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INFORMATION NOTE

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

Subject: Proposal for a Regulation of the European Parliament and of the Council laying down certain transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and amending Regulation (EU) No [RD] as regards resources and their distribution in respect of the year 2014 and amending Council Regulation (EC) No 73/2009 and Regulations (EU) No [DP], (EU) No [HZ] and (EU) No [sCMO] as regards their application in the year 2014
- Outcome of the European Parliament's first reading
(Strasbourg, 18 to 21 November 2013)

I. INTRODUCTION

The Committee on Agriculture and Rural Development initially submitted 40 amendments to the proposal for a Regulation (amendments 1-40).

In accordance with the provisions of Article 294 of the TFEU and the joint declaration on practical arrangements for the codecision procedure¹, a number of informal contacts then took place between the Council, the European Parliament and the Commission with a view to reaching an agreement on this dossier at first reading, thereby avoiding the need for second reading and conciliation.

¹ OJ C 145, 30.6.2007, p.5

In this context, the Committee on Agriculture and Rural Development submitted a further compromise amendment (amendment 41). This amendment had been agreed during the informal contacts referred to above. It was intended to replace - rather than complement - the Committee's initial 40 amendments.

II. VOTE

When it voted on 20 November 2013, the plenary adopted the compromise amendment 41. No other amendments were adopted.

The Commission's proposal as thus amended constitutes the Parliament's first-reading position, which is contained in its legislative resolution as set out in the Annex hereto ¹.

The Parliament's position reflects what had been previously agreed between the institutions. The Council should therefore be in a position to approve the Parliament's position.

The act would then be adopted in the wording which corresponds to the Parliament's position.

¹ The version of the Parliament's position in the legislative resolution has been marked up to indicate the changes made by the amendments to the Commission's proposal. Additions to the Commission's text are highlighted in *bold and italics*. The symbol "■" indicates deleted text.

Transitional provisions on support for rural development *I**

European Parliament legislative resolution of 20 November 2013 on the proposal for a regulation of the European Parliament and of the Council laying down certain transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and amending Regulation (EU) No [RD] as regards resources and their distribution in respect of the year 2014 and amending Council Regulation (EC) No 73/2009 and Regulations (EU) No [DP], (EU) No [HR] and (EU) No [sCMO] as regards their application in the year 2014 (COM(2013)0226 – C7-0104/2013 – 2013/0117(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2013)0226),
 - having regard to Article 294(2) and Article 43(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0104/2013),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 19 September 2013¹,
 - having regard to the undertaking given by the Council representative by letter of 28 October 2013 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Agriculture and Rural Development and the opinion of the Committee on Budgets (A7-0326/2013),
1. Adopts its position at first reading hereinafter set out;
 2. Takes note of the Commission statement annexed to this resolution;
 3. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 4. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ Not yet published in the Official Journal.

Position of the European Parliament adopted at first reading on xx November 2013 with a view to the adoption of Regulation (EU) No .../2013 of the European Parliament and of the Council laying down certain transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and amending Regulation (EU) No [RD] as regards resources and their distribution in respect of the year 2014 and amending Council Regulation (EC) No 73/2009 and Regulations (EU) No [DP], (EU) No [HR] and (EU) No [sCMO] as regards their application in the year 2014*

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the European Commission,

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

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure³,

Whereas:

- (1) Regulation (EU) No [RD] of the European Parliament and of the Council of... on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)⁴, which is to apply from 1 January 2014, lays down rules governing Union support for rural development and repeals Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)⁵, without prejudice to the continued application of the Regulations implementing that Regulation until they are repealed by the Commission. To facilitate the transition from existing support schemes under Regulation (EC) No 1698/2005 to the new legal framework which covers the programming period starting on 1 January 2014 ("the new programming period"), transitional rules should be adopted to avoid any difficulties or delays in the implementation of rural development support, which may result from the time of adoption of the new rural development programs. For that reason, Member States ***should be allowed to*** continue to undertake legal commitments under their existing rural development programs in 2014 for certain measures and ■ the resulting expenditure ***should*** be eligible for support in the new programming period.
- (2) In view of the substantial change in the method for the delimitation of areas facing significant natural constraints proposed for the forthcoming programming period, ■ the obligation for the

* TEXT HAS NOT YET UNDERGONE LEGAL-LINGUISTIC FINALISATION.

¹ OJ C , , p.

² OJ C , , p.

³ Position of the European Parliament of 20 November 2013.

⁴ OJ L [...], [...], p. [...].

⁵ OJ L 277, 21.10.2005, p. 1.

farmer to continue farming in the area for 5 years *should* not apply *for new legal commitments undertaken in 2014*.

- (3) To ensure legal certainty in the transition, *certain* expenditure undertaken pursuant to Regulation (EC) No 1698/2005 ■ should be eligible for an EAFRD contribution in the new programming period when there are still payments to be made. *This provision should also cover certain long-term commitments under similar measures provided for in Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations¹, in Council Regulation (EEC) No 2078/1992 of 30 June 1992 on agricultural production methods compatible with the requirements of the protection of the environment and the maintenance of the countryside² and in Council Regulation (EEC) No 2080/1992 of 30 June 1992 instituting a Community aid scheme for forestry measures in agriculture³ where these measures were receiving support under Regulation 1698/2005 and there are still payments to be made in 2014*. In the interest of sound financial management and effective programme implementation, such expenditure should be clearly identified in the rural development programmes and throughout the management and control systems of the Member States. In order to avoid unnecessary complexity in the financial management of rural development programmes in the new programming period, ■ the co-financing rates of the new programming period *should* apply to transitional expenditure.
- (3a) *In view of the serious difficulties that a number of Member States still face with respect to their financial stability, and in order to limit, during the transition from the current to the forthcoming programming period, the negative effects resulting therefrom by allowing for maximum utilisation of the EAFRD funds available, it is necessary to extend the duration of the derogation increasing the maximum EAFRD contribution rates provided for in Article 70(4c) of Council Regulation (EC) No 1698/2005 until the final date of eligibility of expenditure for the 2007-2013 programming period, on 31 December 2015.*
- (4) Regulation (EU) No of the European Parliament and of Council of... establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy [DP]⁴ sets up new support schemes and is to apply from 1 January 2014. That date of application would not allow that the administrative and practical arrangements needed for the lodging of applications for 2014 are set up in time. For that reason, the application of the new direct payments regime needs to be postponed by one year. Council Regulation (EC) No 73/2009 of 19 January 2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers ■⁵ should therefore continue to form the basis on which to grant income support for farmers in calendar year 2014, while taking due account of [Regulation laying down the Multiannual Financial Framework]⁶.
- (5) Given that Regulation (EC) No 73/2009 is to continue to apply in 2014 and in order to ensure consistency in the implementation of the provisions on cross-compliance and the respect of the

¹ OJ L 160, 26.6.1999, p. 80.

² OJ L 215, 30.7.1992, p. 85.

³ OJ L 215, 30.7.1992, p. 96.

⁴ OJ L [...], [...], p. [...].

⁵ OJ L 30, 31.1.2009, p. 16.

⁶ OJ L [...], [...], p. [...].

standards required by certain measures, it should be provided that the relevant provisions that apply in the 2007-2013 programming period continue to apply until the new legislative framework becomes applicable. For the same reasons, it should be provided that the provisions relating to complementary national direct payments for Croatia that apply in 2013 continue to apply.

- (6) **Article 76 of Regulation (EU) No [HR] of the European Parliament and the Council¹ provides for the possibility of Member States** to pay advances for the direct payments. Under Regulation (EC) No 73/2009 such possibility needs to be authorised by the Commission. Experience in the implementation of direct support schemes shows that it is appropriate to allow for farmers to receive advance payments. As regard applications made in 2014, those advances should be limited to up to 50% of the support schemes listed in Annex I to Regulation (EC) No 73/2009 and to up to 80% of the beef and veal payment.
- (7) In order to respect [Regulation laying down the Multiannual Financial Framework], and in particular the levelling of the amount available for granting direct support to farmers as well as the external convergence mechanism, it is necessary to modify the national ceilings fixed in Annex VIII to Regulation (EC) No 73/2009 for 2014. The modification of the national ceilings will inevitably have an impact on the amounts that individual farmers may receive as direct payments in 2014. The way in which this modification will impact on the value of payment entitlements and the level of other direct payments should therefore be laid down. ***In order to take account of the situation of smaller farmers, especially since in 2014 no modulation or adjustment mechanism including in particular a franchise of EUR 5000 is applicable, Member States not granting a redistributive payment and not opting for transferring funds to the second pillar via the flexibility mechanism should be allowed not to reduce the value of all payment entitlements.***
- (8) ***Certain provisions*** of Regulation (EC) No 73/2009, in particular as regards the elements covered by the figures set out in Annex VIII to that Regulation and the link with the possibility given to Member States to use the funds unspent in the single payment scheme to finance the specific support, ***should be clarified on the basis of experience gained in the financial implementation of that Regulation.***
- (9) Under Regulation (EC) No 73/2009, Member States had the possibility to decide to use a certain percentage of their national ceiling for specific support for their farmers as well as to review a previous decision by deciding to modify, or put an end to, such support. It is appropriate to provide for an additional review of those decisions with effect from calendar year 2014. At the same time, the special conditions under which the specific support is paid in some Member States pursuant Article 69(5) of Regulation (EC) No 73/2009, which are due to expire in 2013, need to be extended for one more year, in order to avoid disruption in the degree of support. ***In view of the introduction of the voluntary coupled support that will be available as from 1 January 2015 for certain sectors or regions in clearly defined cases, it is appropriate to allow Member States to increase in 2014 the level of certain types of specific support under Article 68 of Regulation (EC) No 73/2009 to 6.5%.***
- (9a) ***Taking into account that the unitary support to farmers with smaller holdings has to be sufficient in order to achieve the objective of income support effectively, and that in 2014 no modulation or adjustment mechanism including in particular a franchise of EUR 5000 is applicable, Member States should be allowed already in 2014 to redistribute direct support between farmers by granting them an extra payment for the first hectares.***

¹ OJ L [...], [...], p. [...].

- (10) The single area payment scheme laid down in Regulation (EC) No 73/2009 has a transitional nature and was due to end on 31 December 2013. ***In the context of the CAP reform, it was decided that Member States applying this scheme should be allowed to apply it for the purpose of granting the basic payment for a further transitional period until the end of 2020 at the latest. Therefore, the period of application of the single area payment scheme in Regulation (EC) No 73/2009 should be extended by one year . Moreover, in order to take account of ongoing land restructuring and for reasons of simplification, the eligible agricultural area in those Member States should also include those eligible areas which were not in good agricultural condition on 30 June 2003, as will be the the case from 1 January 2015 under Regulation (EU) No [DPR].***
- (10a) ***In accordance with Article 133a of Regulation (EC) 73/2009, new Member States other than Bulgaria and Romania applying the single area payment scheme may grant transitional national aid in 2013. In view of the prolongation of the single area payment scheme for the year 2014, Member States applying the single area payment scheme should maintain the possibility to grant transitional national aid to farmers in 2014. In view of the level of complementary national direct payments under Article 132 of Regulation (EC) 73/2009 in Bulgaria and Romania in 2014, those Member States should be able to opt for transitional national aid in 2014 instead of granting complementary national direct payments.***
- (10b) ***Transitional national aid is to be granted under the same conditions as the conditions applied to this aid in 2013 or, in the case of Bulgaria and Romania, under the same conditions as the conditions applied to complementary national direct payments in 2013. However, in order to simplify the management of the transitional national aid in 2014, the reductions referred to in Article 132(2) in conjunction with Articles 7 and 10 of Regulation (EC) 73/2009 should not be applied. Furthermore, in order to ensure the compatibility of the transitional national aid with the convergence mechanism, the maximum level of aid per sector shall be limited by a certain percentage. In view of the difficult financial situation in Cyprus, certain adaptations should be provided for that Member State.***
- (11) With a view to allowing Member States to address the needs of their agricultural sectors or to strengthen their rural development policy in a more flexible way, they should be given the possibility to transfer funds from their direct payments ceilings to their support assigned for rural development and from the ***support*** assigned for rural development to their direct payments ceilings. At the same time, Member States where the level of direct support remains lower than 90 % of the Union average level of support should be given the possibility to transfer additional funds from their support assigned for rural development to their direct payments ceilings. Such choices should be made, within certain limits, **■** for the whole period of financial years 2015-2020, ***with the possibility of review in 2017.***
- (12) **■** 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 policy¹ ***provided for the repeal of*** Council Directive 80/68/EEC of 17 December 1979 on the protection of groundwater against pollution caused by certain dangerous substances² ***with effect*** from 22 December 2013. In order to maintain the ***same*** rules under cross -compliance related to protection of groundwater ***as laid down in Directive 80/68/EEC on the last day of its validity***, it is appropriate to adjust the scope of cross-compliance and to define a standard of good agricultural and environmental condition encompassing the requirements of Articles 4 and 5 of ***that*** Directive **■** .

¹ OJ L 327, 22.12.2000, p. 1.

² OJ L 20, 26.1.1980, p. 43.

- (12a) *Article 83 of Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC¹, provides for the reference in Annex II of Regulation (EC) No 73/2009 to Article 3 of Council Directive 91/414/EEC of 15 July 1991 concerning the placing of plant protection products on the market² to be construed as a reference to Article 55 of that Regulation. However, in Regulation No [HR], this reference has been limited to the first and second sentence of Article 55. In order to ensure consistency between the requirement for use of plant protection products in the year 2014 and following years, Annex II of Regulation (EC) No 73/2009 should be adjusted accordingly.*
- (13) Regulation (EU) No [sCMO] of the European Parliament and of the Council³ provides for the integration of the support for silkworm rearing into the direct support regime and therefore its removal from Regulation (EU) No [sCMO]. In view of the delayed application of the new direct support regime, ■ aids in the silkworm sector *should continue* for one more year.
- (13a) *Finland has been authorized to pay national support to certain agricultural sectors in southern Finland in accordance with Article 141 of its Accession Treaty. Taking into account the timing of the CAP reform and due to the fact that the economic situation of agriculture in southern Finland is difficult and therefore the producers are still in need of specific support, it is appropriate to provide for integration measures according to which Finland may, in accordance with Article 42 of the Treaty, be authorised by the Commission to grant national aid in southern Finland under certain conditions. Income aid should be gradually reduced over the whole period and, by 2020, not exceed 30 % of the amounts granted in 2013.*
- (14) Moreover, the provisions on the farm advisory system, the integrated administration and control system and cross compliance laid down in Title III, Chapter II of Title V and Title VI, respectively, of Regulation (EU) No [HR] of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy⁴ should apply from 1 January 2015.
- (15) Following the insertion of Article 136a into Regulation (EC) No 73/2009 ■, references to Article 14 of Regulation (EU) No [DP] in Regulation (EU) No [RD] need to be amended.
- (16) Regulations (EC) No 73/2009, (EU) No [DP], (EU) No [HR], (EU) No [sCMO] and (EU) No [RD] should therefore be amended accordingly.
- (17) *In order to allow for the prompt application of the transitional provisions envisaged, this Regulation should enter into force on the day of its publication and should apply from 1 January 2014. In order to avoid any overlap between the rules on flexibility between pillars laid down in Regulation (EC) No 73/2009 and Regulation (EU) No [DP] as amended by this Regulation, ■ that particular amendment to Regulation (EC) No 73/2009 **should** apply from **31 December 2013 and** the amendments of Regulation (EU) No [DP], including its deferred application from 1 January 2015, **should** apply from the date of entry into force of Regulation (EU) No [DP]. Furthermore, the **amendments to** Annexes II and III to Regulation (EC) No 73/2009, **which aim at ensuring the continuation of the current rules on cross-compliance**, should apply from 22 December 2013, **the date of repeal of Council Directive 80/68/EEC.***

¹ OJ L 309, 24.11.2009, p. 1.

² OJ L 230, 19.8.1991, p. 1.

³ OJ L [...], [...], p. [...].

⁴ OJ L [...], [...], p. [...].

- (18) *Taking into account that 2014 will be a transitional year during which Member States will have to prepare the full implementation of the CAP reform, it is important to ensure that the administrative burden resulting from the transitional arrangements laid down in this Regulation is kept to the minimum possible.*

HAVE ADOPTED THIS REGULATION ▀

CHAPTER I
TRANSITIONAL PROVISIONS ON SUPPORT FOR RURAL DEVELOPMENT

Article 1

Legal commitments under Regulation (EC) No 1698/2005 in 2014

1. By way of derogation from Article 94 of Regulation (EU) No [RD], Member States may continue to undertake new legal commitments to beneficiaries in **2014, in relation to the measures referred to in Article 20, with the exception of paragraphs (a)(iii), c(i) and (d), and in Article 36 of Regulation (EC) No 1698/2005**, pursuant to the rural development programmes adopted on the basis of *that* Regulation ▀ even after the financial resources of the 2007-2013 programming period have been used up, **provided that the application for support is submitted before** the adoption of the respective rural development programme for the 2014-2020 programming period.

Without prejudice to Annex VI.E of the 2012 Act of Accession and the provisions adopted on the basis thereof, Croatia may continue to undertake new legal commitments to beneficiaries in 2014 in relation to the measures referred to in Article 171(2) (a) and (c) of Regulation (EC) 718/2007, pursuant to the IPARD programme adopted on the basis of that Regulation even after the relevant financial resources of that programme have been used up, provided that the application for support is submitted before the adoption of its rural development programme for the 2014-2020 programming period.

The expenditure incurred on the basis of these commitments shall be eligible in accordance with Article 3 of this Regulation.

2. The condition *set out in* the second indent of Article 14(2) of Council Regulation (EC) No 1257/1999¹ shall not apply to new legal commitments undertaken by Member States under Article 36(a)(i) and (ii) of Regulation (EC) No 1698/2005 in 2014.

Article 2

Continued application of Articles 50a and 51 of Regulation (EC) No 1698/2005

By way of derogation from Article 94 of Regulation (EU) No [RD], Articles 50a and 51 of Regulation (EC) No 1698/2005 shall continue to apply until 31 December 2014 in relation to operations selected under the rural development programmes of the 2014-2020 programming period pursuant to Article 22(1)(a) and (b) of Regulation (EU) No [RD] as regards the annual premium, and Articles 29 to 32 ▀, 34 and 35 of that Regulation.

Article 3

Eligibility of certain types of expenditure

¹ OJ L 160 , 26.6.1999, p. 80.

1. By way of derogation from Article 7(1) *and Article 94* of Regulation (EU) No [RD], expenditure relating to legal commitments to beneficiaries, undertaken under the measures *referred to in Articles 20 and 36* of Regulation (EC) No 1698/2005 and, *without prejudice to Annex VI.E of the 2012 Act of Accession and the provisions adopted on the basis thereof, in the case of Croatia, Article 171(2) (a) and (c)* of Regulation (EC) 718/2007, shall be eligible for an EAFRD contribution in the 2014-2020 programming period in the following cases:
 - (a) for payments to be made between 1 January 2014 and 31 December 2015, *and in the case of Croatia between 1 January 2014 and 31 December 2016*, if the financial allocation for the measure concerned of the respective programme adopted pursuant to Regulation (EC) No 1698/2005 *or Regulation (EC) No 718/2007* has already been used up; and
 - (b) for payments to be made after 31 December 2015, *and in the case of Croatia after 31 December 2016*.

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

2. The expenditure referred to in paragraph 1 shall be eligible for an EAFRD contribution in the 2014-2020 programming period subject to the following conditions:
 - (a) such expenditure *is* provided for in the respective rural development programme for the 2014-2020 programming period;
 - (b) the EAFRD contribution rate of the corresponding measure under Regulation (EU) No [RD] as set out in Annex I to this Regulation *applies* ;
 - (c) Member States ensure that the relevant transitional operations are clearly identified through their management and control systems.

Article 4

Application of certain provisions of Regulation (EC) No 73/2009 in 2014

1. For *the year* 2014, the reference to Chapter I of Title VI of Regulation (EU) No [HR] in Articles 29, 30, 31 and 34 of Regulation (EU) No [RD] shall be read as a reference to Articles 5 and 6 of Regulation (EC) No 73/2009 and Annexes II and III thereto.
2. For *the year* 2014,
 - (a) the reference in Article 40a(1) of Regulation (EU) No [RD] to Article 17a of Regulation (EU) No [DP] shall be read as a reference to Article 132 of Regulation (EC) No 73/2009.
 - (b) the reference in Article 40a(2)(a) of Regulation (EU) No [RD] to Article 16a of Regulation (EU) No [DP] shall be read as a reference to Article 121 of Regulation (EC) No 73/2009.

CHAPTER 2 AMENDMENTS

Article 5

Amendments to Regulation (EC) No 73/2009

Regulation (EC) No 73/2009 is amended as follows:

- (1) In Article 29, the following paragraph is added:

"5. By way of derogation from paragraph 2, Member States may pay, from 16 October 2014, advances to farmers of up to 50 % of the direct payments under the support schemes listed in Annex I in respect of applications made in 2014. Regarding the beef and veal payments provided for in

Section 11 of Chapter 1 of Title IV, Member States may increase the amount referred to in the first *sub-paragraph* to up to 80 %."

(2) Article 40 is replaced by the following:

"Article 40

National ceilings

1. For each Member State and each year, the total value of all allocated payment entitlements, of the national reserve as referred to in Article 41 and of the ceilings fixed in accordance with Articles 51(2) **■**, 69(3) *and 72b* shall be equal to the respective national ceiling determined in Annex VIII.
2. Where necessary, a Member State shall make a linear reduction/increase in the value of all payment entitlements and/or the amount of the national reserve as referred to in Article 41 in order to ensure compliance with the ceiling determined in Annex VIII.

Member States that decide not to implement Chapter 5a of Title III of this Regulation and not to use the possibility under Article 136a(1) may decide, for the purpose of obtaining the necessary reduction in the value of payment entitlements referred to in the first subparagraph, not to reduce those payment entitlements that in 2013 were activated by farmers who in 2013 claimed less than an amount to be determined by the Member State concerned, which may however not exceed EUR 5000.

3. Without prejudice to Article 25 of Regulation (EU) No [HR] of the European Parliament and of the Council*, the amounts of direct payments which may be granted in a Member State in respect of calendar year 2014 under Articles 34, 52, 53 **■**, 68 *and 72a* of this Regulation and for the aid to silkworm rearers under Article 111 of Regulation (EC) No 1234/2007 shall not be higher than the ceilings set out in Annex VIII to this Regulation for that year, *reduced by the amounts resulting from the application of Article 136b for the calendar year 2014 as set out in Annex VIIIa to this Regulation*. Where necessary, and in order to comply with the ceilings set out in Annex VIII *reduced by the amounts resulting from the application of Article 136b for the calendar year 2014 as set out in Annex VIIIa to this Regulation*, Member States shall make a linear reduction in the amounts of direct payments in respect of calendar year 2014.

* OJ L ..., ..., p."

(2a) *Article 41(1) is replaced by the following:*

"1. Each Member State shall operate a national reserve that incorporates the difference between:

(a) the national ceilings determined in Annex VIII of this Regulation; and

(b) the total value of all allocated payment entitlements and the ceilings fixed in accordance with Article 51(2), 69(3) and 72b of this Regulation.

(3) In Article 51(2), the following *sub-paragraph* is added:

"For 2014, the ceilings for the direct payments referred to in Articles 52 and 53 shall be identical to the ceilings determined for 2013, multiplied by a coefficient to be calculated for each Member State concerned by dividing the national ceiling for 2014 set out in Annex VIII by the national ceiling for 2013. This multiplication shall only apply to Member States where the national ceiling set out in Annex VIII for 2014 is lower than the national ceiling for 2013."

(4) In Article 68(8), the introductory phrase is replaced by the following:

"8. By **1 February 2014** the Member States that took the decision referred to in Article 69(1) may review it and decide, with effect from 2014, to:"

(5) Article 69 is amended as follows:

(a) Paragraph 1 is replaced by the following:

"1. Member States may decide, by 1 August 2009, 1 August 2010, 1 August 2011, 1 September 2012 or by **1 February 2014**, to use, from the year following such decision, or in the case of a decision taken by **1 February 2014**, from the year 2014, up to 10 % of their national ceiling referred to in Article 40, or, in the case of Malta, the amount of EUR 2 000 000 for the specific support provided for in Article 68(1).";

(aa) **Paragraph 4 is amended as follows:**

"4. Support provided for in points (i), (ii), (iii) and (iv) of paragraph 1(a) and paragraphs 1(b) and (e) of article 68 shall be limited to 6.5 % of the national ceilings referred to in Article 40 or, in the case of Malta, to the amount of EUR 2 000 000, referred to in Article 69(1) of this Regulation, to be used in particular to the funding of the measures referred to in Article 68(1)(b) in the dairy sector.

Member States may set sub-limits per measure."

(b) In paragraph 3, the second **sub-paragraph** is replaced by the following:

"For the sole purposes of ensuring compliance with the national ceilings as provided for in Article 40(2) and making the calculation referred to in Article 41(1), the amounts used to grant the support referred to in point (c) of Article 68(1) shall be deducted from the national ceiling referred to in Article 40(1). They shall be counted as allocated payment entitlements. "

(c) In the first sentence of paragraph 5, "2013" is replaced by "2014";

(d) In paragraph 6, the second **sub-paragraph** is replaced by the following:

"For the sole purposes of ensuring compliance with the national ceilings provided for in Article 40(2) and making the calculation referred to in Article 41(1), where a Member State makes use of the option provided for in point (a) of the first **sub-paragraph** of this paragraph, the amount concerned shall not be counted as part of the ceilings fixed under paragraph 3 of this Article."

(5a) **A new Chapter 5a is inserted in Title III :**

"REDISTRIBUTIVE PAYMENT IN 2014

Article 72a

General rules

1. Member States may decide, by 1 March 2014, to grant, for 2014, a payment to farmers who are entitled to a payment under the single payment scheme referred to in Chapter 1 to 3 of this Title.

Member States shall notify the Commission of their decision by the date referred to in the first sub-paragraph.

2. Member States which have decided to apply the single payment scheme at regional level in accordance with Article 46 may apply the payment referred to in this Chapter at regional level.

3. Without prejudice to the application of financial discipline, linear reductions as referred in Article 40(3), and the application of Articles 21 and 23, the payment referred to in paragraph 1 of this Article shall be granted upon activation of payment entitlements by the farmer.

4. The payment referred to in paragraph 1 shall be calculated by Member States by multiplying a figure to be set by the Member State, which shall not be higher than 65 % of the national or regional average payment per hectare, by the number of payment entitlements that the farmer has activated in accordance with Article 34. The number of such payment entitlements shall not be higher than 30 hectares or the average size of agricultural holdings as set out in Annex VIIIb if that average size is higher than 30 hectares in the Member State concerned.

Provided the maximum limits set out in the first sub-paragraph are respected, Member States may, at national level, establish a graduation within the number of hectares set in accordance with that sub-paragraph, which shall apply identically to all farmers.

The national average payment per hectare referred to in the first sub-paragraph shall be established by the Member States on the basis of the national ceiling set out in Annex VIIIc and the number of eligible hectares declared in accordance with Article 34(2) in 2014.

The regional average payment per hectare referred to in the first sub-paragraph shall be established by the Member States by using a share of the national ceiling set in Annex VIIIc and the number of eligible hectares declared in the concerned region in accordance with Article 34(2) in 2014. For each region, this share shall be calculated by dividing the respective ceiling as established in accordance with Article 46(3) by the national ceiling referred to in Article 40 for the year 2014.

5. Member States shall ensure that no advantage is granted to farmers for whom it is established that, as from 19 October 2011, they divided their holding with the sole purpose of benefiting from the redistributive payment. This shall also apply to farmers whose holdings result from that division.

Article 72b

Financial provisions

1. In order to finance the payment referred to in this Chapter, Member States may decide, by the date referred to in Article 72a, to use up to 30 % of the annual national ceiling referred to in Article 40 for claim year 2014. They shall notify any such decision to the Commission by that date.

2. On the basis of the percentage of the national ceiling to be used by Member States pursuant to paragraph 1, the Commission shall, by means of implementing acts, fix the corresponding ceiling for that payment. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 141b(2)."

(6) In Article 90, paragraph 3 is replaced by the following:

"3. The amount of the aid per eligible hectare shall be established by multiplying the yields established in paragraph 2 with the following reference amounts:

Bulgaria: EUR [520,20]

Greece: EUR [234,18]

Spain: EUR [362,15]

Portugal: EUR [228,00]."

(7) In Article 122, paragraph 3 is replaced by the following:

"3. The single area payment scheme shall be available until 31 December 2014."

(7a) In Article 124, paragraphs 1 and 2 are replaced by the following:

"1. The agricultural area of a new Member State under the single area payment scheme shall be the part of its utilised agricultural area which is maintained in good agricultural condition, whether or not in production, and, where appropriate, adjusted in accordance with the objective and non-discriminatory criteria to be set by that new Member State after approval by the Commission."

For the purposes of this Title, 'utilised agricultural area' shall mean the total area taken up by arable land, permanent grassland, permanent crops and kitchen gardens as established by the Commission for its statistical purposes.

2. For the purpose of granting payments under the single area payment scheme, all agricultural parcels corresponding to the criteria provided for in paragraph 1, as well as agricultural parcels planted with short rotation coppice (CN code ex 0602 90 41), shall be eligible.

Except in the case of force majeure or exceptional circumstances, the parcels referred to in the first subparagraph shall be at the farmer's disposal on the date fixed by the Member State which shall be no later than the date fixed in that Member State for amendment of the aid application.

The minimum size of eligible area per holding for which payments may be requested shall be 0,3 ha. However, any new Member State may decide, on the basis of objective criteria and after approval by the Commission, to set the minimum size at a higher level not exceeding 1 ha."

(8) In Article 131, paragraph 1 is replaced by the following:

"1. The new Member States applying the single area payment scheme may decide, by 1 August 2009, 1 August 2010, 1 August 2011, 1 September 2012 or by 1 February 2014, to use, from the year following that decision, or in the case of a decision taken by 1 February 2014, from the year 2014, up to 10 % of their national ceilings referred to in Article 40 to grant support to farmers as set out in Article 68(1) and in accordance with Chapter 5 of Title III, as applicable to them."

(8a) **In Article 133a, the title is replaced by the following:**

"Transitional national aid in 2013"

(8b) **A new Chapter 2a is inserted in Title V :**

"REDISTRIBUTIVE PAYMENT IN 2014

Article 125a

General rules

1. The new Member States applying the single area payment scheme may decide, by 1 March 2014, to grant, for 2014, a payment to farmers who are entitled to a payment under the single area payment scheme referred to in Chapter 2 of this Title.

The concerned new Member States shall notify the Commission of their decision by the date referred to in the first sub-paragraph.

2. Without prejudice to the application of financial discipline and the application of Articles 21 and 23, the payment referred to in paragraph 1 of this Article shall take the form of an increase in the per hectare amounts granted under the single area payment scheme.

3. The payment referred to in paragraph 1 shall be calculated by Member States by multiplying a figure to be set by the Member State, which shall not be higher than 65 % of the national average payment per hectare, by the number of eligible hectares for which the farmer is granted amounts under the the single area payment scheme. The number of such hectares shall not be higher than 30 or the average size of agricultural holdings as set out in Annex VIIIb if that average size is higher than 30 hectares in the new Member State concerned.

Provided the maximum limits set out in the first sub-paragraph are respected, Member States may, at national level, establish a graduation within the number of hectares set in accordance with that sub-paragraph, which shall apply identically to all farmers.

The national average payment per hectare referred to in the first sub-paragraph shall be established by the Member States on the basis of the national ceiling set in Annex VIIIc and the number of eligible hectares declared under the single area payment scheme in 2014.

4. New Member States shall ensure that no advantage is granted to farmers for whom it is established that, as from 19 October 2011, they divided their holding with the sole purpose of benefiting from the redistributive payment. This shall also apply to farmers whose holdings result from that division.

Article 125b

Financial provisions

1. In order to finance the payment referred to in this Chapter, new Member States may decide, by the date referred to in Article 125a, to use up to 30 % of the annual national ceiling referred to in Article 40 for claim year 2014, or for Bulgaria and Romania, of the amounts set in Annex VIIIId. They shall notify any such decision to the Commission by that date.

The annual financial envelope in Article 123 shall be reduced by the amount referred to in the first subparagraph.

2. On the basis of the percentage of the national ceiling to be used by the new Member States concerned pursuant to paragraph 1, the Commission shall, by means of implementing acts, fix the corresponding ceiling for that payment and calculate the corresponding reduction of the annual financial envelope referred to in Article 123. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 141b (2)."

(8c) In Chapter 4 of Title V, the following Article is inserted:

"Article 133b

Transitional national aid in 2014

1. The new Member States applying the single area payment in accordance with Article 122 may decide to grant transitional national aid in 2014.

2. Bulgaria and Romania may grant aid under this Article only if they decide by 1 February 2014 not to grant in 2014 any complementary national direct payments under Article 132.

3. The aid may be granted to farmers in sectors in respect of which transitional national aid pursuant to Article 133a, or in the case of Bulgaria and Romania complementary national direct payments pursuant to Article 132, were granted in 2013.

4. The conditions for granting the aid shall be identical to those authorised for the granting of payments pursuant to Articles 132 or 133a in respect of 2013, with exception of the reductions due to the application of Article 132(2) in conjunction with Articles 7 and 10.

5. The total amount of aid that may be granted to farmers in any of the sectors referred to in paragraph 3 shall be limited to 80% of the sector specific financial envelopes in respect of 2013 as authorised by the Commission pursuant to Article 133a(5) or, for Bulgaria and Romania, pursuant to Article 132(7).

For Cyprus, the sector specific financial envelopes are set out in Annex XVIIa.

5a. Paragraphs 3 and 4 shall not apply to Cyprus.

6. *The new Member States shall notify the decisions referred to in paragraphs 1 and 2 to the Commission by 31 March 2014. The notification of the decision referred to in paragraph 1 shall include the following:*

- (a) *the financial envelope for each sector;*
- (b) *the maximum rate of transitional national aid where appropriate.*

7. *The new Member States may decide, on the basis of objective criteria and within the limits authorised by the Commission pursuant to paragraph 5, on the amounts of transitional national aid to be granted."*

(9) In Title VI, the following Article **1** is inserted:

"Article 136a

Flexibility between pillars

1. Before **31 December 2013**, Member States may decide to make available as additional support for measures under rural development programming financed under the EAFRD as specified under Regulation (EU) No [RD] of the European Parliament and of the Council*, up to **15** % of their annual national ceilings for calendar years 2014 to 2019 as set out in Annex VIII to this Regulation for year 2014 and in Annex II to Regulation (EU) No [DP] of the European Parliament and of the Council**, for years 2015-2019. As a result, the corresponding amount shall no longer be available for granting direct payments.

The decision referred to in the first *sub-paragraph* will be notified to the Commission by **31 December 2013**. *That decision shall set out the percentage as referred to in that sub-paragraph which may vary by calendar year.*

Member States which do not make use of the first subparagraph for calendar year 2014 may take the decision referred to in the first subparagraph, as regards calendar years 2015 to 2019, before 1 August 2014 and shall notify it to the Commission by 1 August 2014.

Member States may decide to review the decision in this paragraph with effect from calendar year 2018. Such review shall not result in a decrease of the percentage notified to the Commission in accordance with the first, second and third sub-paragraphs. Member States shall notify the Commission of any such decision on review by 1 August 2017.

2. Before **31 December 2013**, Member States **1** not using the possibility under paragraph 1 may decide **1** to make available as direct payments under this Regulation and Regulation (EU) No [DP] up to **15% or, in the case of** Bulgaria, Estonia, Finland, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia, Spain, Sweden and the United Kingdom, **up to 25%** of the amount allocated to support for measures under rural development programming financed under the EAFRD in the period 2015-2020 as specified under Regulation (EU) No [RD]. As a result, the corresponding amount shall no longer be available for support measures under rural development programming.

The decision referred to in the first *sub-paragraph* will be notified to the Commission by **31 December 2013**. *That decision shall set out the percentage as referred to in that sub-paragraph which may vary by calendar year.*

Member States which do not make use of the first sub-paragraph for financial year 2015 may take the decision referred to in the first sub-paragraph, as regards the period 2016-2020, before 1 August 2014 and shall notify it to the Commission by 1 August 2014.

Member States may decide to review the decision in this paragraph with effect for financial year 2019 and 2020. Such review shall not result in an increase of the percentage notified to the Commission in accordance with the first, second and third sub-paragraphs. Member States shall notify the Commission of any such decision on review by 1 August 2017.

3. In order to take account of the decisions notified by Member States in accordance with paragraphs 1 and 2, the Commission shall be empowered to adopt delegated acts in accordance with Article 141a reviewing the ceilings set out in Annex VIII.

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** OJ L ..., ..., p. "

(9a) *In Title VI, the following Article is inserted:*

"Article 136b

Member States that, in accordance with Article 136, decided to make an amount available from the financial year 2011 for Union support under rural development programming and financing under the EAFRD, shall continue to make the amounts of Annex VIIIa available for rural development programming and financing under the EAFRD for financial year 2015."

(9b) *In Title VII, the following Article is inserted:*

"Article 140a

Delegation of powers

In order to take account of the decisions notified by Member States in accordance with paragraphs 1 and 2 of Article 136a, as well as any other modification of the national ceilings set in Annex VIII, the Commission shall be empowered to adopt delegated acts in accordance with Article 141a reviewing the ceilings set out in Annex VIIIc.

In order to ensure an optimal application of the linear reduction provided for under Article 40(3) in 2014, the Commission shall be empowered to adopt delegated acts in accordance with Article 141a, laying down rules for calculating the reduction to be applied by Member States to farmers pursuant to Article 40(3)."

(10) Article 141a is replaced by the following:

"Article 141a

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 11a shall be conferred on the Commission ■ until 31 December 2014. The power to adopt delegated acts referred to in **Articles 136a(3) and 140a** shall be conferred on the Commission ■ until 31 December 2014.

3. The delegation of power referred to in Article 11a and Articles 136a(3) **and 140a** may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Article 11a and Articles 136a(3) **and 140a** shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed

the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council."

(11) Annexes II and III are amended in accordance with points (1), (1a) and (2) of Annex II to this Regulation.

(12) Annexes I, VIII and XVIIa are amended and new Annexes VIIIa, VIIIb, VIIIc and VIId added in accordance with points (a1), (3), (4), (4a), (4b), (4c) and (5) of Annex II to this Regulation.

Article 5a

By way of derogation from Article 94 of Regulation (EU) No [RD], the introductory paragraph of Article 70(4c) of Regulation 1698/2005 shall be read as follows:

"By way of derogation from the ceilings set out in paragraphs 3, 4 and 5, the EAFRD contribution may be increased up to a maximum of 95 % of eligible public expenditure in the regions eligible under the Convergence Objective and the outermost regions and the smaller Aegean Islands, and 85 % of eligible public expenditure in other regions. These rates shall apply to the eligible expenditure newly declared in each certified declaration of expenditure until the final date of eligibility of expenditure for the 2007-2013 programming period on 31 December 2015, where on [OPOCE please insert date of entry into force of this Regulation] or thereafter a Member State complies with one of the following conditions:"

and the second subparagraph shall be read as follows:

"A Member State wishing to make use of the derogation provided in the first subparagraph shall submit a request to the Commission to modify its rural development programme accordingly. The derogation shall apply from the approval, by the Commission, of the modification of the programme."

Article 6

Amendments to Regulation (EU) No [DP]

Regulation (EU) No [DP] is amended as follows:

(1) In Article 6, paragraph 2 is replaced by the following:

"2. In order to take account of the developments relating to the total maximum amounts of direct payments that may be granted, including those resulting from the decisions taken by the Member States in accordance with Article 136a of Regulation (EC) No 73/2009 and Article 14 of this Regulation and those resulting from the application of the second paragraph of Article 17b of this Regulation, the Commission shall be empowered to adopt delegated acts in accordance with Article 55 of this Regulation for the purpose of reviewing the national ceilings set out in Annex II to this Regulation."

■ (2a) In Article 22(3), the following sub-paragraph is inserted after the last sub-paragraph:

"For the purposes of the calculations in the first and second sub-paragraphs, provided that the redistributive payment pursuant to Article 28g is not applied, Member States shall fully take into account the support granted for calendar year 2014 under Article 72a and 125a of Regulation (EC) No 73/2009."

(2b) In Article 28c(1b), the following sub-paragraph is inserted after the last sub-paragraph:

"In order to differentiate the single area payment scheme, provided that the redistributive payment pursuant to Article 28g is not applied, Member States shall fully take into account the support granted for calendar year 2014 under Article 125a of Regulation (EC) No 73/2009."

(3) In Article 57(2), the following ***sub-paragraph*** is inserted after the first ***sub-paragraph***:

"However, it shall continue to apply in respect of aid applications relating to claim years starting before 1 January 2015."

(4) In Article 59, the second and the third paragraphs are replaced by the following:

"It shall apply from 1 January 2015.

However, Articles 8, 9(6), 11(5), 14, 18(2) and (3), 19(1) ***second sub-paragraph***, 20(1) ***first sub-paragraph***, 20(5), 21(3b), 22(7), 28c(1) ***first sub-paragraph***, 28g(1), 31(2) ***fourth sub-paragraph***, 32(1) ***fourth sub-paragraph***, 32(1e), 35(1), 37(1), 39, 52(1) and 57(1) shall apply from the date of entry into force of this Regulation."

Article 7

Amendments to Regulation (EU) No [HR]

(1) ***The second subparagraph of Article 113(1)*** is replaced by the following:

"However, Article 31 of Regulation (EC) No 1290/2005 and the relevant implementing rules shall continue to apply until 31 December 2014 and Articles 30 and 44a of Regulation (EC) 1290/2005 and the relevant implementing rules shall continue to apply to, respectively, expenditure incurred and payments made for agricultural financial year 2013."

(2) ***A new Article is inserted:***

"Article 114a

Derogation from Regulation (EU) No 966/2012

By way of derogation from Article 59(5) of Regulation (EU) No 966/2012 and from Article 9(1) of this Regulation, for agricultural financial year 2014 the opinion of the certification body shall not be required to establish whether the expenditure for which reimbursement has been requested from the Commission is legal and regular."

(3) Article 115 ■ is replaced by the following:

"Article 115

Entry into force and application

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

It shall apply from 1 January 2014 ■.

However, the following provisions shall apply:

- (a) Articles 7, 8, 16, 24a 25 and 45, from 16 October 2013;
- (b) Articles 9, 18, 42, ***and 53*** for expenditure incurred from 16 October 2013;
- (c) ***Article 54***, Title III, Chapter II of Title V ■, Title VI ■ from 1 January 2015;
- (d) ***Chapter IV of the Title VII for payments made as from agricultural financial year 2014 onwards."***

Article 8

Amendments to Regulation (EU) No [sCMO]

Regulation (EU) No [SCMO] is amended as follows:

(1) A new Article is inserted:

"Article 149a

National payments for certain sectors in Finland

Subject to authorisation by the Commission, for the period 2014-2020, Finland may continue to grant national aids which it granted in 2013 to producers on the basis of Article 141 of the Act of Accession, provided that:

- **the amount of income aid is degressive over the whole period and in 2020 does not exceed 30% of the amount granted in 2013; and**
- **prior to any recourse to this possibility, full use has been made of the support schemes under the common agricultural policy for the sectors concerned.**

The Commission shall adopt its authorisation without applying the procedure referred to in Article [162 of sCMO]."

(2) In Article 163(1) , the following point are added:

"(h) Article 111 until 31 March 2015;"

(i) Article 125a(1)(e) and (2) and, in respect of the fruit and vegetables sector, Annex XVIa, until the date of application of the related rules to be established pursuant to the delegated acts provided for in Article 114(1)(b) and (f),

(j) Articles 136, 138 and 140 as well as Annex XVIII for the purposes of applying those articles, until the date of application of the rules to be established pursuant to the implementing acts provided for in Article 121 and 124(a) or until 30 June 2014, whichever is sooner."

Article 9

Amendments to Regulation (EU) No [RD]

1. In Article 32 of Regulation (EU) No [RD] the following paragraph 6 is added:

"6. Croatia may grant payments under this measure to beneficiaries in areas which have been designated pursuant to Article 33(3), even where the fine-tuning exercise referred to in the third subparagraph of that paragraph has not been completed. The fine-tuning exercise shall be completed no later than by 31 December 2014. Beneficiaries in areas that are no longer eligible following the completion of the fine-tuning exercise shall receive no further payment under this measure."

2. In Article 64 of Regulation (EU) No [RD], paragraph 5 is replaced by the following:

The funds transferred to the EAFRD in application of Article 136a(1) of Regulation (EC) No 73/2009 and Article 7(2) of Regulation (EU) No [DP] and the funds transferred to the EAFRD in application of Articles 10b , 136 and 136b of Regulation (EC) No 73/2009 in respect of calendar years 2013 and 2014 shall also be included in the annual breakdown referred to in paragraph 4."

3. In Article 65 of Regulation , (EU) No [RD], paragraph 4 (ba) is replaced by the following:

(ba) 100% for an amount of EUR 100 million, in 2011 prices, allocated to Ireland, for an amount of EUR 500 million, in 2011 prices, allocated to Portugal and for an amount of EUR 7 million, in 2011 prices, allocated to Cyprus, on condition that these Member States are receiving financial assistance in accordance with Articles 136 and 143 TFEU on 1 January 2014 or thereafter, until 2016 when the application of this provision shall be reassessed.

CHAPTER 3
FINAL PROVISIONS

Article 10
Entry into force and application

This Regulation shall enter into force on the ■ day ■ of its publication in the Official Journal of the European Union. It shall apply from 1 January 2014.

However:

- points (9) and (10) of Article 5 shall apply from the date of entry into force of this Regulation;
- point (11) of Article 5 of this Regulation ■ shall apply from 22 December 2013; and
- Article 6 of this Regulation shall apply from the date of entry into force of Regulation (EU) No [DP].
- ***Article 7 of this Regulation shall apply, as regards the amendments to Article 115 of Regulation (EU) [HR], from the dates of application stated therein.***

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

Done at Brussels,

For the European Parliament For the Council

The President The President

ANNEX I

Correspondence of Articles in ■ measures under the 2007-2013 and the 2014-2020 programming periods

Regulation (EC) No 1698/2005	Regulation (EU) No [RD]
<i>Article 20(a)(i): Training and information</i>	<i>Article 15</i>
<i>Article 20(a)(ii): Setting up of Young Farmers</i>	<i>Article 20.1(a)(i)</i>
<i>Article 20(a)(iii): Early retirement</i>	/
<i>Article 20(a)(iv): Use of advisory services</i>	<i>Article 16.1(a)</i>
<i>Article 20 (a)(v): Setting up of management, relief and advisory services</i>	<i>Article 16.1(b)</i>
<i>Article 20(b)(i): Modernisation of agricultural holdings</i>	<i>Article 18.1(a)</i>
<i>Article 20(b)(ii): Improvement of the economic value of forests</i>	<i>Article 22(1)(d)</i>
<i>Article 20(b)(iii): Adding value to agricultural and forestry products</i>	<i>Article 18.1(b)</i> <i>Article 22(1)(e)</i>
<i>Article 20(b)(iv): Cooperation for development of new products-process-</i>	<i>Article 36</i>

Regulation (EC) No 1698/2005	Regulation (EU) No [RD]
<i>technologies</i>	
<i>Article 20(b)(v): Agricultural and forestry infrastructure</i>	<i>Article 18.1(c)</i>
<i>Article 20(b)(vi): Restoration-prevention actions</i>	<i>Article 19</i>
<i>Article 20(c)(i): Meeting Standards</i>	/
<i>Article 20(c)(ii): Food quality schemes</i>	<i>Article 17</i>
<i>Article 20(c)(iii): Information and promotion</i>	<i>Article 17</i>
<i>Article 20(d)(i): Semi-subsistence farming</i>	<i>Article 20.1(a)(iii)</i>
<i>Article 20(d)(ii): Producer groups</i>	<i>Article 28</i>
<i>Article 36(a)(i): Natural handicap payments in mountains</i>	<i>Article 32</i>
Article 36(a)(ii): Natural handicap payments in <i>areas</i> other than mountain areas	Article 32
Article 36(a)(iii) Natura 2000 and payments linked to Directive 2000/60/EC	Article 31
Article 36(a)(iv) Agri-environment payments	Article 29 <i>Article 30</i>
Article 36(v) Animal welfare payments	Article 34
<i>Article 36(b)(i) First afforestation of agricultural land</i>	<i>Article 23</i>
<i>Article 36(b)(ii): First establishment of agroforestry systems</i>	<i>Article 22(1)(b)4</i>
Article 36(b)(iii): First afforestation of non-agricultural land	Article 22(1)(a)
Article 36(b)(iv) Natura 2000 payments	Article 31
Article 36(b)(v) Forest-environment payments	Article 35
<i>Article 36(b)(vi): Restoring forestry potential and introducing preventive actions</i>	<i>Article 25</i>
<i>Article 36(b)(vii): Non-productive investments</i>	<i>Article 26</i>
<i>Measures under Regulation (EC) No 718/2007</i>	<i>Measures under Regulation (EU) No [RD]</i>
<i>Article 171(2)(a): investments in agricultural holdings to restructure and to</i>	<i>Article 18.1(a)</i>

Regulation (EC) No 1698/2005	Regulation (EU) No [RD]
<i>upgrade to Community standards</i>	
<i>Article 171(2)(c): investments in processing and marketing of agriculture and fishery products to restructure those activities and to upgrade them to Community standards</i>	<i>Article 18.1(b)</i>

ANNEX II

The Annexes to Regulation (EC) No 73/2009 are amended as follows:

(-1) In Annex I the following line is inserted after that relating to the "Specific support":

<i>"Redistributive payment</i>	<i>Title II, Chapter 5a and Title V, Chapter 2a</i>	<i>Decoupled payment</i>
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(1) In Annex II, Point A. 'Environment' is replaced by the following:

1	Council Directive 79/409/EEC of 2 April 1979 on the conservation of wild birds (OJ L 103, 25.4.1979, p. 1)	Article 3(1), Article 3(2)(b), Article 4(1), (2) and (4) and Article 5(a), (b) and (d)
2	-	-
3	Council Directive 86/278/EEC of 12 June 1986 on the protection of the environment, and in particular of the soil, when sewage sludge is used in agriculture (OJ L 181, 4.7.1986, p. 6)	Article 3
4	Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources (OJ L 375, 31.12.1991, p. 1)	Articles 4 and 5
5	Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild flora and fauna (OJ L 206, 22.7.1992, p. 7)	Article 6 and Article 13(1)(a)"

(1a) In Annex II, point 9 of Point B. 'Public, animal and plant health' is replaced by the following:

9	<i>Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC (OJ L 309, 24.11.2009, p.1)</i>	<i>Article 55, first and second sentence</i>
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(2) Annex III is amended as follows:

(a) The entry for "Protection and management of water" is replaced by the following:

"Protection and management of water:	- Establishment of buffer strips along water courses ⁽¹⁾
Protect water against pollution and run-off, and manage the use of water	- Where use of water for irrigation is subject to authorisation, compliance with authorisation procedures

Protection of ground water against pollution: prohibition of direct discharge into groundwater and measures to prevent indirect pollution of groundwater through discharge on the ground and percolation through the soil of dangerous substances, as listed in the Annex to the Directive 80/68/EEC in its version in force on the last day of its validity, as far as it relates to agricultural activity

(1) Note: The GAEC buffer strips must respect, both within and outside vulnerable zones designated pursuant to Article 3(2) of Directive 91/676/EEC, at least the requirements relating to the conditions for land application of fertiliser near water courses, referred to in point A.4 of Annex II to Directive 91/676/EEC to be applied in accordance with the action programmes of Member States established under Article 5(4) of Directive 91/676/EEC."

(3) In Annex VIII, the column for the year 2014 is replaced by the following:

"Table 1
(EUR 1000)

Member State	2014
Belgium	[544 047]
Denmark	[926 075]
Germany	[5 178 178]
Greece	[2 047 187]
Spain	[4 833 647]
France	[7 586 341]
Ireland	[1 216 547]
Italy	[3 953 394]
Luxembourg	[33 662]
Netherlands	[793 319]
Austria	[693 716]
Portugal	[557 667]
Finland	[523 247]
Sweden	[696 487]
United Kingdom	[3 548 576]

Table 2(*)
(EUR 1000)

Bulgaria	[642 103]
Czech Republic	[875 305]
Estonia	[110 018]
Cyprus	[51 344]
Latvia	[168 886]
Lithuania	[393 226]

Hungary	[1 272 786]
Malta	[5 240]
Poland	[2 970 020]
Romania	[1 428 531]
Slovenia	[138 980]
Slovakia	[377 419]
Croatia	[113 908]
(*) Ceilings calculated taking into account of the schedule of increments provided for in Article 121."	

(4) *The following Annex is added after Annex VIII:*

Annex VIIIA

(EUR 1000)

Member State	2014
Germany	[42 600]
Sweden	[9 000]

(4a) *The following Annex is added after Annex VIIIA:*

Annex VIIIB

Average size of agricultural holding to be applied under Articles 72a(4) and 125a(3)

<i>Member State</i>	<i>Average size of agricultural holding (in hectares)</i>
<i>Belgium</i>	<i>29</i>
<i>Bulgaria</i>	<i>6</i>
<i>Czech Republic</i>	<i>89</i>
<i>Denmark</i>	<i>60</i>
<i>Germany</i>	<i>46</i>
<i>Estonia</i>	<i>39</i>
<i>Ireland</i>	<i>32</i>
<i>Greece</i>	<i>5</i>
<i>Spain</i>	<i>24</i>
<i>France</i>	<i>52</i>
<i>Croatia</i>	<i>5,9</i>
<i>Italy</i>	<i>8</i>
<i>Cyprus</i>	<i>4</i>
<i>Latvia</i>	<i>16</i>
<i>Lithuania</i>	<i>12</i>
<i>Luxemburg</i>	<i>57</i>

<i>Member State</i>	<i>Average size of agricultural holding (in hectares)</i>
<i>Hungary</i>	7
<i>Malta</i>	1
<i>Netherlands</i>	25
<i>Austria</i>	19
<i>Poland</i>	6
<i>Portugal</i>	13
<i>Romania</i>	3
<i>Slovenia</i>	6
<i>Slovakia</i>	28
<i>Finland</i>	34
<i>Sweden</i>	43
<i>United Kingdom</i>	54

(4b) *The following Annex is added after Annex VIIIb:*

Annex VIIIc
(EUR 1000)

National ceilings as referred to in Articles 72a(3) and 125a(3)

<i>Belgium</i>	505 266
<i>Bulgaria</i>	796 292
<i>Czech Republic</i>	872 809
<i>Denmark</i>	880 384
<i>Germany</i>	5 018 395
<i>Estonia</i>	169 366
<i>Ireland</i>	1 211 066
<i>Greece</i>	1 931 177
<i>Spain</i>	4 893 433
<i>France</i>	7 437 200
<i>Croatia</i>	265 785
<i>Italy</i>	3 704 337
<i>Cyprus</i>	48 643
<i>Latvia</i>	302 754
<i>Lithuania</i>	517 028
<i>Luxembourg</i>	33 432
<i>Hungary</i>	1 269 158
<i>Malta</i>	4 690
<i>Netherlands</i>	732 370
<i>Austria</i>	691 738

<i>Poland</i>	<i>3 061 518</i>
<i>Portugal</i>	<i>599 355</i>
<i>Romania</i>	<i>1 903 195</i>
<i>Slovenia</i>	<i>134 278</i>
<i>Slovakia</i>	<i>394 385</i>
<i>Finland</i>	<i>524 631</i>
<i>Sweden</i>	<i>699 768</i>
<i>United-Kingdom</i>	<i>3 591 683</i>

(4c) *The following Annex is added after Annex VIIIc:*

Annex VIII d
(EUR 1000)

Amounts for Bulgaria and Romania as referred to in Article 125b(1)

<i>Bulgaria</i>	<i>789 365</i>
<i>Romania</i>	<i>1 753 000</i>

(5) *Annex XVIIa is replaced by the following:*

"Annex XVIIa

Transitional national aid in Cyprus (EUR)

<i>Sector</i>	<i>2013</i>	<i>2014</i>
<i>Cereals (durum wheat excluded)</i>	<i>141 439</i>	<i>113 151</i>
<i>Durum wheat</i>	<i>905 191</i>	<i>724 153</i>
<i>Milk and dairy</i>	<i>3 419 585</i>	<i>2 735 668</i>
<i>Beef</i>	<i>4 608 945</i>	<i>3 687 156</i>
<i>Sheep and goats</i>	<i>10 572 527</i>	<i>8 458 022</i>
<i>Pig sector</i>	<i>170 788</i>	<i>136 630</i>
<i>Poultry and eggs</i>	<i>71 399</i>	<i>57 119</i>
<i>Wine</i>	<i>269 250</i>	<i>215 400</i>
<i>Olive oil</i>	<i>3 949 554</i>	<i>3 159 643</i>
<i>Table grapes</i>	<i>66 181</i>	<i>52 945</i>
<i>Dried grapes</i>	<i>129 404</i>	<i>103 523</i>
<i>Processed tomatoes</i>	<i>7 341</i>	<i>5 873</i>
<i>Bananas</i>	<i>4 285 696</i>	<i>3 428 556</i>
<i>Tobacco</i>	<i>1 027 775</i>	<i>822 220</i>
<i>Deciduous fruit including stone fruit</i>	<i>173 390</i>	<i>138 712</i>

<i>Sector</i>	<i>2013</i>	<i>2014</i>
<i>Total</i>	<i>29 798 462</i>	<i>23 838 770</i>

ANNEX TO THE LEGISLATIVE RESOLUTION

STATEMENT FROM THE COMMISSION on rural development

The Commission declares that it will cooperate constructively with the Member States in the preparation and approval of the new rural development programmes with a view to ensuring a smooth transition to the new programming period also for measures not covered by Article 1 of the Transitional Regulation.

The Commission encourages Member States which will use the possibility under Article 1 of the Transitional Regulation to undertake new legal commitments for irrigation operations to do so in compliance with the conditions set out for such operations in Article 46(3) of the new Rural Development Regulation for the programming period 2014-2020.