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COVER NOTE

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 17 October 2014

To: Mr Uwe CORSEPIUS, Secretary-General of the Council of the European
Union

No. Cion doc.: C(2014) 7461 final

Subject: COMMISSION DELEGATED REGULATION (EU) No .../.. of 17.10.2014
amending Annex I to Regulation (EU) No 1305/2013 of the European
Parliament and of the Council and Annexes II and III to Regulation (EU) No
1307/2013 of the European Parliament and of the Council

Delegations will find attached document C(2014) 7461 final.

Encl.: C(2014) 7461 final



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COMMISSION DELEGATED REGULATION (EU) No .../..

of 17.10.2014

amending Annex I to Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Annexes II and III to Regulation (EU) No 1307/2013 of the European Parliament and of the Council

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED ACT

Articles 6(3) and 7(3) of Regulation (EU) No 1307/2013 of the European Parliament and the Council of 17 December 2013 establishing rules for direct payment to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009¹ empower the Commission to adopt delegated acts to adapt the national and net ceilings set following the developments relating to the total maximum amounts of direct payments that may be granted.

Article 58(7) of Regulation (EU) No 1305/2013 of the European Parliament and the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005² empowers the Commission to adopt delegated acts to take account of developments relating to the annual breakdown of Union support to Rural Development.

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT

Consultations, involving experts from all the 28 Member States and from the European Parliament, have been carried out within a joint Expert Group of Direct Payments and Rural Development. A meeting held on 9 September 2014 was organised for the specific purpose of exchanging expert views on the present act. The meeting allowed for a full presentation of the Commission's draft provisions and a thorough exchange of views on all aspects of the draft. The exercise consisted in clarifying the Commission's approach, hearing experts' views and further refining the draft text accordingly.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

The act amends the annual national ceilings and the annual net ceilings in Annexes II and III of Regulation (EU) No 1307/2013 and the annual breakdown of Union support to rural development set out in Annex I of Regulation (EU) No 1305/2013 for the following reasons:

- notifications made by Member States by 1 August 2014 on flexibility between pillars in accordance with Article 14 of Regulation (EU) No 1307/2013 and Article 136a of Regulation (EC) No 73/2009;
- notifications made by Member States by 1 August 2014 on reduction of payments and the estimated product of the reduction in accordance with Articles 7(2) and 11 of Regulation (EU) No 1307/2013.

¹ OJ L 347, 20.12.2013, p. 608.

² OJ L 347, 20.12.2013, p. 487.

4. BUDGETARY IMPLICATIONS

The proposed adaptation of the annual national ceilings and the annual net ceilings for direct payments in Regulation (EU) No 1307/2013 following the Member States' notifications by 1 August 2014, as regards the flexibility between pillars and the reduction of direct payments and the estimated product of the reduction made available for measures under rural development as well as the corresponding adaptation of the annual breakdown by Member State of the Union support for rural development in Annex I to Regulation (EU) No 1305/2013, have a neutral financial impact (in commitment appropriations) for the Union budget.

The corresponding transfer of the amounts from direct payments ceilings for the calendar years 2015-2019 to rural development programming due to for the financial years 2016-2020 is 3 055,725 million EUR. The corresponding transfer of the amounts from rural development programming for the financial years 2016-2020 to direct payments ceilings for the calendar years 2015-2019 is 369,698 million EUR.

COMMISSION DELEGATED REGULATION (EU) No .../..

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amending Annex I to Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Annexes II and III to Regulation (EU) No 1307/2013 of the European Parliament and of the Council

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005³, and in particular Article 58(7) thereof,

Having regard to Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009⁴, and in particular Articles 6(3) and 7(3) thereof,

Whereas:

- (1) In accordance with Article 11(6) of Regulation (EU) No 1307/2013, Belgium, Bulgaria, the Czech Republic, Denmark, Estonia, Ireland, Greece, Spain, Italy, Cyprus, Latvia, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Slovenia, Slovakia, Finland, Sweden and the United Kingdom notified the Commission by 1 August 2014 of their decisions taken under Article 11 of that Regulation, including the estimated product of reductions for the calendar years 2015 to 2019.
- (2) In accordance with Article 7(2) of Regulation (EU) No 1307/2013, the estimated product of the reduction of payments notified by Member States and referred to in Article 11(6) of that Regulation is to be made available as Union support for measures under rural development programming. As a result, Annex I to Regulation (EU) No 1305/2013 and Annex III to Regulation (EU) No 1307/2013 need to be adapted according to the amounts notified by Member States.
- (3) In addition, in certain cases the product of the reduction of payments may be null due, in particular, to the structures of agricultural holdings in Member States and the anticipated distribution of direct payments and the possibility for Member States to

³ OJ L 347, 20.12.2013, p. 487.

⁴ OJ L 347, 20.12.2013, p. 608.

apply Article 11(2) of Regulation (EU) No 1307/2013. Accordingly, Belgium, Luxembourg, Malta, Austria, Slovenia and Finland notified the Commission of their estimated product of reduction which is null for all the calendar years 2015 to 2019.

- (4) Belgium, Germany, France, Croatia, Lithuania and Romania have decided to make use of Article 11(3) of Regulation (EU) No 1307/2013.
- (5) In accordance with Article 136a(1) of Council Regulation (EC) No 73/2009⁵ and Article 14(1) of Regulation (EU) No 1307/2013, Belgium, the Czech Republic, Denmark, Germany, Estonia, Greece, the Netherlands and Romania notified the Commission by 1 August 2014 of their decision to transfer a certain percentage of their annual national ceilings for calendar years 2015 to 2019 to rural development programming financed under the European Agricultural Fund for Rural Development (EAFRD) as specified in Regulation (EU) No 1305/2013.
- (6) In accordance with the third subparagraph of Article 136a(2) of Regulation (EC) No 73/2009 and Article 14(2) of Regulation (EU) No 1307/2013, Hungary notified the Commission by 1 August 2014 of its decision to transfer to direct payments a certain percentage of the amount allocated to support for measures under rural development programming financed under the EAFRD in the period of 2016 to 2020 as specified in Regulation (EU) No 1305/2013.
- (7) Annex I to Regulation (EU) No 1305/2013 and Annexes II and III to Regulation (EU) No 1307/2013 should therefore be amended accordingly,
- (8) As this Regulation is essential for a smooth and timely adoption of rural development programmes, it is appropriate that it enters into force on the day following that of its publication in the *Official Journal of the European Union*,

HAS ADOPTED THIS REGULATION:

Article 1

Annex I to Regulation (EU) No 1305/2013 is replaced by the text in Annex I to this Regulation.

Article 2

Annexes II and III to Regulation (EU) No 1307/2013 are replaced by the text Annex II to this Regulation.

⁵ 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 amending Regulations (EC) No 1290/2005, (EC) No 247/2006, (EC) No 378/2007 and repealing Regulation (EC) No 1782/2003 (OJ L 30, 31.1.2009, p. 16).

Article 3

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

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

Done at Brussels, 17.10.2014

For the Commission
The President
José Manuel BARROSO