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From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
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To:	Mr Uwe CORSEPIUS, Secretary-General of the Council of the European Union
No. Cion doc.:	C(2015) 3706 final
Subject:	COMMISSION DELEGATED REGULATION (EU) .../... of 4.6.2015 amending Delegated Regulation (EU) No 807/2014 as regards transitional provisions for the 2007-2013 rural development programmes

Delegations will find attached document C(2015) 3706 final.

Encl.: C(2015) 3706 final



EUROPEAN
COMMISSION

Brussels, 4.6.2015
C(2015) 3706 final

COMMISSION DELEGATED REGULATION (EU) .../...

of 4.6.2015

**amending Delegated Regulation (EU) No 807/2014 as regards transitional provisions for
the 2007-2013 rural development programmes**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED ACT

Article 89 of Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 empowers the Commission to adopt delegated acts to facilitate the transition from the system established by Regulation (EC) No 1698/2005 to the system established by Regulation (EU) No 1305/2013.

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT

Consultations, involving experts from all the 28 Member States and in the presence of experts from the European Parliament, have been carried out within an Expert Group of Rural Development in a meeting held on 20 May 2015. 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.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

Regulation (EU) No 807/2014 has repealed Regulation (EC) No 1974/2006. However, Article 19 of Regulation (EU) No 807/2014 provides that Regulation (EC) No 1974/2006 continues to apply to operations implemented pursuant to programmes approved by the Commission under Regulation (EC) No 1698/2005 before 1 January 2014.

It is proposed to add a provision in the final provisions of Article 19 of Regulation (EU) No 807/2014 to authorise the Member States to make changes by transferring within a calendar year, from and to any axis, up to the 5 % (from the current 3%) of the total EAFRD contribution to the programme for the entire programming period. This would increase the flexibility of Member States to move funds from under-performing measures, where the funds were not fully utilized, to the priorities where additional funds are needed. It is also appropriate to extend the period of submitting the modifications in order to allow the Member States a proper possibility to modify the programmes accordingly.

4. BUDGETARY IMPLICATIONS

The proposal does not involve any financial consequences for the commitments of the period 2007-2013. As regards payment appropriations, the impact of the measure cannot be estimated precisely as it depends on (a) the actual risk of under-execution under the current rules and (b) the actual uptake of the proposed measure. However, as an indication, considering the programmes that have already been modified or are under modification in 2015 and for which the percentage of flexibility is already close to 3%, the total impact of shifting to 5% would be around EUR 300 million assuming all of them would opt for the increased flexibility. The possible impact on payments would mostly impact the closure of programmes from 2017 onwards. For 2015, any impact on payments would be very limited as the adoption of programme modifications would take place later in the year, minimizing any additional amount that could be declared and reimbursed in 2015. The impact on 2016 would be potentially larger,

but it would be covered by the Commission's Draft Budget 2016 that assumed that all 2007-2013 programmes would reach 95% of their allocation in 2016.

COMMISSION DELEGATED REGULATION (EU) .../...

of 4.6.2015

amending Delegated Regulation (EU) No 807/2014 as regards transitional provisions for the 2007-2013 rural development programmes

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 1698/2005¹, and in particular Article 89 thereof,

Whereas:

- (1) Commission Delegated Regulation (EU) No 807/2014² has repealed Commission Regulation (EC) No 1974/2006³. However, Article 19 of Regulation (EU) No 807/2014 provides that Regulation (EC) No 1974/2006 continues to apply to operations implemented pursuant to programmes approved by the Commission under Regulation (EC) No 1698/2005 before 1 January 2014.
- (2) Article 9 of Regulation (EC) No 1974/2006 sets a ceiling for transfers by Member States of EAFRD contribution between the priority axes of their rural development programmes and sets deadlines for the notification of such changes to the Commission and for the assessment of those changes by the Commission.
- (3) The continued economic difficulties in Member States have significantly impacted the performance of specific priority axes within the 2007-2013 rural development programmes.
- (4) The late adoption of the legal basis for the new programming period has significantly delayed the adoption of the 2014-2020 rural development programmes, further reducing the possibilities of Member States to support rural economies.
- (5) In order to invest all possible resources in growth and jobs, Member States should be allowed to make use of the funds already committed under Union co-financed programmes.

¹ OJ L 347, 20.12.2013, p. 487.

² Commission Delegated Regulation (EU) No 807/2014 of 11 March 2014 supplementing Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions (OJ L 227, 31.7.2014, p. 1).

³ Commission Regulation (EC) No 1974/2006 of 15 December 2006 laying down detailed rules for the application of Council Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (OJ L 368, 23.12.2006, p. 15).

- (6) It is therefore appropriate to increase the flexibility for transfers between axes.
- (7) Delegated Regulation (EU) No 807/2014 should therefore be amended accordingly,
- HAS ADOPTED THIS REGULATION:

Article 1

In Article 19 of Delegated Regulation (EU) No 807/2014, the following paragraphs are added:

"As regards transfers between axes, the ceiling of 3% set in Article 9(2) and (4) of Regulation (EC) No 1974/2006 shall be increased to 5 %.

As regards the deadline for notifying programme changes to the Commission, the deadline of 31 August 2015 set in Article 9(3) of Regulation (EC) No 1974/2006 shall be extended until 30 September 2015.

As regards the Commission's deadline for assessment of the requested changes, the four-month period set in Article 9(6) of Regulation (EC) No 1974/2006 shall be reduced to a three-month period."

Article 2

This Regulation shall enter into force on the third 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, 4.6.2015

For the Commission
The President
Jean-Claude JUNCKER