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COVER NOTE

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

date of receipt: 9 November 2018

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of
the European Union

No. Cion doc.: C(2018) 7361 final

Subject: COMMISSION DELEGATED REGULATION (EU) .../... of 9.11.2018
amending Annex I to Regulation (EU) No 1305/2013 of the European
Parliament and of the Council and Annex III to Regulation (EU) No
1307/2013 of the European Parliament and of the Council

Delegations will find attached document C(2018) 7361 final.

Encl.: C(2018) 7361 final



Brussels, 9.11.2018
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COMMISSION DELEGATED REGULATION (EU) .../...

of 9.11.2018

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

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED ACT

Article 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, empowers the Commission to adopt delegated acts to adapt the net ceilings set out in Annex III 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.

According to Article 11(1) and without prejudice to Article 11(3) of Regulation (EU) No 1307/2013, Member States shall reduce the amount of direct payments to be granted to a farmer for a given calendar, pursuant to Chapter 1 of Title III of that Regulation year, by at least 5 % for the part of the amount exceeding EUR 150 000. In accordance with Article 7(2) of Regulation (EU) No 1307/2013, the estimated product of reduction shall be made available as additional support for measures under rural development.

In accordance with Article 11(6) of Regulation (EU) No 1307/2013 Member States may review their decisions on the reduction of payments. In case a Member State decides to reduce the amount of direct payments for calendar year 2019 or to review its previous decision in this regard, it shall notify that decision and the estimated product of reduction by 1 August 2018.

Lithuania notified by 1 August 2018 both its decision to reduce the amount of direct payments and the estimated product of reduction. The aim of the present amendment is to take aboard that review.

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 20/09/2018 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 the context of the proposal. Experts did not ask questions or raise comments.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

The act amends the annual net ceilings for direct payments set out in Annex III to Regulation (EU) No 1307/2013 and the annual breakdown of Union support to rural development set out

¹ OJ L 347, 20.12.2013, p. 608.

² OJ L 347, 20.12.2013, p. 487.

in Annex I to Regulation (EU) No 1305/2013 based on the notification made by Lithuania by 1 August 2018 reviewing the estimated product of the reduction for the calendar year 2019, in accordance with Article 11(6) of Regulation (EU) No 1307/2013.

4. BUDGETARY IMPLICATIONS

The proposed adaptation of the annual net ceilings for direct payments in Regulation (EU) No 1307/2013 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, reflect the decision of Lithuania as notified by 1 August 2018 to reduce the amount of direct payments and the estimated product of the reduction. The amendment will have a neutral financial impact (in commitment appropriations) for the Union budget.

As a consequence of the review of the estimated product of reduction, the direct payments net ceiling, referred to in Article 7 of Regulation (EU) No 1307/2013 and laid down in Annex III to the same regulation, is reduced by EUR 0,4 million in calendar year 2019. The corresponding amount (EUR 360 000) is included in the allocations for rural development in financial year 2020.

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

of 9.11.2018

amending Annex I to Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Annex 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 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 73/2009⁴, and in particular Article 7(3) thereof,

Whereas:

- (1) According to Article 11(1) and without prejudice to Article 11(3) of Regulation (EU) No 1307/2013, Member States shall reduce the amount of direct payments to be granted to a farmer for a given calendar, pursuant to Chapter 1 of Title III of that Regulation, by at least 5 % for the part of the amount exceeding EUR 150 000. In accordance with Article 7(2) of that Regulation, the estimated product of reduction shall be made available as additional support for measures under rural development.
- (2) Lithuania notified the Commission by 1 August 2018 both of its decision to reduce the amount of direct payments and the estimated product of reduction for the calendar year 2019.
- (3) It is therefore necessary to adapt Annex III to Regulation (EU) No 1307/2013 and Annex I to Regulation (EU) No 1305/2013 so that the annual net ceilings for direct payments reflect the decision taken by Lithuania. It is also necessary to adapt Annex I to Regulation (EU) No 1305/2013 so that the annual breakdown by Member State of the Union support for rural development equally reflects that decision.
- (4) Annex I to Regulation (EU) No 1305/2013 and Annex III to Regulation (EU) No 1307/2013 should therefore be amended accordingly,

³ OJ L 347, 20.12.2013, p. 487.

⁴ OJ L 347, 20.12.2013, p. 608.

HAS ADOPTED THIS REGULATION:

Article 1

Annex I to Regulation (EU) No 1305/2013 is amended in accordance with Annex I to this Regulation.

Article 2

Annex III to Regulation (EU) No 1307/2013 is amended in accordance with Annex II to this Regulation.

Article 3

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, 9.11.2018

For the Commission
The President
Jean-Claude JUNCKER