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From: Presidency

To: Special Committee on Agriculture

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Subject: a) Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council

b) Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013

- *Presidency note with a state of play and drafting suggestions*

With a view to the meeting of the Special Committee on Agriculture on 28 September 2020, delegations will find in the Annex a Presidency note on the state of play with regard to the CAP Strategic Plans and Horizontal Regulations as well as, in the Annex to the Annex, drafting suggestions on the former.

In preparation for a General Approach on the post-2020 CAP reform, the Presidency presents further drafting suggestions in light of the “Agriculture and Fisheries” Council meeting held on 21 September 2020.

State of play of the CAP reform: Horizontal Regulation and CAP Strategic Plans Regulation¹

Horizontal Regulation

The Presidency will continue to organise discussions in the Working Party on Financial Agricultural Questions (AGRIFIN) on 7 October with a view to finalising work. However, the Horizontal Regulation can only be finalised after a final text for the New Delivery Model (NDM) in the CAP Strategic Plans Regulation has been agreed.

CAP Strategic Plans Regulation

Based on the discussion held at the Council meeting on 21 September, the Presidency suggests the following changes in the draft legal text. The Presidency is aware that discussions on further possible changes are necessary.

Green Architecture

At the September Council meeting, Member States reaffirmed their commitment to increase the CAP’s contribution to environmental and climate-related objectives. To this end, the details of the CAP’s green architecture need to be further adjusted accordingly.

¹ The state of play of the third part of the post-2020 CAP reform, the "CMO" Regulation, is set out in a separate Presidency paper (10970/20).

1. **Eco-schemes.** The Presidency sees strong eco-schemes as a key instrument to increase the CAP's environmental and climate ambition, and considers that their obligatory application by Member States and a budgetary ring-fencing are necessary for reaching General Approach. The Presidency took note of support for the two-year "learning phase", but also of requests from many Member States for further flexibility provisions, complemented by a specific suggestion from the Austrian delegation. The Presidency will table amendments in due course, as well as a percentage figure for the ring-fencing [x %].

2. **Conditionality.**

a. GAEC 9: In order to achieve the desired higher environmental performance, the Presidency suggests a minimum share of 3 % of non-productive areas or features. In the light of discussions on 21 September the Presidency suggests that the minimum percentage should be increased from 5% (as in the current greening) to [x] % when certain productive uses (catch crops or nitrogen fixing crops, cultivated without plant protection products) are included ([x]% representing a figure to be agreed at EU level).

b. Small holdings: Keeping small holdings in the system of conditionality contributes to the required environmental and climate ambition of CAP. To limit the resulting administrative burden, Article 11 provides that Member States shall take farm size into account in setting up GAEC standards. Moreover Member States may use a simplified control system for small holdings and it is possible to abstain from administrative penalties concerning small holdings in cases where the non-compliance has no grave consequences for the achievement of the objective of the standard or requirement concerned.

c. SMRs 7-9: The Presidency suggests to remove the curly brackets in Annex III, i.e. to delete SMRs 7-9. Other SMRs and GAECs should remain as set out in the drafting suggestions of the Croatian Presidency (document 8409/1/20 REV 1).

3. New Delivery Model

In the Working Party on Horizontal Agricultural Questions on 17 September 2020, the provisions concerning the technical implementation of the New Delivery Model were thoroughly discussed. The discussion focused on Articles 20 (value of payment entitlements and convergence), 41c (planning, reporting and performance clearance at operational programme level), 88 (indicative financial allocations), 89 (Planned variation of the unit amounts and planned outputs), 99 (interventions), 100 (target and financial plans), 121 (performance reports) and Annex I (indicators). To accommodate Member States' requests, the Presidency suggests the text as presented in the Annex to this note.

The Presidency is aware that some Member States still have open questions on the revised provisions. Nevertheless the drafting suggestions are considered as broadly stable. Linguistic adaptations may still be necessary to streamline the new wording in the relevant provisions.

Direct Payments

1. **Capping and degressivity.** On the basis of the European Council's conclusions on MFF, the Presidency has amended the legal drafting by indicating that capping should be voluntary for Member States. Keeping the spirit of the original Commission's proposal, it has also introduced a voluntary mechanism for reducing direct payments under 100 000 € and a voluntary capping for larger recipients beyond that limit that would provide a maximum degree of flexibility for Member States. Furthermore, an amendment concerning labour costs is set out in the annex.

2. **Other direct payment issues.** Under previous Presidencies significant progress has been achieved in the field of other direct payments. Thus, the Presidency is of the opinion that the latest Croatian Presidency drafting suggestions, including on the redistributive payments (8409/1/20 REV1), could be supported by a broad majority of Member States.
3. **Coupled support.** At the Council meeting on 21 September, many Member States outlined the importance of coupled support, whereas others called for a significant reduction. The Presidency sees the landing zone in the range between the status quo (i.e. 13% + 2% for protein crops) and the Commission proposal (i.e. 10% + 2 %).

Further issues:

- Art. 4: The Presidency suggests to introduce clarifications to the definitions of arable land and permanent grassland.
- Article 10a: The Presidency suggests to insert a new Article 10a which would contain the current Article 33 with a slightly rephrased paragraph 1 to cover all interventions potentially concerned (not only coupled income support), and a new paragraph 5 to exclude support to confectionary sunflower seed. The last paragraph of Article 60a would then be redundant and could hence be deleted.
- Article 20 paragraph 5: Since the concept of unit amounts is introduced in Art. 89, a cross-reference in Art. 20 seems necessary. Consequently, the Presidency suggests to delete the word “planned” as Art. 89 is only referring to “planned” unit amounts. Moreover, for reasons of coherence with Art. 89, the maximum unit amount was included as a reference for a benchmark concerning internal convergence. The suggestion to add “group of” [territories] aims at having consistent drafting.

- Article 85: The Presidency suggests the changes as presented below taking into account delegations' concerns expressed in the SCA on 14 September. The new text suggestion clarifies that for every intervention the higher contribution rate can be applied. Additionally it is clarified that contribution rates may be set on regional or national level. Finally the text addresses the technical assistance at the initiative of Member States – which is not a specific "type of intervention" in the meaning of the Regulation – in order to ensure that it receives an EAFRD contribution.
- Art. 90: The Presidency suggests the changes as presented below.
- Article 106 paragraph 2: The Presidency suggests the changes as presented below (assessment of CAP strategic plans by the European Commission).

paragraph 5, subparagraph 2: Due to the discussions during last months it seems to be important to stress the performance orientated approach between Member States and the Commission, which should give the Member States more leeway for implementation in detail. This approach could be weakened, if the Commission is obliged to approve the control and sanction systems of Member States together with the other parts of CAP Strategic Plan. Moreover such an approval by the Commission would undermine efforts for simplification as it would result in further detailed provisions, which could deepen the necessary scope of audits by the Commission itself. Therefore, the Presidency suggests to undo the deletion of “in point (c) of Article 101 and”.
- Article 140-142: The Presidency suggests the changes as presented below on transitional and final provisions.

Drafting suggestions

Compared to the Commission's initial proposal, added text is marked in **bold and underlined** and ~~strikethrough~~ is used for deleted text. Changes compared to the latest changes submitted to delegations (as indicated for each Article) are marked in **yellow**.

Article 4

(latest version: 8409/1/20 REV 1)

*Definitions **and conditions** to be formulated in the CAP Strategic Plans*

1. Member States shall provide in their CAP Strategic Plan **at least** the definitions of **and conditions for** agricultural activity, agricultural area, eligible hectare, ~~genuine farmer~~ and young farmer **on the following basis**:
 - (a) 'agricultural activity' shall be ~~defined~~ **determined** in a way that it includes both the production of agricultural products, **with the exception of fishery products**, listed in Annex I to the TFEU, ~~including~~ **as well as** cotton and short rotation coppice, and maintenance of the agricultural area in a state which makes it suitable for grazing or cultivation, without preparatory action going beyond usual agricultural methods and machineries;
 - (b) 'agricultural area' shall be ~~defined~~ **determined** in a way that it is composed of arable land, permanent crops and permanent grassland. The terms 'arable land', 'permanent crops' and 'permanent grassland' shall be further specified by Member States within the following framework:

(i) 'arable land' shall be land cultivated for crop production or areas available for crop production but lying fallow, and include areas set aside in accordance with Articles 22, 23 and 24 of Council Regulation (EC) No 1257/1999², with Article 39 of Council Regulation (EC) No 1698/2005³, with Article 28 of Regulation (EU) No 1305/2013 or with Article 65 **or GAEC standard 9 listed in Annex III** of this Regulation; **it shall also include areas set aside in accordance with Article 28 of this Regulation under the condition that the areas were land cultivated for crop production or areas available for crop production but lying fallow at the time they were set aside in accordance with that Article.**

(...)

(iii) 'permanent grassland and permanent pasture' (together referred to as 'permanent grassland') shall be land **used to grow grasses or other herbaceous forage naturally (self-seeded) or through cultivation (sown) and that has** not **been** included in the crop rotation of the holding for five years or more, **as well as, where Member States so decide, that has not been ploughed up for five years or more, as well as, where Member States so decide, that has not been tilled for five years or more; it may include other species such as shrubs or trees which can be grazed and, where Member States so decide, other species such as shrubs or trees which produce animal feed, provided that the** ~~used to grow grasses or~~ **and** ~~other herbaceous forage naturally (self-seeded) or through cultivation (sown)~~ **remain predominant.** ~~It may include other species such as shrubs and/or trees which can be grazed or produce animal feed~~ **Member States may also decide to consider as permanent grassland any of the following:**

(...)

² Council 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 Regulations (OJ L 160, 26.6.1999, p. 80).

³ Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (OJ L 277, 21.10.2005, p. 1).

Article 7

(latest version: WK 9537/2020)

Indicators

1. Achievement of the objectives referred to in Articles 5 and 6(4) shall be assessed on the basis of common indicators related to output, result, impact **and context as set out in Annex I.** These ~~set of~~ common indicators shall include:
 - (a) output indicators **used for performance clearance,** relating to the realised output of the interventions supported;
 - (b) result indicators relating to the specific objectives concerned and used for the establishment of quantified milestones, and targets in relation to those specific objectives in the CAP Strategic Plans and assessing progress towards the targets. ~~The indicators relating to environment and climate-specific objectives may cover interventions included in relevant national environmental and climate planning instruments emanating from the Union legislation listed in Annex XI;~~
 - (c) impact indicators related to the objectives set out in Articles 5 and 6(4) and used in the context of the CAP Strategic Plans and of the CAP;
 - (d) context indicators referred to in Article 103(2) and listed in Annex I.**

~~The common output, result and impact indicators are set out in Annex I.~~

- 1b. Result indicators used for performance review, referred to in point (b) of paragraph 1, shall include any applicable result indicator set out in Annex XII. In addition, Member States may choose to include, for the same purpose, any other relevant result indicators as set out in Annex I or any other CAP Strategic Plan specific result indicators, as determined by the Member State concerned.**

2. The Commission is empowered to adopt delegated acts in accordance with Article 138 amending Annex I to adapt the common output, result, ~~and~~ impact **and context** indicators. **This empowerment shall be strictly limited to addressing technical problems raised by Member States** to take into account the experience with **regarding** their application and, where needed, to add new indicators.

Article 10a

(new Article, largely based on previous Article 33)

Implementation of the Memorandum of Understanding on oilseeds

- 1. If Member States provide for area-based interventions which do not respect the provisions of Annex 2 to the WTO Agreement on Agriculture, including coupled income support under Subsection 1 of Section 3 of Chapter II of Title III, and where these interventions concern some or all of the oilseeds referred to in the Annex to the Memorandum of Understanding between the European Economic Community and the United States of America on oilseeds⁴, the total of the support area based upon the planned outputs included in the CAP Strategic Plans of the Member States concerned shall not exceed the maximum support area for the whole Union for the purpose of ensuring compliance with its international commitments.**

At the latest 6 months following the entry into force of this Regulation, the Commission shall adopt implementing acts fixing an indicative reference support area for each Member State, calculated on the basis of each Member State's share of the average cultivation area in the Union during the five years preceding the year of entry into force of this Regulation. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 139(2).

⁴ **Memorandum of Understanding between the Economic Community and the United States of America on oil seeds under GATT (OJ L147, 18.6.1993, p. 25).**

2. Each Member State that intends to grant support as referred to in paragraph 1 shall indicate the respective planned outputs in terms of hectares in its CAP Strategic Plan proposal referred to in Article 106(1).

If following the notification of all planned outputs by Member States the maximum support area for the whole Union is exceeded, the Commission shall calculate for each Member State that notified an excess compared to its reference area, a reduction coefficient that is proportionate to the excess of its planned outputs. This shall result in an adaptation to the maximum support area for the whole Union referred to in the paragraph 1. Each Member State concerned shall be informed about this reduction coefficient in the Commission's observations to the CAP Strategic Plan in accordance with Article 106(3). The reduction coefficient for each Member State shall be set in the implementing act by which the Commission approves its CAP Strategic Plan as referred to in Article 106(6).

The Member States shall not amend their support area on their own initiative after the date referred to in Article 106(1).

3. Where Member States intend to increase their planned outputs referred to in paragraph 1 as approved by the Commission in the CAP Strategic Plans, they shall notify the Commission of the revised planned outputs by means of a request for amendment of the CAP Strategic Plans in accordance with Article 107 before 1 January of the year preceding the claim year concerned.

Where appropriate, in order to avoid that the maximum support area for the whole Union as referred to in the first subparagraph of paragraph 1 is exceeded, the Commission shall revise the reduction coefficients referred to in that paragraph for all Member States that exceeded their reference area in their CAP Strategic Plans.

The Commission shall inform the Member States concerned about the revision of the reduction coefficients at the latest before 1 February of the year preceding the claim year concerned.

Each Member State concerned shall submit a corresponding request for amendment of its CAP Strategic Plan with the revised reduction coefficient referred to in the second subparagraph before 1 April of the year preceding the claim year concerned. The revised reduction coefficient shall be set in the implementing act approving the amendment of the CAP Strategic Plan as referred to in Article 107(8).

4. With regard to the oilseeds concerned by the Memorandum of Understanding referred to in the first subparagraph of paragraph 1, Member States shall inform the Commission of the total number of hectares for which support has been actually paid in the annual performance reports referred to in Article 121.

5. Member States shall exclude the cultivation of confectionery sunflower seed from any area-based intervention referred to in paragraph 1.

Article 15

(latest version: 10630/20)

Reduction of payments

1. Member States ~~shall~~ **may** reduce the amount of direct payments to be granted to a farmer pursuant to **Subsection 2 of Section 2 of** this Chapter for a given calendar year ~~by~~ exceeding EUR 60 000 as follows:
 - (a) **up to** ~~by at least~~ 25 % for the tranche between EUR 60 000 and EUR 75 000;
 - (b) **up to** ~~by at least~~ 50 % for the tranche between EUR 75 000 and EUR 90 000;
 - (c) **up to** ~~by at least~~ 75 % for the tranche between EUR 90 000 and EUR 100 000;
 - (d) **up to** ~~by~~ 100 % for the amount exceeding EUR 100 000.

Member States may define additional tranches and specify the percentages of reduction for these additional tranches within the limits set out in subparagraph 1. They shall ensure that the reduction for each tranche is equal or higher than for the previous tranche.

2. Before applying paragraph 1, Member States ~~shall~~ **may** subtract from the amount of direct payments to be granted to a farmer pursuant to this Chapter in a given calendar year:
 - (a) the salaries linked to an agricultural activity declared by the farmer, including taxes and social contributions related to employment; ~~and~~
 - (b) the equivalent cost of regular and unpaid labour linked to an agricultural activity practiced by persons working on the farm concerned who do not receive a salary, or who receive less remuneration than the amount normally paid for the services rendered, but are rewarded through the economic result of the farm business;

(c) the labour cost element of the contracting costs linked to an agricultural activity declared by the farmer.

To calculate the amounts referred to in points (a), ~~and~~ (b) **and (c)** Member States shall use the **method further specified in their CAP Strategic Plans** ~~average standard salaries linked to an agricultural activity at national or regional level multiplied by the number of annual work units declared by the farmer concerned.~~

3. The estimated product of the reduction of payments shall primarily be used to contribute to the financing of the complementary redistributive income support for sustainability, **if applied by that Member State**, and thereafter of other interventions belonging to decoupled direct payments.

Member States may also use all or part of the product to finance types of interventions under the EAFRD as specified in Chapter IV by means of a transfer. Such transfer to the EAFRD shall be part of the CAP Strategic Plan financial tables and may be reviewed in 2023 in accordance with Article 90. It shall not be subject to the maximum limits for the transfers of funds from the EAGF to the EAFRD established under Article 90.

4. The Commission is ~~empowered to~~ **may** adopt ~~delegated~~ **implementing** acts in accordance with ~~Article 138 supplementing this Regulation with rules establishing a harmonised basis for~~ **laying down uniform conditions for the** calculation ~~of~~ the reduction of payments laid down in paragraph 1 to ~~ensure a correct~~ **provide detailed rules for the** distribution of the funds to the entitled beneficiaries **farmers**.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 139(2).

Article 20

(latest version: WK 9538/2020 REV 1)

Value of payment entitlements and convergence

1. Member States shall determine the unit value of payment entitlements before convergence in accordance with this Article by adjusting the value of payment entitlements proportionally to their value as established in accordance with Regulation (EU) No 1307/2013 for claim year 2020 and the related payment for agricultural practices beneficial for the climate and environment provided for in Chapter III of Title III of that Regulation for claim year 2020.
2. Member States may decide to differentiate the value of payment entitlements in accordance with Article 18(2).

3. **Each** Member States shall, by claim year 2026 at the latest, set a maximum level for the value of **individual** payment entitlements for the Member State or for each group of territories ~~defined~~ **referred to** in accordance with Article 18(2).
4. Where the value of payment entitlements as determined in accordance with paragraph 1 is not uniform within a Member State or within a group of territories as ~~defined~~ **referred to** in accordance with Article 18(2), **the** Member States **concerned** shall ensure a convergence of the value of payment entitlements towards a uniform unit value by claim year 2026 at the latest.
5. For the purposes of paragraph 4, **each** Member States shall ensure that, for claim year 2026 at the latest, all payment entitlements have a value of at least 75% of the average ~~planned~~ unit amount **or, where applicable of the maximum unit amount, as referred to in Article 89,** for the basic income support for claim year 2026 as laid down in ~~the~~ **its** CAP Strategic Plan ~~transmitted in accordance with Article 106 (1)~~ for the Member State or for the **group of** territories as ~~defined~~ **referred to** in accordance with Article 18(2).
6. Member States shall finance the increases in the value of payment entitlements needed to comply with paragraphs 4 and 5 by using any possible **amounts that become available through** ~~product resulting from~~ the application of paragraph 3, and, where necessary, by reducing the difference between the unit value of payment entitlements determined in accordance with paragraph 1 and the average ~~planned~~ unit amount **or, where applicable, the maximum unit amount, as referred to in Article 89,** for the basic income support for claim year 2026 as laid down in the CAP Strategic Plan ~~transmitted in accordance with Article 106 (1)~~ for the Member State or for the **group of** territories as ~~defined~~ **referred to** in accordance with Article 18(2).

Member States may decide to apply the reduction to all or part of the payment entitlements with a value determined in accordance with paragraph 1 exceeding the average ~~planned~~ unit amount **or, where applicable, the maximum unit amount, as referred to in Article 89,** for the basic income support for claim year 2026, as laid down in the CAP Strategic Plan ~~transmitted in accordance with Article 106 (1)~~ for the Member State or for the **group of territories as defined referred to in accordance with Article 18(2).**

7. The reductions referred to in paragraph 6 shall be based on objective and non-discriminatory criteria. Without prejudice to the minimum **value** set in accordance with paragraph 5, such criteria may include the fixing of a maximum decrease that may not be lower than 30%.

Article 28

(latest version: 10439/20)

Schemes for the climate and the environment

1. Member States shall provide support for voluntary schemes for the climate and the environment ('eco-schemes') under the conditions set out in this Article and as further specified in their CAP Strategic Plans.
2. Member States shall support under this ~~type of intervention~~ **Article** ~~genuine~~ farmers **or groups of farmers** who make commitments to observe, on eligible hectares, agricultural practices beneficial for the climate and the environment. **If Member States decide to apply point (b) of paragraph 6 of this Article, commitments may be made either on eligible hectares or livestock units.**
3. Member States shall establish the list of agricultural practices beneficial for the climate and the environment. **Those practices shall be designed to meet one or more of the specific environmental- and climate-related objectives laid down in points (d), (e) and (f) of Article 6, and may also contribute to objectives (h) and (i) of the same Article.**

4. ~~Those practices shall be designed to meet one or more of the specific environmental and climate-related objectives laid down in points (d), (e) and (f) of Article 6(1).~~
5. Under this ~~type of interventions~~ **Article**, Member States shall only provide payments covering commitments which:
- (a) go beyond the relevant statutory management requirements and **GAEC** standards of ~~good agricultural and environmental condition~~ established under Section 2 of Chapter I of this Title;
 - (b) go beyond the **relevant** minimum requirements for the use of fertilisers and plant protection products, animal welfare, as well as other **relevant** mandatory requirements established by national and Union law;
 - (c) go beyond the conditions established for the maintenance of the agricultural area in accordance with point (a) of Article 4(1);
 - (d) are different from commitments in respect of which payments are granted under Article 65.
6. Support for **a particular** eco-scheme shall take the form of an annual payment ~~per~~ **for all** eligible hectares **or for the eligible hectares covered by the eco-schemes.** ~~and it~~ **Payments** shall be granted as either:
- (a) payments additional to the basic income support as set out in Subsection 2 of this Section*; or
 - (b) payments compensating beneficiaries **farmers or groups of farmers** for all or part of the additional costs incurred and income foregone as a result of the commitments ~~as set pursuant to~~ **made, which shall be calculated in accordance with** Article ~~65~~**76**.

* To be considered for a recital: "incentivising and remunerating the provision of ecosystem services through agricultural practices beneficial to the environment and climate".

Payments granted in accordance with point (b) of this paragraph may also take the form of an annual payment for the livestock units covered by the eco-schemes and may cover transaction costs.

- ~~7. Member States shall ensure that interventions under this Article are consistent with those granted under Article 65.~~
- ~~8. The Commission is empowered to adopt delegated acts in accordance with Article 138 supplementing this Regulation with further rules on the eco-schemes.~~

Article 41c

(latest version: WK 9538/2020 REV 1)

Planning, reporting and performance clearance at operational programme level

Notwithstanding point (a) of Article 7(1), Article 88, Article 89, points (f), (g) and (h) of Article 99, point (e) of Article 100 (2) and Article 121, the planning, reporting and performance clearance for the types of interventions in the sectors referred to in point (a) and in points (d), (e) and (f) of Article 39 that are implemented through operational programs shall be carried out at the level of those programs, instead of at the level of intervention, and the indicative financial allocation, the outputs and the unit amounts shall be set at the level of the operational programs.

Article 33

(latest version: 8409/1/20 REV 1)

Implementation of the Memorandum of Understanding between the European Economic Community and the United States of America on oilseeds

1. Where the coupled income support intervention concerns some or all of the oilseeds referred to in the Annex to the Memorandum of Understanding between the European Economic Community and the United States of America on oilseeds⁵, the total of the support area based upon the planned outputs included in the CAP Strategic Plans of the Member States concerned shall not exceed the maximum support area for the whole Union for the purpose of ensuring compliance with its international commitments.

At the latest 6 months following the entry into force of this Regulation, the Commission shall adopt implementing acts fixing an indicative reference support area for each Member State, calculated on the basis of each Member State's share of the average cultivation area in the Union during the five years preceding the year of entry into force of this Regulation. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 139(2).

2. Each Member State that intends to grant coupled income support for oilseeds concerned by the Memorandum of Understanding referred to in paragraph 1 shall indicate the respective planned outputs in terms of hectares in its CAP Strategic Plan proposal referred to in Article 106(1). If following the notification of all planned outputs by Member States the maximum support area for the whole Union is exceeded, the Commission shall calculate for each Member State that notified an excess compared to its reference area, a reduction coefficient that is proportionate to the excess of its planned outputs. This shall result in an adaptation to the maximum support area for the whole Union referred to in the paragraph 1. Each Member State concerned shall be informed about this reduction coefficient in the Commission's observations to the CAP Strategic Plan in accordance with Article 106(3). The reduction coefficient for each Member State shall be set in the implementing act by which the Commission approves its CAP Strategic Plan as referred to in Article 106(6).

The Member States shall not amend their support area on their own initiative after the date referred to in Article 106(1).

⁵ Memorandum of Understanding between the Economic Community and the United States of America on oil seeds under GATT (OJ L147, 18/06/1993).

3. Where Member States intend to increase their planned outputs referred to in paragraph 1 as approved by the Commission in the CAP Strategic Plans, they shall notify the Commission of the revised planned outputs by means of a request for amendment of the CAP Strategic Plans in accordance with Article 107 before 1 January of the year preceding the claim year concerned.

Where appropriate, in order to avoid that the maximum support area for the whole Union as referred to in the first subparagraph of paragraph 1 is exceeded, the Commission shall revise the reduction coefficients referred to in that paragraph for all Member States that exceeded their reference area in their CAP Strategic Plans.

The Commission shall inform the Member States concerned about the revision of the reduction coefficients at the latest before 1 February of the year preceding the claim year concerned.

Each Member State concerned shall submit a corresponding request for amendment of its CAP Strategic Plan with the revised reduction coefficient referred to in the second subparagraph before 1 April of the year preceding the claim year concerned. The revised reduction coefficient shall be set in the implementing act approving the amendment of the CAP Strategic Plan as referred to in Article 107(8).

4. With regard to the oilseeds concerned by the Memorandum of Understanding referred to in the first subparagraph of paragraph 1, Member States shall inform the Commission of the total number of hectares for which support has been actually paid in the annual performance reports referred to in Article 121.

Article 60a

(latest version: 8409/1/20 REV 1)

1. For each sector selected according to the first paragraph of Article 59, Member States shall choose one or more of the types of interventions referred to in Article 41b to be implemented through approved operational programs drawn up by:

(a) producer organisations and their associations, recognised under Regulation (EU) No 1308/2013 or under paragraph 7 in the cotton sector, or

(b) cooperatives, as well as other forms of cooperation between producers constituted at the initiative of producers and controlled by them, that have been identified by the competent authority of a Member State as producer groups, for a transitional period of up to four years from the start of an approved operational program ending on 31 December 2027 at the latest.

2. Member States shall set the criteria for being identified as producer groups and shall determine the activities and objectives of the producer groups referred to in point (b) of paragraph 1 with the aim that these producer groups be able to meet the requirements for recognition as producer organisations under Articles 152 to 154 or 161 of Regulation (EU) No 1308/2013.

3. Producer groups referred to in point (b) of paragraph 1, shall, in addition to an operational program, draw up and submit a recognition plan with a view to fulfilling, within the transitional period referred to in that point, the requirements laid down in Articles 152 to 154 or 161 of Regulation (EU) No 1308/2013 for recognition as producer organisations.

The recognition plan shall set activities and targets to ensure the progress towards obtaining such recognition.

The support granted to a producer group that is not recognised as a producer organisation by the end of the transitional period shall be subject to recovery.

4. Member States shall substantiate their choice of types of interventions referred to in paragraph 1.

- 5. Types of interventions referred to in points (c) and (e) to (h) of paragraph 2 of Article 41b shall not apply to cotton, rape and colza seeds, sunflower seeds and soya beans included in Annex [X].**
- 6. The operational programs referred to in paragraph 1 shall fulfil the conditions laid down in Article 44(2) and (3) to (6) of this Regulation.**
- 7. Member States, which choose to implement types of interventions referred to in Article 39(f) in the cotton sector, shall recognise producer organisations in the cotton sector and associations of such producer organisations based on the requirements and using the procedures laid down in paragraph 1 of Article 152 and in Articles 153 to 156 of Regulation (EU) No 1308/2013⁶. Producer groups of cotton and federations of such producer groups recognised by Member States based on the Protocol No 4 to the 1979 Act of Accession of the Hellenic Republic before the entry into application of this Regulation are, for the purposes of this section, deemed to be considered as producer organisations or associations of producer organisations, respectively.**
- 8. Member States shall ensure that the support for the types of interventions referred to in points (e), (f) and (g) of paragraph 2 of Article 41b does not exceed one third of the total expenditure under operational programs as set out in their CAP Strategic Plan.**

Article 68

(latest version: 8409/1/20 REV 1)

Investments

1. Member States may grant support for investments under the conditions set out in this Article and as further specified in their CAP Strategic Plans.

⁶ REGULATION (EU) No 1308/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (OJ L 347, 20.12.2013, p. 671)

2. Member States may only grant support under this ~~type of interventions~~ **Article** for **those investments in** tangible and/or intangible investments ~~assets~~, which **that** contribute to achieving **one or more of** the specific objectives set out in Article 6. ~~Support to the forestry sector shall be based on a forest management plan or equivalent instrument.~~

For holdings above a certain size, to be determined by the Member States in their CAP Strategic Plan, support to the forestry sector shall be conditional on the presentation of the relevant information from a forest management plan or equivalent instrument in line with sustainable forest management as understood by the Ministerial Conference on the Protection of Forests in Europe of 1993.

3. Member States shall establish a list of ineligible investments and categories of expenditure, including at least the following:
- (a) ~~purchase of agricultural production rights;~~
 - (b) purchase of payment entitlements;
 - (c) purchase of land **for an amount exceeding 10% of the total eligible expenditure for the operation concerned;** ~~with the exception of land purchase for environmental conservation or land purchase by young farmers through the use of~~ **in the case of** financial instruments, **this ceiling shall apply to the eligible public expenditure paid to the final recipient, or, in case of guarantees, to the amount of the underlying loan;**
 - (d) purchase of ~~animals~~ **livestock, with the exception of endangered breeds as defined in Article 2(24) of Regulation (EU) No 2016/1012,** annual plants and their planting other than for the purpose of restoring agricultural or forestry potential following natural disaster and catastrophic events;

- (e) interest rate on debt, except in relation to grants given in the form of an interest rate subsidy or guarantee fee subsidy;
- (f) investments in irrigation which are not consistent with the achievement **and maintenance** of good status of water bodies, as laid down in Article 4(1) of Directive 2000/60/EC, including expansion of irrigation affecting water bodies whose status has been defined as less than good in the relevant river basin management plan **for reasons related to quantity**;
- (g) investments in large-**scale** infrastructures, **as determined by Member States**, not being part of **community-led** local development strategies **set out in Article 26 of Regulation [CPR], except for broadband, renewable energy and flood and coastal protection**;
- (h) investments in afforestation which are not consistent with climate and environmental objectives in line with sustainable forest management principles, as developed in the Pan-European Guidelines for Afforestation and Reforestation.

Points ~~(a)~~, (b), (d) and (g) of the first subparagraph shall not apply where support is provided through financial instruments.

By way of derogation from point (c), land purchase for environmental conservation and carbon-rich soil preservation, as well as land purchase by young farmers through the use of financial instruments, may be eligible to a higher rate than 10%. In the case of financial instruments, any defined percentage shall apply to the eligible public expenditure paid to the final recipient or, in case of guarantees, to the amount of the underlying loan.

{By way of derogation from point (f) investments in irrigation may be made eligible if an ex ante environmental analysis shows that there will be no significant negative environmental impact from the investment. Such an environmental impact analysis shall be carried out by the competent authority or be approved by it.}

4. Member States shall limit the support to ~~the **one or more** maximum rates of **not exceeding**~~ 75% of the eligible costs.

The ~~maximum~~ support rates may be increased **to a maximum of 100%** for the following investments:

- (a) afforestation and non-productive investments linked to **one or more of** the specific environmental- and climate-related objectives set out in points (d), (e) and (f) of Article 6(1), **including non-productive investments aimed at protecting livestock against predation and crops against damages caused by wild animals such as wild boars;**
- (b) investments in basic services **and infrastructure** in rural areas, **as determined by Member States;**
- (c) investments in the restoration of agricultural or forestry potential following natural disasters or catastrophic events and investments in appropriate preventive actions in forests and in the rural environment;
- (d) non-productive investments supported through community-led local development strategies set out in Article 26 [CPR] and Operational Group projects of the European Innovation Partnership for agricultural productivity and sustainability as referred to in point (a) of Article 71;**
- (e) non-productive investments in forestry infrastructure, land consolidation and land improvement.**

5. Where Union law results in the imposition of new requirements on farmers, support may be granted for investments to comply with those requirements for a maximum of 24 months from the date on which they become mandatory for the holding.

Article 81

(latest version: 10439/20)

Financial allocations for types of interventions in the form of direct payments

1. Without prejudice to Article 15 of Regulation (EU) [HzR], the total amount for types of interventions in the form of direct payments which may be granted in a Member State pursuant to Chapter II of Title III of this Regulation in respect of a calendar year shall not exceed the financial allocation of that Member State as set out in [Annex IV].

Without prejudice to Article 15 of Regulation (EU) [HzR], the maximum amount which may be granted in a Member State, in a calendar year, pursuant to Subsection 2, Section 23, Chapter II of Title III of this Regulation and before the application of Article 15 of this Regulation, shall not exceed the financial allocation of that Member State set out in [Annex VI].

For the purpose of Article 86(5), **(6a) and (6b)**, the financial allocation of a Member State referred to in the first subparagraph after deduction of the amounts set out in [Annex VI] and before any transfers according to Article 15 is set out in [Annex VII].

2. The Commission is empowered to adopt delegated acts in accordance with Article 138 amending the Member States' allocations set out in [Annex IV and VII] to take account of the developments relating to the total maximum amount of direct payments that may be granted, including the transfers referred to in Articles 15 and 90, transfers of financial allocations referred to in Article 82(5) and any deductions needed to finance types of interventions in other sectors referred to in Article 82(6).

By way of derogation from the first subparagraph the adaptation of [Annex VII] shall not take into account any transfers in accordance with Article 15.

3. The amount of the indicative financial allocations per intervention referred to in Article 88 for the types of interventions in the form of direct payments laid down in Article 14 to be granted in a Member State in respect of a calendar year may exceed the allocation of that Member State set out in [Annex IV] by the estimated amount of reduction of payments taken up in the CAP Strategic Plan as referred to in the second subparagraph of Article 100(2)(d).

Article 85

(latest version: 10630/20)

EAFRD contribution rates

1. The CAP Strategic Plans shall establish **at regional or national level** a single EAFRD contribution rate applicable to all interventions **and technical assistance at the initiative of the Member States referred to in Article 112**.
2. **By way of derogation from paragraph 1** The maximum EAFRD contribution rate shall be:
(aa) 85% of the eligible public expenditure in the less developed regions;
 - (a) ~~78~~0% of the eligible public expenditure in the outermost regions and in the smaller Aegean islands **within the meaning of Regulation (EU) No 229/2013;**
 - (b) ~~70%~~ of the eligible public expenditure in the less developed regions;**(ba) 60% of the eligible public expenditure in transition regions;**
 - (c) ~~65%~~ of the eligible expenditure for payments under Article 66;
 - (d) 43% of the eligible public expenditure in the other regions.**The minimum EAFRD contribution rate shall be 20%.**
3. By way of derogation from paragraphs **1 and** 2, the maximum EAFRD contribution rate shall **if the rate in paragraph 2 is lower,** be:
(aa) 65% of the eligible public expenditure for payments for natural or other area-specific constraints under Article 66;

- (a) 80 % **of the eligible public expenditure for payments under for management commitments referred to in** Article 65 of this Regulation, for payments under Article 67 of this Regulation, for **support for** non-productive investments referred to in Article 68 of this Regulation, for support for the European Innovation Partnership under **point (a) of Article 71(1)** of this Regulation and for ~~the~~ LEADER **under point (b) of Article 71(1) of this Regulation**, referred to as community-led local development in Article 25 of Regulation (EU) [CPR];
- (b) 100% for operations receiving funding from funds transferred to the EAFRD in accordance with Articles 15 and 90 of this Regulation.

4. The minimum EAFRD contribution rate shall be 20 %.

Article 86

(latest version: 10439/20)

Minimum and maximum financial allocations

1. At least 5 % of the total EAFRD contribution to the CAP Strategic Plan as set out in [Annex IX] shall be reserved for LEADER, referred to as community-led local development in Article 25 of Regulation (EU) [CPR].
2. At least 30% of the total EAFRD contribution to the CAP Strategic Plan as set out in [Annex IX] shall be reserved for interventions addressing the specific environmental- and climate-related objectives set out in points (d), (e) and (f) of Article 6(1) of this Regulation, ~~excluding interventions based on Article 66.~~

The first subparagraph does not apply to the outermost regions.

3. A maximum 4 % of the total EAFRD contribution to the CAP Strategic Plan as set out in [Annex IX] may be used to finance the actions of technical assistance at the initiative of the Member States referred to in Article 112.

The EAFRD contribution may be increased to 6% for CAP Strategic plans where the total amount of Union support for rural development is up to EUR ~~90~~**1.5** billion.

Technical assistance shall be reimbursed as a flat-rate financing following Article 125(1)(e) of Regulation (EU) ~~2018/1046~~ ~~...~~ ~~...~~ ~~[new Financial Regulation]~~ in the framework of interim payments pursuant to Article 30 of Regulation (EU) [HZR]. This flat-rate shall represent the percentage set in the CAP Strategic Plan for technical assistance of the total expenditure declared.

4. For each Member State the minimum amount set out in ~~[Annex X]~~ shall be reserved for contributing to the specific objective ~~'attract young farmers and facilitate business development'~~ set out in point (g) of Article 6(1). On the basis of ~~the analysis of the situation in terms of strengths, weaknesses, opportunities and threats ('the SWOT analysis')~~ and the identification of the needs that are to be addressed, the amount shall be used for **either or both** the following types of interventions:
 - (a) the ~~€~~complementary ~~€~~income ~~€~~support for ~~€~~young ~~€~~farmers as laid down in Article 27;
 - (b) the installation of young farmers referred to in **point (a) of** Article 69(2).
5. The indicative financial allocations for the coupled income support interventions referred to in Subsection 1 of Section ~~23~~ of Chapter II of Title III, shall be limited to a maximum of **10% / 103%** of the amounts set out in ~~[Annex VII]~~.

By way of derogation from the first sub-paragraph, Member States that in accordance with Article 53(4) of Regulation (EU) No 1307/2013 used for the purpose of voluntary coupled support more than 13% of their annual national ceiling set out in Annex II to that Regulation, may decide to use for the purpose of coupled income support more than **10% / 103%** of the amount set out in ~~[Annex VII]~~. The resulting percentage shall not exceed the percentage approved by the Commission for voluntary coupled support in respect of claim year 2018.

The percentage referred to in the first subparagraph, may be increased by a maximum of 2% **percentage points**, provided that the amount corresponding to the percentage exceeding the **10% / 103%** is allocated to the support for protein crops under Subsection 1 of Section 23 of Chapter II of Title III.

The amount included in the approved CAP Strategic Plan resulting from the application of the first, ~~and second~~ **and third** subparagraphs ~~shall be binding~~ **may not be exceeded**.

By way of derogation from the first and second subparagraphs, Member States may choose to use up to EUR 3 million per year for financing coupled income support.

6. Without prejudice to Article 15 of Regulation (EU) [HzR], the maximum amount which may be granted in a Member State before the application of Article 15 of this Regulation pursuant to Subsection 1 of Section 23 of Chapter II of Title III of this Regulation in respect of a calendar year shall not exceed the amounts fixed in the CAP Strategic Plan in accordance with paragraph **65 of this Article**.

- 6a. Member States shall set out in their CAP Strategic Plan for the calendar years 2023 and 2024 an indicative financial allocation for schemes for the climate and the environment referred to in Subsection 4 of Section 2 of Chapter II of Title III of at least [x]% of the amounts set out in Annex VII.**

The indicative financial allocation shall not prevent Member States from using funds from this allocation according to the first subparagraph as funds for other interventions in accordance with Article 88(3), where this is necessary to avoid funds being unused under the condition that all possibilities to use the respective funds for schemes for the climate and environment referred to in Subsection 4 of Section 2 of Chapter II of Title III have been exhausted.

6b. At least [x]% of the amounts set out in Annex VII for the calendar years 2025, 2026 and 2027 shall be reserved for schemes for the climate and the environment referred to in Subsection 4 of Section 2 of Chapter II of Title III.

7. Member States may decide in their CAP Strategic Plan to use a certain share of the EAFRD allocation to leverage support and upscale integrated Strategic Nature Projects as ~~defined~~**provided for** under the [LIFE Regulation] and to finance actions in respect of transnational learning mobility of people in the field **of** agricultural and rural development with a focus on young farmers, in accordance with the [Erasmus Regulation].

Article 88

(latest version: WK 9538/2020 REV 1)

Indicative financial allocations

1. Member States shall set out, in their CAP Strategic Plan, an indicative financial allocation for each intervention **and for each year**. ~~For each intervention, **This indicative financial allocation shall represent** the multiplication of the planned unit amount, without the application of the percentage of variation referred to in Article 89, and the planned outputs, shall equal this indicative financial allocation~~ **the expected level of payments for the intervention in the relevant financial year.**
2. ~~Where different unit amounts are planned within an intervention, the sum of the multiplications of the planned unit amounts, without the application of the percentage of variation referred to in Article 89 and the corresponding planned outputs shall equal the indicative financial allocation referred to in paragraph 1.~~

3. The indicative financial allocations set out by Member States in accordance with paragraph 1 shall not prevent Member States from using funds from these indicative financial allocations as funds for other interventions, without amending the CAP Strategic Plan as referred to in Article 107, subject to compliance with the provisions of this Regulation, and in particular with Articles 81, 82, 83, 84, 86 and 89, and with the provisions of Regulation (EU) No .../... [HzR Regulation], and in particular with Article 30(6)(b), and to the following:

- financial allocations for direct payments interventions are used for other interventions in the form of direct payment,**
- financial allocations for rural development interventions are used for other interventions for rural development,**
- financial allocations for interventions in the fruit and vegetable sector, the apiculture sector, the wine sector, the hops sector, the olive oil and table olives sector are only used for other interventions in the same sector and the use does not affect approved operational programs, and**
- financial allocations for interventions in other sectors referred to in point (f) of Article 39 are used for interventions in other sectors referred to in point (f) of Article 39 laid down in the CAP Strategic Plan and the use does not affect approved operational programs.**

Article 89

(latest version: WK 9538/2020 REV 1)

Variation of the Planned unit amounts and planned outputs

1. ~~Without prejudice to the application of Article 15,~~ **Member States shall set out one or more planned unit amounts for each intervention included in their CAP Strategic Plan. The planned unit amount may be uniform or average, as determined by Member States. Uniform unit amount is the value that is expected to be paid for each related output. Average unit amount is the average value of the different unit amounts that are expected to be paid for the related outputs.**

For interventions covered by the integrated system referred to in Article 63(2) of Regulation [HzR], uniform unit amounts shall be set out, except where uniform unit amounts are not possible or appropriate, as determined by Member States, in view of the design and scope of the intervention. In such case, average unit amounts shall be set out.

- 1a. For types of interventions in the form of direct payments,** ~~Member States shall~~ **may** set a maximum **or minimum unit** amounts ~~of support per unit~~ **or both** ~~or a percentage of variation~~ for each **unit amount planned for each** ~~intervention of the following types of interventions:~~

- (a) ~~decoupled direct payments and coupled income support referred to in Chapter II of Title III;~~
- (b) ~~payments for management commitments referred to in Article 65;~~
- (c) ~~payments for natural constraints or other area specific disadvantages referred to in Articles 66 and 67.~~

The Percentage of variation is **minimum and maximum planned unit amounts** are the percentage by which the realised average or uniform unit amount may exceed the planned average or uniform unit amount referred to in the CAP Strategic Plan **minimum and maximum unit amounts that are planned to be paid for the related outputs.**

When setting the maximum or minimum unit amounts or both Member States may justify these values with the necessary flexibility for reallocation to avoid unused funds.

The realised unit amount referred to in point (c) of Article 121(4a) may only be lower than the planned unit amount or the minimum planned unit amount, where such amount is set out, to prevent an excess of the financial allocations for types of interventions in the form of direct payments referred to in Article 81(1).

For each intervention in the form of direct payments, the realised average or uniform unit amount shall never be lower than the planned unit amount, unless the realised output exceeds the planned output as established in the CAP Strategic Plan.

Where different unit amounts have been defined within an intervention, this subparagraph shall apply to each uniform or average unit amount of that intervention.

2. For the purposes of this Article, the realised average or uniform unit amount is calculated by dividing the annual expenditure paid by the corresponding realised output for each intervention. For the following types of interventions for rural development, when using average unit amounts, Member States may set a maximum planned average unit amount:

(a) payments for management commitments referred to in Article 65;

(b) payments for natural constraints or other area-specific disadvantages referred to in Articles 66 and 67.

The maximum planned average unit amount is the maximum amount that is planned to be paid on average for the related outputs.

- 3. Where different unit amounts are established for an intervention, paragraphs 1a and 2 shall apply to each relevant unit amount of that intervention.**
- 4. Member States shall set out the annual planned outputs for each intervention quantified for each uniform or average unit amount. Within an intervention, the annual planned outputs may be provided at an aggregated level for all unit amounts or for group of unit amounts.**

Article 90

(latest version: 10630/20)

Flexibility between direct payments allocations and EAFRD allocations

1. As part of their CAP Strategic Plan proposal referred to in Article 106(1), Member States may decide to transfer:
 - (a) up to ~~15~~**25**% of the Member State's allocation for direct payments set out in [Annex IV] after deduction of the allocations for cotton set in [Annex VI] for calendar years 2021 to 2026 to the Member State's allocation for EAFRD in financial years 2022 – 2027; or
 - (b) up to ~~15~~**25**% of the Member State's allocation for EAFRD in financial years 2022 – 2027 to the Member State's allocation for direct payments set out in [Annex IV] for calendar years 2021 to 2026.

The percentage of transfer from **a** Member State's allocation for direct payments to its allocation for EAFRD referred to in **point (a) of** the first subparagraph may be increased by:

- (a) up to 15 percentage points provided that Member States use the corresponding increase for EAFRD financed interventions addressing the specific environmental- and climate-related objectives referred to in points (d), (e) and (f) of Article 6(4);

- (b) up to 2 percentage points provided that ~~the~~ Member States use the corresponding increase in accordance with point (b) of Article 86~~(5)~~**(4)**.

The percentage of transfer from a Member State's allocation for EAFRD to its allocation for direct payments referred to in point (b) of the first subparagraph may be increased to 30% for Member States with direct payments per hectare below 90% of the Union average.

2. The decisions referred to in the paragraph 1 shall set out the percentage referred to in paragraph 1, which may vary by calendar year.
3. Member States may, ~~in~~ **once a year from** 2023~~5~~, review their decisions referred to in paragraph 1 as part of a request for amendment of their CAP Strategic Plans, referred to in Article 107.

Article 91

(latest version: 9537/2020)

CAP Strategic Plans

Member States shall establish CAP Strategic Plans in accordance with this Regulation to implement the Union support financed by the EAGF and the EAFRD for the achievement of the specific objectives set out ~~to~~ in Article 6.

Each Member State shall establish a single CAP Strategic Plan for its entire territory.

Where elements of the CAP Strategic Plan are established at regional level, the Member State shall ensure the coherence and the consistency with the elements of the CAP Strategic Plan established at national level.*

* The second and third sub-paragraphs have been moved from Article 93 without any further change.

Based on the SWOT analysis referred to in Article 103(2) and an assessment of needs referred to in Article 96, Member States shall establish in the CAP Strategic Plans an intervention strategy as referred to in Article 97 in which **relevant** quantitative targets and milestones shall be set to achieve the **relevant** specific objectives set out in Article 6. The targets shall be defined **set** using **at least** a **the** common set of result indicators set out in Annex **XII**, **when relevant for the intervention in the CAP Strategic Plan. In addition, Member States may choose to include, for the same purpose, any other relevant result indicators as set out in Annex I or any other CAP Strategic Plan specific result indicators.**

The intervention strategy referred to in Article 97 shall also contain forecasted values in relation to the relevant result indicators, chosen by Member States, to be used solely for the monitoring of implementation.

To reach these targets Member States shall set out interventions based on the types of interventions laid down in Title III.

Each CAP Strategic Plan shall cover the period from 1 January ~~2021~~ **2023** to 31 December 2027.

Article 99

(latest version: WK 8748/2020)

Interventions

The ~~description of~~ **section on** each intervention specified in the strategy referred to in point (d) of Article 95(1) shall include:

- (a) the type of interventions it belongs to;
- (b) the territorial scope;

- (c) the specific design or requirements of that intervention; ~~that ensure an effective contribution to the specific objective(s) set out in Article 6(1).~~ For environmental and climate interventions, articulation with the conditionality requirements shall show that the practices **are complementary and** do not overlap;
- (d) the eligibility conditions;
- (da) at least one result indicator to which the intervention contributes out of those set out in Annex XII or, where none of those indicators are applicable, at least one indicator out of those set out in Annex I, or out of any other CAP Strategic Plan specific result indicators. For the purpose of performance review, Member States shall include any applicable result indicator set out in Annex XII. In addition, Member States may choose to include, for the same purpose, any other relevant result indicators set out in Annex I or any other CAP Strategic Plan specific result indicators. For the purpose of monitoring the implementation, Member States shall include any relevant result indicators set out in Annex I which have not been included for the purpose of performance review;**
- (e) for each intervention which is based on the types of interventions listed in Annex II to this Regulation, how it respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation, and for each intervention which is not based on the types of interventions listed in Annex II to this Regulation, whether and, if so, how it respects relevant provisions of Article 6.5 or Annex 2 to the WTO Agreement on Agriculture;
- (f) **one output indicator and** the annual planned outputs for the intervention, ~~and where relevant, a breakdown per uniform or average unit amount of support~~ **as referred to in Article 89(4);**

(g) the annual planned **uniform or average** unit amounts ~~of support~~ **as referred to in Article 89(1) and, where relevant, the minimum or maximum planned unit amounts as referred to in Article 89(1a) and (2);**~~its~~

(ga) an explanation of how the unit amounts ~~justification and,~~ **where relevant, the** a justified maximum **or minimum unit amounts or both** ~~upper variation~~ **as referred to in Article 89(1), (1a) and (2), were set** ~~of that unit amount as referred to in Article 89;~~

(gb) ~~Where applicable, the following information shall also be provided:~~

(i) the form and rate of support;

(ii) the **method for** calculating ~~on~~ ~~of~~ the unit amounts ~~of support~~ and ~~their~~ **its** certification as referred to in **accordance with** Article 76;

~~(iii) the different uniform unit amounts of support within that intervention, notably for groups of territories defined in Article 18(2);~~

~~(iv) where Member States decide to differentiate the amount of the basic income support per hectare in accordance with Article 18(2) for each group of territories;~~

(h) the ~~resulting~~ annual financial allocation for the intervention, as referred to in Article 88. Where applicable, a breakdown on amounts planned for grants and amounts planned for financial instruments shall be provided;

(i) an indication as to whether the intervention falls outside the scope of Article 42 TFEU and is subject to State aid assessment.

Article 100

(latest version: WK 9538/2020 REV 1)

Target and financial plans

1. The target plan referred to in point (e) of Article 95(1) shall consist of a recapitulative table showing the targets **and milestones** as referred to in point (a) of Article 97(1), ~~indicating the break-down in annual milestones.~~
2. The financial plan referred to in point (e) of Article 95(1) shall comprise tables consistent with points (f) and (h) of Article 99, including:
 - (a) the Member State's allocations for direct payments types of interventions as referred to in Article 81(1), for ~~sectoral~~ **the** types of interventions for wine referred to in Article 82(1), for apiculture referred to in Article 82(2) and for types of interventions for rural development as referred to in Article 83(3);
 - (b) the transfers of amounts between types of interventions in the form of direct payments and types of interventions for rural development in accordance with Article 90 and any deductions of the Member State's allocations for types of interventions in the form of direct payments to make amounts available for types of interventions in other sectors referred to in Section VII of Chapter III of Title III in accordance with Article 82~~(7)~~**(6)**;
 - (c) the Member State's allocations for the ~~sectoral~~ types of interventions for olive oil referred to in Article 82(4) and for hops referred to in Article 82(3), and if these types of interventions are not implemented, the decision to include the corresponding allocations in the Member State's allocation for direct payments in accordance with Article 82(5);

- (d) a breakdown of the Member State's allocations for types of interventions in the form of direct payments after transfers as specified in points (b) and (c) based on indicative financial allocations per type of interventions and per intervention, specifying the planned outputs, the average or uniform unit amounts and, **where relevant**, the maximum **or minimum unit amounts, or both, for each intervention as** referred to in Article 89**(1) and (1a)**. Where applicable, the breakdown shall include the amount of the reserve of payment entitlements.

The total estimated product of reduction of payments **as referred to in Article 15** shall be specified.

Taking into account the use of the **estimated** product of reduction of payments as referred to in Articles 15 and 81(3), these indicative financial allocations, the related planned outputs and the corresponding average unit amounts or uniform unit amounts shall be established before reduction of payments;

- (e) a breakdown of the allocations for ~~sectoral~~ **the** types of interventions referred to in ~~Section VII~~ of Chapter III of Title III per intervention and with an indication of the planned outputs ~~and the average unit amount~~;
- (f) a breakdown of the Member State's allocations for rural development after transfers to and from direct payments as specified in point (b), per type of interventions and per intervention, including totals for the period, indicating also the applicable EAFRD contribution rate, broken down per intervention and per type of region where applicable. In case of transfer of funds from direct payments, the intervention(s) or part of intervention financed by the transfer shall be specified. This table shall also specify the planned outputs per intervention and the average or uniform unit amounts, as well as, where **relevant, the maximum planned average unit amounts as referred to in Article 89(1) and (2)**. **Where** applicable, **the table shall also include** a breakdown of the ~~amounts planned for grants and amounts planned for financial instruments~~. The amounts for technical assistance shall also be specified;

~~(g) indications of the interventions contributing to the minimum spending requirements laid down in Article 86.~~

(ga) where relevant, transfer of amounts from EAFRD for support under InvestEU in accordance with Article 75 of this Regulation, under Regulation (EU) [LIFE Regulation] or under Regulation (EU) [Erasmus Regulation] in accordance with Article 86(7) of this Regulation.

2a. The financial plan shall also comprise indications of the interventions contributing to the minimum spending requirements laid down in Article 86.

~~The elements referred to in this paragraph shall be established per year.~~

Article 106

(latest version: 10439/20)

Approval of the CAP Strategic Plan

1. Each Member State shall submit to the Commission a proposal for a CAP Strategic Plan, **with the containingent the information** referred to in Article 95 no later than 1 January 2022.
2. The Commission shall assess the proposed CAP Strategic Plans ~~on the basis of~~ **as regards** the **its** completeness ~~of the plans, the~~ **its** consistency and coherence with the general principles of Union law, with this Regulation and the provisions adopted pursuant to it and with ~~the~~ Horizontal Regulation **(EU) [HzR]**, ~~their~~ **its** effective contribution to the specific objectives set out in Article 6(1), ~~the~~ **and its** impact on the proper functioning of the internal market and distortion of competition, ~~the level of administrative burden on beneficiaries and administration.~~ The assessment shall address, in particular, the adequacy of the strategy of the CAP Strategic Plan, the corresponding specific objectives, targets, interventions and the allocation of budgetary resources to meet the specific CAP Strategic Plan objectives through the proposed set of interventions on the basis of the SWOT analysis and the ex-ante evaluation. **The assessment shall exclusively be based on acts which are legally binding on Member States.**

3. Depending on the results of the assessment referred to in paragraph 2, the Commission may address observations to the Member States within three months of the date of submission of the CAP Strategic Plan.

The Member State shall provide to the Commission all necessary additional information and, where appropriate, revise the proposed plan.

4. The Commission shall approve the proposed CAP Strategic Plan provided that the necessary information has been submitted and ~~the Commission is satisfied that~~ the Plan is compatible with **Article 9 and the general principles of Union law**, the **other** requirements set out in this Regulation **and in Regulation (EU) [HzR] as well as**, the provisions adopted pursuant to it ~~and in Regulation (EU) [HzR]~~ **them**.
5. The approval of each CAP Strategic Plan shall take place no later than ~~eight~~ **six** months following its submission by the Member State concerned.

The approval shall not cover the information referred to **in point (c) of Article 101 and** in Annexes I to IV to the CAP Strategic Plan referred to in points (a) to (d) of Article 95(2).

In duly justified cases, ~~the a~~ Member State may ask the Commission to approve a CAP Strategic Plan which does not contain all elements. In that case the Member State concerned shall indicate the parts of the CAP Strategic Plan that are missing and provide indicative targets and financial plans as referred to in Article 100 for the whole CAP Strategic Plan in order to show the overall consistency and coherence of the plan. The missing elements of the CAP Strategic Plan shall be submitted to the Commission as an amendment of the plan in accordance with Article 107.

6. Each CAP Strategic Plan shall be approved by the Commission by means of an implementing decision without applying the Committee procedure referred to in Article 139.
7. The CAP Strategic Plans shall only have legal effects after their approval by the Commission.

Article 120

(latest version: WK 9537/2020)

Implementing powers for the performance framework

The Commission shall adopt implementing acts on the content of the performance framework. Such acts shall include ~~the list of context indicators, other indicators needed for the appropriate monitoring and evaluation of the policy,~~ the methods for the calculation of indicators and the necessary provisions to guarantee accuracy and reliability of the data collected by Member States. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 139(2).

Article 121

(latest version: WK 9538/2020 REV 1)

Annual performance reports

1. ~~By 15 February 2023 and 15 February of each subsequent year until and including 2030 the Member States shall, **in accordance with Article 8(3) and (4) of Regulation (EU) [HzR],** submit **provide** to the Commission an annual performance report on the implementation of the CAP Strategic Plan in the previous financial year. The report submitted in 2023 shall cover the financial years 2021 and 2022. For direct payments as referred to in Chapter II of Title III, the report shall cover only financial year 2022.~~
- 2.—The last annual performance report, to be submitted **provided in accordance with Article 8(3) and (4) of Regulation (EU) HzR** by 15 February 2030, shall comprise a summary of the evaluations carried out during the implementation period.
3. In order to be admissible, the annual performance report shall contain all the information required in paragraphs 4, **4a**, 5 and 6, **and, when relevant, 4b**. The Commission shall inform the Member State **concerned** within 15 working days ~~of the date of receipt~~ **from the submission** of the annual performance report if it is not admissible **for the performance review and monitoring purposes**, failing which it shall be deemed admissible.

4. Annual performance reports shall set out key qualitative and quantitative information **on** the implementation of the CAP Strategic Plan by reference to financial data, output and result indicators ~~and in accordance with the second paragraph of Article 118.~~

4a. They **quantitative information referred to in paragraph 4** shall also include information about:

(a) **the realised outputs;**

(b) **the expenditure declared in the annual accounts and relevant to the outputs referred to in point (a), before application of any penalties or other reductions, and for the EAFRD, taking into account reallocation of cancelled or recovered funds pursuant to Article 55 of Regulation [HzR];**

(c) **the ratio between realised expenditure referred in point (b) and relevant outputs referred to in point (a) ('realised unit amount') ;**

(d) **realised results and distance to respective corresponding targets milestones set in accordance with point (a) of Article 97(1).**

The information referred to in point (c) shall be broken down per unit amount as set out in the CAP Strategic Plan in accordance with Article 99(g).

4b. **For an intervention not covered by the integrated system referred to in Article 63(2) of Regulation [HzR], Member States may, in addition to the information provided under paragraph 4a, decide to provide in each annual performance report:**

(a) **the ratio between the total public funds committed for operations for which payments have been made in the previous financial year and the realised outputs,**

(b) **the related number of outputs and expenditure.**

This information shall be used by the Commission for the purposes of Articles 38 and 52 of Regulation [HzR] for each of the years when the related operations are paid.

~~For the types of interventions which are not subject to Article 89 of this Regulation, and where the realised output and the realised expenditure ratio deviates by 50% from the annual planned output and expenditure, the Member State shall submit a justification for this deviation.~~

5. ~~The data transmitted shall relate to achieved values for indicators for partial and fully implemented interventions. They~~ **The qualitative information referred to in paragraph 4 shall also set out include:**
- (a)** a synthesis of the state of implementation of the CAP Strategic Plan ~~realised during~~ **in respect of** the previous financial year;
 - (b)** any issues which affect the performance of the CAP Strategic Plan, in particular as regards deviations from milestones, **where appropriate**, giving reasons and, where relevant, describing the measures taken.

5a. For the purposes of Article 52(2) of Regulation [HzR], Member States may decide to also include under the qualitative information referred to in paragraph 4:

- (a) justification of any excess of the realised unit amount compared to the corresponding planned unit amount or, where applicable, the maximum planned unit amount referred to in point (g) of Article 99 of this Regulation; or**
- (b) where a Member State decides to make use of the possibility provided in paragraph 4b, justification of any excess of the realised unit amount compared to the ratio between the total public funds committed for operations for which payments have been made in the previous financial year and the related realised output, as referred to in point (a) of paragraph 4b.**

5b. Justification shall be included for the purpose of Article 38(2) of Regulation [HzR] where the excess referred to in point (a) of paragraph 5a is higher than 50%. Alternatively, where a Member State decides to make use of the possibility provided in paragraph 4b, justification shall be included only where the excess referred to in point (b) of paragraph 5a is higher than 50%.

6. For financial instruments, in addition to the data to be provided under paragraph 4 information shall be provided on:

- (a) the eligible expenditure by type of financial product;
- (b) the amount of management costs and fees declared as eligible expenditure;
- (c) the amount, by type of financial product, of private and public resources mobilised in addition to the EAFRD;
- (d) interest and other gains generated by support from the EAFRD contribution to financial instruments as referred to in Article 54 of Regulation (EU) [CPR] and resources returned attributable to support from the EAFRD as referred to in Article 56 of that Regulation;:-
- (e) total value of loans, equity or quasi-equity investments in final recipients which were guaranteed with CAP Strategic Plan resources and which were actually disbursed to final recipients.**

Where Member States decide to apply paragraph 4b for financial instruments, the ratio between the total public funds committed and the realised outputs shall relate to the support committed to final recipients by the financial instruments in the financial year concerned.

~~7. The Commission shall carry out an annual performance review and an annual performance clearance referred to in Article [52] of the Regulation (EU) [HzR] based on the information provided in the annual Performance reports.~~

~~8. In the annual performance review, the Commission may make observations on the annual performance reports within one month from their submission. Where the Commission does not provide observations within that deadline, the reports shall be deemed to be accepted.~~

~~Article 108 on calculation of time limits for Commission actions shall apply *mutatis mutandis*.~~

~~9. Where the reported value of one or more result indicators reveals a gap of more than 25% from the respective milestone for the reporting year concerned, the Commission may ask the Member State to submit an action plan in accordance with Article 39(1) of Regulation (EU) [HzR], describing the intended remedial actions and the expected timeframe.~~

10. The annual performance reports, as well as a summary for citizens of their content, shall be made available to the public.

10a. Without prejudice to the annual clearance procedures provided for in Regulation (EU) [HzR], the Commission may make observations on the admissible annual performance reports within one month from their submission. Where the Commission does not provide observations within that deadline, the reports shall be deemed to be accepted. Article 108 on calculation of time limits for Commission actions shall apply *mutatis mutandis*.

11. The Commission shall adopt implementing acts laying down rules for the presentation of the content of the annual performance report. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 139(2).

Article 121a

(latest version: WK 9537/2020)

Biennial performance review

1. The Commission shall carry out a biennial performance review based on the information provided in the annual performance reports.
2. Where the reported value of one or more result indicators that are part of the performance review as set in point (da) of Article 99 reveals a shortfall of more than 45% from the respective milestone for financial year 202{3}, 40% for financial year 202{5} and 35% for financial year 202{7}, Member States shall submit justification for this deviation. Following the assessment of the justifications submitted, where necessary, the Commission may ask the Member State concerned to submit an action plan in accordance with Article 39(1) of Regulation (EU) [HzR], describing the intended remedial actions and the expected timeframe.

Article 140

(latest version: WK 9539/2020)

Repeals

1. Regulation (EU) No 1305/2013 is repealed with effect from ~~1~~ 1 January 202~~1~~³.

However, it shall, subject to [the Transitional Regulation ...XXX], continue to apply to operations implemented pursuant to the implementation of rural development programmes approved by the Commission under that Regulation before 1 January 202~~1~~ pursuant to Regulation (EU) No 1305/2013⁷ until 31 December 2025. It shall, under the same conditions, apply to expenditure incurred by the beneficiaries and paid by the paying agency in the framework of these rural development programmes until 31 December 2025.

⁷ The way in which references to Regulation 1305/2013 are made in this act needs to be further examined from a legal/technical point of view.

Article 32 and Annex III of Regulation (EU) No 1305/2013 shall continue to apply in respect of the designation of areas facing natural and other specific constraints. References to the rural development programs shall be read as references to the CAP Strategic Plans.

Until the networks referred to in Article 113 of this Regulation are established, the European network for rural development, the European Innovation Partnership network and the national rural networks referred to in Articles 52, 53 and 54 of Regulation (EU) No 1305/2013 may carry out, in addition to the activities referred to in those Articles, the activities referred to in Article 113 and 114 of this Regulation.

When the networks referred to in Article 113 of this Regulation are established, they may carry out until 31 December 2025, in addition to the activities referred to in Articles 113 and 114 of this Regulation, the tasks referred to in Article 52(3), Article 53(3) and Article 54(3) of Regulation (EU) No 1305/2013 related to the implementation of the rural development programmes pursuant to Regulation (EU) No 1305/2013.

2. Regulation (EU) No 1307/2013 is repealed with effect from 1 January 2024~~13~~.

However, it shall continue to apply in respect of aid applications relating to claim years starting before 1 January 2024~~3~~.

For Croatia, Articles 17 and 19 of Regulation (EU) No 1307/2013, as well as Annex I to that Regulation where relevant for Croatia, shall continue to apply until 31 December 2021.

Article 140a

(latest version: WK 9539/2020)

Eligibility of certain types of expenditure in the CAP Strategic Plan period

1. **Expenditure relating to legal commitments to beneficiaries incurred under the measures referred to in Article 31 of Regulation (EC) No 1257/1999 or in Articles 39 or 43 of Council Regulation (EC) No 1698/2005 which are receiving support under Regulation (EU) No 1305/2013 may continue to be eligible for an EAFRD contribution in the period 2023-2027, subject to the following conditions:**

- (a) such expenditure is provided for in the respective CAP Strategic Plan in accordance with this Regulation and complies with Regulation (EU) [HzR];**
- (b) the EAFRD contribution rate of the intervention set in the CAP Strategic Plan in accordance with this Regulation to cover those measures applies;**
- (c) the integrated system referred to in Article 63 (2) of Regulation (EU) [HzR] applies to the legal commitments undertaken under measures that correspond to the area- and animal-based types of interventions listed in Chapters II and IV of Title III of this Regulation and the relevant operations are clearly identified; and**
- (d) the payments for the legal commitments referred to in point (c) are made within the period laid down in Article 42 of Regulation (EU) [HzR].**

2. Expenditure relating to legal commitments to beneficiaries incurred under the measures referred to in Article 23 of Council Regulation (EC) No 1698/2005 may continue to be eligible for an EAFRD contribution in the period 2023-2027, subject to the conditions that:

- (a) such expenditure is notified to the Commission as an additional information in the part of the CAP Strategic Plan dedicated to the intervention strategy, referred to in of Article 97, and by indicating the expenditure in the financial plan of the CAP Strategic Plan referred to in Article 100(2);**
- (aa) it complies with Regulation (EU) No 1306/2013 that shall continue to apply with regard to such expenditure^{*}, and**
- (b) the EAFRD contribution rate established in the CAP Strategic Plan pursuant to Article 85(2)(d) of this Regulation applies.**

^{*} The question of where to introduce the continued application of Regulation (EU) No. 1306/2013 needs to be further examined from a legal-technical point of view.

3. Expenditure relating to legal commitments to beneficiaries incurred under the multiannual measures referred to in Articles 22, 28, 29, 33 and 34 of Regulation (EU) No 1305/2013 may be eligible for an EAFRD contribution in the period 2023-2027, subject to the following conditions:

(a) such expenditure is provided for in the respective CAP Strategic Plan in accordance with this Regulation and complies with Regulation (EU) [HzR];

(b) the EAFRD contribution rate of the intervention set in the CAP Strategic Plan in accordance with this Regulation to cover those measures, applies;

(c) the integrated system referred to in Article 63(2) of Regulation (EU) [HzR] applies to the legal commitments undertaken under measures that correspond to the area- and animal-based types of interventions listed in Chapters II and IV of Title III of this Regulation and the relevant operations are clearly identified; and

(d) the payments for the legal commitments referred to in point (c) are made within the period laid down in Article 42 of Regulation (EU) [HzR].

4. Expenditure relating to legal commitments to beneficiaries incurred under the measures referred to in Articles 14 to 18, points (a) and (b) of Article 19(1), Article 20, Articles 23 to 27, 35, 38, 39 and 39a of Regulation (EU) No 1305/2013, Article 35 of Regulation (EU) No 1303/2013 [and Article 4 of Regulation EU [XXXX/XXXX] [Transitional Regulation]]* for a time period going beyond 1 January 2026 may be eligible for an EAFRD contribution in the period 2023-2027, subject to the following conditions:

(a) such expenditure is provided for in the respective CAP Strategic Plan in accordance with this Regulation with the exception of Article 68(3)(g) and complies with Regulation (EU) [HzR];

* Dependant of the fact that Art. 4 will be part of the Transitional Regulation or not (dependant on adoption of new CPR Regulation).

(b) the EAFRD contribution rate of the intervention set in the CAP Strategic Plan in accordance with this Regulation to cover those measure applies.

Article 140b

(latest version: WK 9539/2020)

Extended application of the aid schemes referred to in Articles 29 to 60 of Regulation (EU) No 1308/2013 and of Regulation (EU) No 1306/2013

1. Recognised producer organisations or their associations in the fruit and vegetables sector having an operational programme as referred to in Article 33 of Regulation (EU) No 1308/2013 that has been approved by a Member State for a duration beyond 31 December 2021 shall, by 15 September 2022, submit a request to that Member State to the effect that its operational programme:

(a) be modified to meet the requirements of this Regulation; or

(b) be replaced by a new operational programme approved under this Regulation; or

(c) continues to operate until its end under the conditions applicable under Regulation (EU) No 1308/2013.

Where such recognised producer organisations or their associations do not submit such request by 15 September 2022, their operational programme approved under Regulation (EU) No 1308/2013 shall end on 31 December 2022.

2. The support programmes in the wine sector referred to in Article 40 of Regulation (EU) No 1308/2013 shall continue to apply until 15 October 2023. Articles 39 to 54 of Regulation (EU) No 1308/2013 shall continue to apply after 31 December 2022 as regards expenditure incurred and payments made for operations implemented pursuant to that Regulation before 16 October 2023 within the aid scheme referred to in Articles 39 to 52 of that Regulation.

- 3. As from the date from which a CAP Strategic Plan has legal effects in accordance with Article 106(7) of this Regulation, the sum of the payments made in a financial year within each of the aid schemes referred to in Articles 29 to 31 and Articles 39 to 60 of Regulation (EU) No 1308/2013; and within each of the sectoral types of interventions referred to in points (b) to (e) of Article 39 of this Regulation shall not exceed the financial allocations laid down for each financial year for each of the sectoral types of interventions referred to in points (b) to (e) of Article 39 of this Regulation.**
- 5. With regard to the aid schemes referred to in paragraphs 1 (c) and 2 of this Article, Articles 7(3), 9, 21, 43, 51, 52, 54, 59, 67, 68, 70 to 75, 77, 91 to 97, 99, 100, 102(2), 110 and 111 of Regulation (EU) No 1306/2013 shall continue to apply after 31 December 2022 in relation to expenditure incurred and payments made for operations implemented pursuant to Regulation (EU) No 1308/2013 after that date and until the end of the aid schemes referred to in paragraphs 1 (c) and 2 of this Article.**

Article 142

(latest version: WK 9539/2020)

Entry into force and application

This Regulation shall enter into force on the **twentieth** 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.

ANNEX I

(latest version: WK 9537/2020)

IMPACT, RESULT, CONTEXT* AND OUTPUT INDICATORS PURSUANT TO ARTICLE 7**

<p style="text-align: center;">Assessment of the performance of the policy (multi-annual) - IMPACT</p> <p style="text-align: center;">Objectives and their respective impact indicators.*</p>	<p style="text-align: center;">Annual pPerformance review - RESULT*</p> <p style="text-align: center;"><u>Only based on interventions supported by the CAP⁸</u></p>	<p style="text-align: center;">Annual performance clearance - OUTPUT</p> <p style="text-align: center;">Brood<u>Types of interventions and their output indicators.*</u></p>								
<table border="1"> <tr> <td data-bbox="762 1832 1018 2136"> <p>EU cross-cutting objective: Modernisation</p> </td> <td data-bbox="762 1406 1018 1832"> <p style="text-align: center;"><u>Impact indicators</u></p> </td> </tr> <tr> <td data-bbox="1018 1832 1241 2136"> <p><u>Modernising the sector by fostering knowledge, innovation and digitalisation in agriculture and rural</u></p> </td> <td data-bbox="1018 1406 1241 1832"> <p>I.1 Sharing knowledge and innovation: Share of CAP budget for knowledge sharing and innovation</p> </td> </tr> </table>	<p>EU cross-cutting objective: Modernisation</p>	<p style="text-align: center;"><u>Impact indicators</u></p>	<p><u>Modernising the sector by fostering knowledge, innovation and digitalisation in agriculture and rural</u></p>	<p>I.1 Sharing knowledge and innovation: Share of CAP budget for knowledge sharing and innovation</p>	<p style="text-align: center;">Result indicators⁸ (only based on interventions supported by the CAP)</p> <p>R.1^{PR} Enhancing performance through knowledge and innovation: Share of farmers Number of persons receiving <u>benefiting from</u> support for advice, training, knowledge exchange; or participating in <u>EIP</u> operational groups <u>or other cooperation groups/actions</u> to enhance economic, environmental, climate and resource efficiency performance.</p>	<table border="1"> <tr> <td data-bbox="762 472 1018 680"> <p style="text-align: center;">Agricultural Knowledge and Innovation Systems (AKIS) Type(s) of interventions</p> </td> <td data-bbox="762 69 1018 472"> <p style="text-align: center;">Output indicators</p> </td> </tr> <tr> <td data-bbox="1018 472 1241 680"> <p>European Innovation Partnership for agricultural knowledge and</p> </td> <td data-bbox="1018 69 1241 472"> <p>O.1 Number of EIP (European Innovation Partnership) operational group <u>projects</u></p> </td> </tr> </table>	<p style="text-align: center;">Agricultural Knowledge and Innovation Systems (AKIS) Type(s) of interventions</p>	<p style="text-align: center;">Output indicators</p>	<p>European Innovation Partnership for agricultural knowledge and</p>	<p>O.1 Number of EIP (European Innovation Partnership) operational group <u>projects</u></p>
<p>EU cross-cutting objective: Modernisation</p>	<p style="text-align: center;"><u>Impact indicators</u></p>									
<p><u>Modernising the sector by fostering knowledge, innovation and digitalisation in agriculture and rural</u></p>	<p>I.1 Sharing knowledge and innovation: Share of CAP budget for knowledge sharing and innovation</p>									
<p style="text-align: center;">Agricultural Knowledge and Innovation Systems (AKIS) Type(s) of interventions</p>	<p style="text-align: center;">Output indicators</p>									
<p>European Innovation Partnership for agricultural knowledge and</p>	<p>O.1 Number of EIP (European Innovation Partnership) operational group <u>projects</u></p>									

⁸ Result indicators which are mandatory for performance review are marked with PR.

* “No double counting principle” to be explicitly described in indicator fishes.

<p>areas and encouraging their uptake</p>		<p>R.2 Linking advice and knowledge systems: Number of advisors receiving support to be integrated within Agricultural Knowledge and Innovation Systems (AKIS)* (compared to total number of farmers)</p> <p>R.3 Digitalising agriculture: Share of farmers benefitting from support to precision digital farming technology through CAP</p>	<p>innovation (EIP)**</p> <p><u>Cooperation (Art. 71)</u></p> <p>0.2 Number of advisors setting up or participating in EIP operational groups</p>
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* Counting to be simplified, to count in only number of advisors, not quantity of support.

EU Specific objectives	Impact indicators	Result indicators (only based on interventions supported by the CAP)	Broad Type of interventions	Output indicators (per intervention)
<p>Support viable farm income and resilience across the Union to enhance food security</p>	<p>I.2 Reducing income disparities: Evolution of agricultural income compared to <u>the</u> general economy</p> <p>I.3 Reducing farm income variability: Evolution of agricultural income</p> <p>I.4 Supporting viable farm income: Evolution of agricultural income level by sectors <u>type of farming</u> (compared to the average in agriculture)</p> <p>I.5 Contributing to territorial balance: Evolution of agricultural income in areas with natural constraints (compared to the average)</p>	<p>R.4^{PR} Linking income support to standards and good practices: Share of <u>Utilised Agricultural Area (UAA)</u> covered by income support and subject to conditionality</p> <p>R.5 Risk Management: Share of farms with <u>supported</u> CAP risk management tools</p> <p>R.6 Redistribution to smaller farms: Percentage additional support <u>direct payments</u> per hectare for eligible farms below average farm size (compared to average)</p> <p>R.7 Enhancing support to farms in areas with specific needs: Percentage additional support per hectare in areas with higher needs (compared to average)</p>	<p>CAP support</p> <p>Decoupled direct support <u>Basic income support for sustainability (Art. 17)</u></p> <p><u>Payment for small farmers (Art. 25)</u></p> <p><u>Complementary income support for young farmers (Art. 27)</u></p>	<p>O.3 Number of CAP support beneficiaries</p> <p>O.4 Number of ha for decoupled DP <u>basic income support for sustainability</u></p> <p>O.5 Number of beneficiaries for decoupled DP <u>payments for small farmers</u></p> <p>O.6 Number of ha subject to enhanced complementary <u>income support</u> for young farmers</p> <p>O.7 Number of beneficiaries subject to enhanced income support for young farmers</p>

			<u>Complementary redistributive income support for sustainability (Art. 26)</u>	<u>O.6a Number of ha for complementary redistributive income support</u>
			<u>Schemes for the climate and the environment (Art. 28)</u>	<u>O.6b Number of units (ha or livestock units) for eco-schemes</u>
Enhance market orientation and increase competitiveness, including greater focus on research, technology and digitalisation	I.6 Increasing farm productivity: Total factor productivity <u>in agriculture</u>	R.8 Targeting farms in specific sectors in difficulties: Share of farmers benefitting from coupled <u>income support</u> for improving competitiveness, sustainability or quality	Risk management tools (Art. 70) Sectoral interventions (Art. 39-63)	O.8 Number of farmers units covered by supported risk management instruments <u>insurance schemes</u>

<p>I.7 Harnessing Agri-food trade: Agri-food trade imports and exports</p>	<p>R.9^{PR} Farm modernisation: Share of farmers receiving investment support to restructure and modernise, including to improve resource efficiency</p>	<p>Risk management (Art. 70)</p>	<p>O.8a Number of mutual funds for agricultural, climate and sanitary risk management receiving support under EAFRD (by type of hazards)</p>
<p>Coupled income support (Art. 29)</p>		<p>O.9 Number of ha benefitting from coupled income support</p> <p>O.10 Number of heads benefitting from coupled income support</p>	

<p>Improve the farmers' position in the value chain</p>	<p>I.8 Improving farmers' position in the food chain: Value added for primary producers in the food chain</p>	<p>R.10^{PR} Better supply chain organisation: Share of farmers participating in supported Producer Groups, Producer Organisations, local markets, short supply chain circuits and quality schemes <u>supported by the CAP</u></p> <p>R.11 Concentration of supply: Share of value of marketed production by <u>sectoral Producer Organisations or producer groups</u> with operational programmes*</p>	<p>Payments for natural constraints and or other region area-specific constraints (Art. 66)</p> <p>O.11 Number of ha receiving <u>ANC top-up support for areas facing natural or specific constraints</u> (3 all categories)</p>
<p>Contribute to climate change mitigation and adaptation, as well as sustainable energy</p>	<p>I.9 Improving farm the resilience of agriculture to climate change: Index <u>Agricultural sector resilience progress indicator</u></p> <p>I.10 Contributing to climate change mitigation: <u>Reducing Greenhouse gases (GHG)</u> emissions from agriculture</p> <p>I.11 Enhancing carbon sequestration: Increase the <u>Soil organic carbon in agricultural land</u></p>	<p>R.12^{PR} Mitigation and adaptation to climate change: Share of <u>Utilised Agricultural Area (UAA)</u> land and/or livestock units (LU) under <u>support to reduce ammonia and GHG emissions, maintaining/enhancing carbon storage, including commitments to improve climate change adaptation (with breakdown by mitigation and adaptation)</u></p> <p>R.13 Reducing emissions in the livestock sector: Share of livestock units under support to reduce GHG emissions and/or ammonia, including manure management</p> <p>R.14 Carbon storage in soils and biomass: Share of agricultural land under commitments to reducing emissions, maintaining and/or enhancing carbon storage (permanent grassland, agricultural land in peatland, forest, etc.)</p> <p>R.15 Green energy from agriculture and forestry and</p>	<p><u>Area-specific disadvantages resulting from certain mandatory requirements (Art. 67)</u></p> <p>O.12 Number of ha receiving support under Natura 2000 or</p> <p>O.12a Number of ha receiving support under the Water Framework Directive</p> <p>Payments for management commitments (Environmental, climate, genetic resources,</p> <p>O.13 Number of ha (agricultural <u>excluding forestry</u>) covered by environment/climate commitments going beyond mandatory requirements</p> <p>O.14 Number of ha (forestry)</p>

* Specific guidelines from the Commission would be required concerning the way of planning for this result indicator.

I.12 Increasing sustainable energy in agriculture: Production of renewable energy from agriculture and forestry

from other renewable sources: Supported investments in renewable energy production capacity, including bio-based (MWh/gawatt)

R.16 Enhance energy efficiency: Energy savings in agriculture

R16a Investments related to climate: Share of farms benefitting from CAP investment support contributing to climate change mitigation and adaptation, and to renewable energy or biomaterials production

R 17 Afforested land: Area supported for afforestation and creation of woodland (including agroforestry) and reforestation

R.17a Investment support to the forest sector: Total investment to improve the performance of the forestry sector

covered by environment/climate commitments going beyond mandatory requirements

O.14a Number of forestry units other than ha covered by environment/climate commitments going beyond mandatory requirements

O.15 Number of ha with support for organic farming

O.15a Number of units other than ha supported for organic farming

~~animal welfare~~ and other management commitments (Art. 65)

EU Specific objectives	Impact indicators	Result indicators (only based on interventions supported by the CAP)	Broad type of intervention	Output indicators (per intervention)
<p>Foster sustainable development and efficient management of natural resources such as water, soil and air</p>	<p>I.13 Reducing soil erosion: Percentage of <u>agricultural</u> land in moderate and severe soil erosion on agricultural land</p> <p>I.14 Improving air quality: Reduction ammonia emissions from agriculture</p> <p>I.15 Improving water quality: Gross nutrient balance on agricultural land</p> <p>I.16 Reducing nutrient leakage: Nitrates in ground water—Percentage of ground water stations with N concentration over 50 mg/l as per the Nitrate directive</p>	<p>R.18^{2B} Improving soils: Share of <u>Utilised Agricultural Area (UAA)</u> land under <u>supported</u> commitments beneficial for soil management</p> <p>R.19^{2B} Improving air quality: Share of <u>Utilised Agricultural Area (UAA)</u> land under <u>supported</u> commitments to reduce ammonia emission</p> <p>R.20^{2B} Protecting water quality: Share of <u>Utilised Agricultural Area (UAA)</u> land under <u>supported</u> commitments for water quality</p> <p>R.21 Sustainable nutrient management: Share of agricultural land under commitments related to improved nutrient management</p>	<p><u>Environmental, climate and other management commitments (Article 65) Sectoral interventions (Art. 60a)</u></p> <p><u>Environmental, climate and other management commitments (Article 65)</u></p>	<p>O.16 Number of livestock units covered by support for animal welfare, health or increased biosecurity measures</p> <p>O.17 Number of <u>projects operations or units</u> supporting genetic resources</p>

<p>I.17 Reducing pressure on water resource: Water Exploitation Index Plus (WEI+)</p>	<p>R.22 Sustainable water use: Share of irrigated land Utilised <u>Agricultural Area (UAA)</u> under <u>supported</u> commitments to improve water balance</p> <p>R.22a Environmental performance in the livestock sector: <u>Share of livestock units (LU) under supported commitments to improve environmental sustainability</u></p> <p>R.23 Investments related to Environment/climate-related performance through investment natural resources: Share of farmers with support in <u>benefiting from CAP</u> investments <u>support</u> related to care for the environment or <u>climate natural resources</u></p> <p>R.23a Environment-/climate-related performance through investment in rural areas: <u>Number of operations contributing to environmental sustainability, climate mitigation and adaptation goals in rural areas</u></p> <p>R.24 Environmental/climate performance through knowledge: Share <u>Number of farmers persons receiving support for benefiting from advice, training, knowledge exchange supported by the CAP</u> related to environmental-climate performance</p>	<p>Investments (Art. 68)</p> <p>O.18 Number of supported on-farm productive investments <u>operations or units under EAFRD</u></p> <p>O.18a <u>Number of supported on-farm non-productive investment operations or units receiving support under EAFRD</u></p> <p>O.19 Number of supported leat infrastructures <u>investment operations under EAFRD</u></p> <p>O.20 Number of supported <u>off-farm</u> non-productive investments <u>operations or units under EAFRD</u></p> <p>O.21 Number of <u>supported</u> off-farm productive investments <u>operations or units under EAFRD</u></p>
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EU Specific objectives	Impact indicators	Result indicators (only based on interventions supported by the CAP)	Broad type of intervention	Output indicators (per intervention)
<p>Contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes</p>	<p>I.18 Increasing farmland bird populations: Farmland Bird Index</p> <p>I.19 Enhancing biodiversity protection: Percentage of species and habitats of Community interest related to agriculture with stable or increasing trends</p> <p>I.20 Enhancing provision of ecosystem services: Share of Utilised Agricultural Area (UAA) covered with landscape features</p>	<p>R.25 Supporting sustainable forest management: Share of forest land under management commitments to support forest protection and management.</p> <p>R.26 Protecting Supporting sustainable forest ecosystems management: Share of forest land under management commitments for to supporting landscape, biodiversity, forest protection and management of ecosystem services</p> <p>R.27B Preserving habitats and species: Share of Utilised Agricultural Area (UAA) and under management commitments supporting biodiversity conservation or restoration</p> <p>R.27a Investments related to biodiversity: Share of farms benefiting from CAP investment support contributing to biodiversity</p>	<p>Installation <u>grants of young farmers, rural business start-up and development of small farms (Art. 69)</u></p> <p>Cooperation <u>(Art. 71)</u></p>	<p>O.22 Number of <u>young farmers</u> receiving installation <u>grants support under EAFRD</u></p> <p>O.23 Number of rural entrepreneurs <u>businesses</u> receiving installation <u>grants support for start up</u></p> <p>O.23a <u>Number of small farms receiving development support under EAFRD</u></p> <p>O.24 Number of supported producer groups/organisations <u>under EAFRD</u></p> <p>O.25 Number of farmers <u>beneficiaries</u> receiving support to participate in EU <u>official</u> quality schemes <u>under EAFRD</u></p>

		<p>R.28 Supporting Improving Natura 2000 management: Share of Area in <u>total</u> Natura 2000 sites <u>area</u> under <u>supported</u> commitments for protection, maintenance and restoration <u>set up</u> and <u>financed</u> under <u>E/AFRD</u></p> <p>R.29 Preserving landscape features: Share of agriculture land under commitments for managing landscape features, including hedges</p>	<p>O.26 Number of <u>supported operations or units for</u> generational renewal projects (young/non-young farmers) (<u>excluding installation support</u>)</p> <p>O.27 Number of <u>supported</u> local development strategies (LEADER) <u>or preparatory actions</u></p> <p>O.28 Number of other cooperation groups <u>operations or units supported under E/AFRD</u> (excluding EIP reported under O.1)</p>
<p>Attract and sustain young farmers and facilitate business development in rural areas</p>	<p>I.21 Attracting young farmers: Evolution of number of new farm <u>managers</u></p>	<p>R.30^{LE} Generational renewal: Number of young <u>farmers beneficiaries</u> setting up a farm with support from the CAP</p>	<p>O.29 Number of <u>training and advice</u> farmers trained/given advice <u>operations or units supported by E/AFRD</u></p>
		<p>Knowledge exchange and information (<u>Art. 72</u>)</p>	

EU Specific objectives	Impact indicators	Result indicators <small>(only based on interventions supported by the CAP)</small>	Broad type of intervention	Output indicators (per intervention)
Promote employment, growth, <u>gender equality</u> , social inclusion and local development in rural areas, including bio-economy and sustainable forestry	I.22 Contributing to jobs in rural areas: Evolution of the employment rate in predominantly rural areas	R.31 Growth and jobs in rural areas: New jobs <u>supported</u> in supported projects R.31a PR LEADER coverage: <u>Share of rural population covered by local development strategies*</u>		O.29a <u>Number of plans, studies or awareness actions supported by EAFRD</u> O.30 <u>Number of non-farmers trained/given advice</u>
	I.23 Contributing to growth in rural areas: Evolution of GDP per head in predominantly rural areas	R.32 Developing the rural bio economy: Number of <u>rural businesses including</u> bio-economy businesses developed with <u>CAP</u> support	Horizontal indicators	O.31 <u>Number of ha under environmental practices (synthesis indicator on physical area covered by conditionality, ELS, AECM, forestry measures, organic farming)</u> O.32 <u>Number of ha subject to conditionality (broken down by GAEP practice)</u>
	I.24 A fairer CAP: Improve the distribution of CAP support	R.33 <u>Digitising Smart transition of the rural economy: Number of Rural population covered by a supported Smart Villages strategies</u>	Sectorial programme <u>styp</u> s of interventions (Art. 39-63)	O.33 <u>Number of producer groups/organisations (or associations of producer organisations) setting up an operational fund/program</u>
	I.25 Promoting rural inclusion: Evolution of poverty index in rural areas	R.34 <u>Connecting rural Europe: Share of rural population benefitting from improved access to services and infrastructure through CAP support**</u>		

* Specific guidelines from the Commission would be required concerning the way of planning for this result indicator, and possibly other LEADER-related result indicators.
 ** A precise common methodology for this indicator is required.

<p>Improve the response of EU agriculture to societal demands on food and health, including safe, and nutritious and sustainable food produced in a sustainable way, food waste, as well as animal welfare</p>	<p>I.26 Limiting antimicrobial use in agriculture antimicrobials in food producing animals</p> <p>I.27 Sustainable use of pesticides: Risks and impacts of pesticides</p> <p>I.28 Responding to consumer demand for quality food: Value of production under EU quality schemes (organics)</p>	<p>R.35 Promoting social inclusion: Number of people from minority and/or vulnerable groups benefiting from supported social inclusion projects</p>	<p>R.36 Limiting antimicrobial use: Share of livestock units (LU) concerned by supported actions to limit the use of antimicrobials (prevention/reduction)</p> <p>R.37 Sustainable pesticide use: Share of Utilised Agricultural Area (UAA) concerned by supported specific actions which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides</p> <p>R.38 Improving animal welfare: Share of livestock units covered by supported actions to improve animal welfare</p> <p>R.39 Organic farming: Share of Utilised Agricultural Area (UAA) supported by the CAP for organic farming maintenance or conversion</p>	<p>O.34 Number of promotion and information actions, and market monitoring</p> <p>O.34a Number of actions or units supported in the wine sector</p>	<p>Sectoral interventions (Art. 49)</p> <p>O.35 Number of actions or units for beekeeping preservation/improvement</p>
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* Most of impact indicators are already collected via other channels (European statistics, JRC, EEA...) and used in the framework of other EU legislation or SDGs. The data collection frequency is not always annual and there might be 2/3 years delay. ~~** Directive on sustainable use of pesticides~~

* Proxies for results. Data notified annually by MS to monitor the progress towards the targets they established in the CAP **Strategic Plans**.

*Data notified annually for their declared expenditure.

**Support to operational Groups under EIP falls under the provisions of cooperation.

***** CONTEXT INDICATORS**

	<u>Indicator No.</u>	<u>Context indicator</u>
<u>Population</u>	<u>C.01</u>	<u>Population numbers</u>
	<u>C.02</u>	<u>Population density</u>
	<u>C.03</u>	<u>Age structure of the population</u>
<u>Total area</u>	<u>C.04</u>	<u>Total area</u>
	<u>C.05</u>	<u>Land cover</u>
<u>Labour market</u>	<u>C.06</u>	<u>Rural employment rate</u>
	<u>C.07</u>	<u>Rural unemployment rate</u>
	<u>C.08</u>	<u>Employment (by sector, by type of region, by economic activity)</u>
<u>Economy</u>	<u>C.09</u>	<u>GDP per capita</u>
	<u>C.10</u>	<u>Poverty rate</u>
	<u>C.11</u>	<u>Gross value added by sector, by type of region, in agriculture and for primary producers</u>
<u>Farms and farmers</u>	<u>C.12***</u>	<u>Agricultural holdings (farms)</u>
	<u>C.13</u>	<u>Farm labour force</u>
	<u>C.14</u>	<u>Age structure of farm managers</u>
	<u>C.15</u>	<u>Agricultural training of farm managers</u>
	<u>C.16</u>	<u>New farm managers</u>

	<u>Indicator No.</u>	<u>Context indicator</u>
<u>Agricultural land</u>	<u>C.17***</u>	<u>Agricultural area</u>
	<u>C.18</u>	<u>Irrigable land</u>
	<u>C.19</u>	<u>Farming in Natura 2000 areas</u>
	<u>C.20</u>	<u>Areas facing natural and other specific constraints (ANCs)</u>
	<u>C.21</u>	<u>Agricultural land covered with landscape features</u>
	<u>Livestock</u>	<u>C.22</u>
<u>C.23</u>		<u>Livestock density</u>
<u>C.24</u>		<u>Agricultural factor income</u>
<u>Agricultural and farm income</u>	<u>C.25</u>	<u>Comparison of agricultural income with non-agricultural labour cost</u>
	<u>C.26</u>	<u>Farm income by type of farming, by region, by farm size, in areas facing natural and other specific constraints</u>
	<u>C.27</u>	<u>Gross fixed capital formation in agriculture</u>
	<u>C.28</u>	<u>Total factor productivity in agriculture</u>
<u>Agricultural productivity</u>	<u>C.29</u>	<u>Labour productivity in agriculture, in forestry and in the food industry</u>
	<u>C.30</u>	<u>Agricultural imports and exports</u>
<u>Agricultural trade</u>	<u>C.31</u>	<u>Tourism infrastructure</u>
<u>Other gainful activities</u>		

	<u>Indicator No.</u>	<u>Context indicator</u>
<u>Farming practices</u>	<u>C.32</u>	<u>Agricultural area under organic farming</u>
	<u>C.33</u>	<u>Farming intensity</u>
	<u>C.34</u>	<u>Value of production under EU quality schemes</u>
<u>Biodiversity</u>	<u>C.35</u>	<u>Farmland birds index (FBI)</u>
	<u>C.36</u>	<u>Percentage of species and habitats of Community interest related to agriculture with stable or increasing trends</u>
<u>Water</u>	<u>C.37</u>	<u>Water use in agriculture</u>
	<u>C.38</u>	<u>Water quality</u>
		<u>Gross nutrient balance – nitrogen</u>
		<u>Gross nutrient balance – phosphorus</u>
		<u>Nitrates in ground water</u>
		<u>Soil organic carbon in agricultural land</u>
<u>Soil</u>	<u>C.39</u>	<u>Soil organic carbon in agricultural land</u>
	<u>C.40</u>	<u>Soil erosion by water</u>
<u>Energy</u>	<u>C.41</u>	<u>Production of renewable energy from agriculture and forestry</u>
	<u>C.42</u>	<u>Energy use in agriculture, forestry and food industry</u>

	<u>Indicator No.</u>	<u>Context indicator</u>
<u>Climate</u>	<u>C.43*</u>	<u>Greenhouse gas emissions from agriculture</u>
	<u>C.44**</u>	<u>Agricultural sector resilience progress indicator</u>
	<u>C.45</u>	<u>Direct agricultural loss attributed to disasters</u>
<u>Air</u>	<u>C.46*</u>	<u>Ammonia emissions from agriculture</u>
<u>Health</u>	<u>C.47</u>	<u>Antimicrobials sales in food producing animals</u>
	<u>C.48</u>	<u>Risk and impacts of pesticides</u>

* Values communicated by the European Commission should be attached to relevant measurement units so that the context indicators shared by all Member States may be objectively compared.

** The compounded nature of this indicator raises questions; the conception of this indicator is based on two context indicators (C.39 and C.40), which raises methodological questions which shall be dealt with in the GREXE expert group.

*** The definition of the denominator is not considered precise enough, which shall be dealt with in the GREXE expert group.

ANNEX XII

(latest version: WK 9537/2020)

REPORTING BASED ON CORE SET OF INDICATORS PURSUANT TO ARTICLE 128

Indicators for the European Agriculture Guarantee Fund (EAGF)
and the European Agriculture Fund for Rural Development (EAFRD)

Objectives	Core set of indicators
Support viable farm income and resilience across the Union to enhance food security;	O.3 Number of CAP support beneficiaries
	<u>R.4 Linking income support to standards and good practices: Share of Utilised Agricultural Area (UAA) covered by income support and subject to conditionality</u>
	R.6 Redistribution to smaller farms: Percentage additional support per hectare for eligible farms below average farm size (compared to average)
Enhance market orientation and increase competitiveness, including through a greater focus on and uptake of research, innovative solutions, technology and digitalisation;	R.9 Farm modernisation : Share of farmers receiving investment support to restructure and modernise, including to improve resource efficiency
Improve the farmers' position in the value chain;	R.10 Better supply chain organisation : Share of farmers participating in supported Producer Groups, Producer Organisations, local markets, short supply chain circuits and quality schemes <u>supported by the CAP</u>
Contribute to climate change mitigation and adaptation, as well as sustainable energy;	R.14 Carbon storage in soils and biomass: Share of agricultural land under commitments to reducing emissions, maintaining and/or enhancing carbon storage (permanent grassland, agricultural land in peatland, forest, etc.)
	<u>R.12 Mitigation and adaptation to climate change: Share of Utilised Agricultural Area (UAA) and/or livestock units (LU) under support to reduce ammonia and GHG emissions, maintaining/enhancing carbon storage, including commitments to improve climate change adaptation (with breakdown by mitigation and adaptation)</u>

Objectives	Core set of indicators
Foster sustainable development and efficient management of natural resources such as water, soil and air;	O.13 Number of ha (agricultural) covered by environment/climate commitments going beyond mandatory requirements
	R.4 Linking income support to standards and good practices : Share of UAA covered by income support and subject to conditionality
	<u>R.18 Improving soils: Share of Utilised Agricultural Area (UAA) under supported commitments beneficial for soil management</u>
	<u>R.19 Improving air quality: Share of Utilised Agricultural Area (UAA) under supported commitments to reduce ammonia emission</u>
<u>R.20 Protecting water quality: Share of Utilised Agricultural Area (UAA) under supported commitments for water quality</u>	
Contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes	R.27 Preserving habitats and species : Share of <u>Utilised Agricultural Area (UAA)</u> land under management commitments supporting biodiversity conservation or restoration
Attract <u>and sustain</u> young farmers and facilitate business development <u>in rural areas</u> ;	R.30 Generational renewal : Number of young farmers <u>beneficiaries</u> setting up a farm with support from the CAP
Promote employment, growth, <u>gender equality</u> , social inclusion and local development in rural areas, including bio-economy and sustainable forestry;	R.31 Growth and jobs in rural areas: New jobs in supported projects
	R.34 Connecting rural Europe : Share of rural population benefitting from improved access to services and infrastructure through CAP support <u>R.31a LEADER coverage: Share of rural population covered by local development strategies</u>

Objectives	Core set of indicators
<p>Improve the response of EU agriculture to societal demands on food and health, including safe, and nutritious and sustainable food <u>produced in a sustainable way, food waste</u>, as well as animal welfare;</p>	<p>Ø.16 Number of livestock units covered by support for animal welfare, health or increased biosecurity measures</p> <p><u>R.37 Sustainable pesticide use: Share of Utilised Agricultural Area (UAA) concerned by supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides</u></p>
<p><u>Modernising the sector by fostering knowledge, innovation and digitalisation in agriculture and rural areas and encouraging their uptake.</u></p>	<p><u>R.1 Enhancing performance through knowledge and innovation: Number of persons benefitting from support for advice, training, knowledge exchange, or participating in EIP operational groups or other cooperation groups/actions</u></p>