p>Of the amount of eligible investment in outermost regions</p> <p>Of the amount of eligible investment in the smaller Aegean islands</p> <p>Of the amount of eligible investment in other regions</p>
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		65 % 40 %	The above rates may be increased by 20 %, provided that maximum combined support does not exceed 90 %, for operations supported in the framework of the EIP
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Amendment

18(3)	Investment in physical assets	50 % 75 % 75 % 40 %	<p><u>Agricultural sector</u></p> <p>Of the amount of eligible investment in less developed regions</p> <p>Of the amount of eligible investment in outermost regions</p> <p>Of the amount of eligible investment in the smaller Aegean islands</p> <p>Of the amount of eligible investment in other regions</p> <p>The above rates may be increased by 20 %, provided that maximum combined support does not exceed 90 %, for:</p> <ul style="list-style-type: none"> - Young farmers setting up - Collective investments and integrated projects - Areas facing natural constraints as referred to in Article 33. - Operations supported in the framework of the EIP - <i>Organic farmers</i> - <i>measures to fulfil Natura 2000 and the Water Framework Directive</i>
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			<p>- Agri-environmental schemes</p> <p><u>Processing and marketing of Annex I products</u></p> <p>Of the amount of eligible investment in less developed regions</p> <p>Of the amount of eligible investment in outermost regions</p> <p>Of the amount of eligible investment in the smaller Aegean islands</p> <p>Of the amount of eligible investment in other regions</p> <p>The above rates may be increased by 20 %, provided that maximum combined support does not exceed 90 %, for operations supported in the framework of the EIP <i>and in collective investments and integrated projects</i></p>
		50 %	
		75 %	
		75 %	
		40 %	

Amendment 136

Proposal for a regulation ANNEX I – Article 24(3)

Text proposed by the Commission

24(3)	Establishment of agro-forestry systems	80 %	Of the amount of eligible investment for the establishment of agro-forestry systems
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Amendment

24(3)	Establishment of agro-forestry systems	100 %	Of the amount of eligible investment for the establishment of
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			agro-forestry systems
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Amendment 137

**Proposal for a regulation
ANNEX I – Article 27(5)**

Text proposed by the Commission

27(5)	Investments in new forestry technologies and in processing and marketing of forestry products	50 %	Of the amount of eligible investment in less developed regions
		75 %	Of the amount of eligible investment in outermost regions
		65 %	Of the amount of eligible investment in the smaller Aegean islands
		40 %	Of the amount of eligible investment in other regions

Amendment

27(5)	Investments in new forestry technologies and in processing and marketing of forestry products	50 %	Of the amount of eligible investment in less developed regions
		75 %	Of the amount of eligible investment in outermost regions
		75 %	Of the amount of eligible investment in the smaller Aegean islands
		40 %	Of the amount of eligible investment in other regions

Amendment 138

**Proposal for a regulation
ANNEX I – Article 32(3)**

Text proposed by the Commission

Art. 32(3)	Payments to areas facing natural or other specific constraints	25	Minimum per ha per year
		250(*)	Maximum per ha per year
		300(*)	Maximum per ha per year in mountain

			areas as defined in Article 46(2)
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Amendment

Art. 32(3)	Payments to areas facing natural or other specific constraints	25 250(*) 450(*)	Minimum per ha per year Maximum per ha per year Maximum per ha per year in mountain areas as defined in Article 46(2)
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Amendment 139

**Proposal for a regulation
Annex I a**

Text proposed by the Commission

Amendment

ANNEX Ia

National envelopes referred to in Article 64

(in million EUR)

	2014	2015	2016	2017	2018	2019	2020
<i>Belgium</i>	73.838	73.838	73.838	73.838	73.838	73.838	73.838
<i>Bulgaria</i>	400.215	400.215	400.215	400.215	400.215	400.215	400.215
<i>Czech Republic</i>	432.820	432.820	432.820	432.820	432.820	432.820	432.820
<i>Denmark</i>	87.536	87.536	87.536	87.536	87.536	87.536	87.536
<i>Germany</i>	1.355.922	1.355.922	1.355.922	1.355.922	1.355.922	1.355.922	1.355.922
<i>Estonia</i>	109.623	109.623	109.623	109.623	109.623	109.623	109.623
<i>Ireland</i>	377.842	377.842	377.842	377.842	377.842	377.842	377.842
<i>Greece</i>	595.667	595.667	595.667	595.667	595.667	595.667	595.667
<i>Spain</i>	1.219.781	1.219.781	1.219.781	1.219.781	1.219.781	1.219.781	1.219.781
<i>France</i>	1.148.806	1.148.806	1.148.806	1.148.806	1.148.806	1.148.806	1.148.806
<i>Italy</i>	1.361.055	1.361.055	1.361.055	1.361.055	1.361.055	1.361.055	1.361.055
<i>Cyprus</i>	24.926	24.926	24.926	24.926	24.926	24.926	24.926
<i>Latvia</i>	159.703	159.703	159.703	159.703	159.703	159.703	159.703
<i>Lithuania</i>	267.461	267.461	267.461	267.461	267.461	267.461	267.461
<i>Luxembourg</i>	14.383	14.383	14.383	14.383	14.383	14.383	14.383
<i>Hungary</i>	584.679	584.679	584.679	584.679	584.679	584.679	584.679

<i>Malta</i>	<i>11.762</i>	<i>11.762</i>	<i>11.762</i>	<i>11.762</i>	<i>11.762</i>	<i>11.762</i>	<i>11.762</i>
<i>Netherlands</i>	<i>89.850</i>	<i>89.850</i>	<i>89.850</i>	<i>89.850</i>	<i>89.850</i>	<i>89.850</i>	<i>89.850</i>
<i>Austria</i>	<i>609.744</i>	<i>609.744</i>	<i>609.744</i>	<i>609.744</i>	<i>609.744</i>	<i>609.744</i>	<i>609.744</i>
<i>Poland</i>	<i>2.029.504</i>	<i>2.029.504</i>	<i>2.029.504</i>	<i>2.029.504</i>	<i>2.029.504</i>	<i>2.029.504</i>	<i>2.029.504</i>
<i>Portugal</i>	<i>614.811</i>	<i>614.811</i>	<i>614.811</i>	<i>614.811</i>	<i>614.811</i>	<i>614.811</i>	<i>614.811</i>
<i>Romania</i>	<i>1.435.645</i>	<i>1.435.645</i>	<i>1.435.645</i>	<i>1.435.645</i>	<i>1.435.645</i>	<i>1.435.645</i>	<i>1.435.645</i>
<i>Slovenia</i>	<i>138.743</i>	<i>138.743</i>	<i>138.743</i>	<i>138.743</i>	<i>138.743</i>	<i>138.743</i>	<i>138.743</i>
<i>Slovakia</i>	<i>302.467</i>	<i>302.467</i>	<i>302.467</i>	<i>302.467</i>	<i>302.467</i>	<i>302.467</i>	<i>302.467</i>
<i>Finland</i>	<i>326.416</i>	<i>326.416</i>	<i>326.416</i>	<i>326.416</i>	<i>326.416</i>	<i>326.416</i>	<i>326.416</i>
<i>Sweden</i>	<i>291.736</i>	<i>291.736</i>	<i>291.736</i>	<i>291.736</i>	<i>291.736</i>	<i>291.736</i>	<i>291.736</i>
<i>United-Kingdom</i>	<i>362.465</i>	<i>362.465</i>	<i>362.465</i>	<i>362.465</i>	<i>362.465</i>	<i>362.465</i>	<i>362.465</i>

Amendment 140

Proposal for a regulation Annex II

Text proposed by the Commission

Amendment

Annex deleted

Amendment 141

Proposal for a regulation ANNEX III – Thematic sub-programme 1 – point 1 a (new)

Text proposed by the Commission

Amendment

***Public-private partnerships to facilitate
generational transition***

Justification

One of the major issues young farmers face when deciding to start their activity is the expenses and administrative hurdles of taking over the farming activities of their elder. These different elements difficult generational transition and are among the reasons why average age of farmers is above 50 years in the EU. Facilitating generational transition through public-private partnerships should be integrated within the indicative list of measures and operations of particular relevance to thematic sub-programmes in order to take this element into consideration when developing the rural development tools at national level.

Amendment 142

Proposal for a regulation

Annex V – section 3

Text proposed by the Commission

Article 17 Quality schemes for agricultural products and foodstuffs

Article 32 -33 Payments to areas facing natural or other specific constraints

Amendment

Article 17 Quality schemes for agricultural products and foodstuffs

Article 32 -33 Payments to areas facing natural or other specific constraints

Article 34 Animal welfare

Justification

Farmers producing with good welfare respond to market demands and can get a premium price for their products, improving their competitiveness. They need to be supported to convert into these systems of production.