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From:	General Secretariat of the Council
To:	Delegations
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2021/2115 as regards the conditionality system, types of intervention in the form of direct payment, types of intervention in certain sectors and rural development and annual performance reports and Regulation (EU) 2021/2116 as regards data and interoperability governance, suspensions of payments annual performance clearance and controls and penalties - Presidency compromise text

Delegations will find in the Annex the final text of the mandate for the above-mentioned proposed Regulation, which was agreed at the Coreper II meeting on 3 September 2025.

2025/0236 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulation (EU) 2021/2115 as regards the conditionality system, types of intervention in the form of direct payment, types of intervention in certain sectors and rural development and annual performance reports and Regulation (EU) 2021/2116 as regards data and interoperability governance, suspensions of payments annual performance clearance and controls and penalties

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the European Commission,

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

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

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

Acting in accordance with the ordinary legislative procedure,

¹ OJ C , , p. .

² OJ C , , p. .

Whereas:

- (1) In its Communication ‘A Competitiveness Compass for the EU’³ and in the ‘Simpler and Faster Europe: Communication on implementation and simplification’⁴, the Commission emphasised the need to enhance competitiveness, foster innovation, and support growth across the Union, for which simplification and reducing administrative burden are critical enabling factors. It is therefore necessary to address costly regulatory burdens, complexities of the legislation and its implementation, including excessive reporting, while paying attention to the specific needs of small and medium entities.
- (2) The Commission Communication ‘A Vision for Agriculture and Food’⁵ stresses that to drive innovation and sustainability in agricultural practices farmers should be entrepreneurs and providers not carrying unnecessary bureaucratic or regulatory burdens. This perspective and the sector’s diversity call for tailored approaches rather than ‘one-size-fit-all’ solutions, alongside reality-checks of the Union legislation, and simplifications, considering also the benefits brought by digital technologies, such as those enabling automated reporting. A better balance between requirements and incentives is needed for guiding the sustainability transition of farming and fostering innovation. The special needs of small farms, which underpin the vitality of rural communities, by protecting nature and livelihoods, call for more fitted and straightforward support under the Common Agricultural Policy (CAP), minimising administrative burden. Small farms and some other farms are often at a disadvantage in accessing and utilising funding, hindering their ability to invest, innovate and pursue development opportunities.

³ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions ‘A Competitiveness Compass for the EU’, 29.1.2025, COM(2025) 30final.

⁴ ‘A simpler and faster Europe: Communication on implementation and simplification’, European Commission 2024-2029, 8556fc33-48a3-4a96-94e8-8ecacef1ea18_en.

⁵ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions ‘A Vision for Agriculture and Food – Shaping together an attractive farming and agri-food sector for future generations’ 19.2.2025, COM(2025) 75final.

- (3) Regulation (EU) 2021/2115 of the European Parliament and of the Council⁶ establishes 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). Regulation (EU) 2021/2116 of the European Parliament and of the Council⁷ establishes rules on the financing, management and monitoring of the common agricultural policy. In 2024, Regulation (EU) 2024/1468 of the European Parliament and of the Council⁸ was adopted with the aim to better adjust the Union CAP support framework to on-farm realities, improve administration of the CAP Strategic Plans by Member States and reduce the burden related to controls. Also, the Commission adopted Delegated Regulation (EU) 2024/1235⁹ amending Delegated Regulation (EU) 2022/126¹⁰, as regards rules on the ratio for the good agricultural and environmental condition (GAEC) standard 1, providing in particular for the possibility for Member States to adjust the reference ratio

⁶ Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 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 Regulations (EU) No 1305/2013 and (EU) No 1307/2013 (OJ L 435, 6.12.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/2115/oj>).

⁷ Regulation (EU) 2021/2116 of the European Parliament and of the Council of 2 December 2021 on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013 (OJ L 435, 6.12.2021, p. 187, ELI: <http://data.europa.eu/eli/reg/2021/2116/oj>).

⁸ Regulation (EU) 2024/1468 of the European Parliament and of the Council of 14 May 2024 amending Regulations (EU) 2021/2115 and (EU) 2021/2116 as regards good agricultural and environmental condition standards, schemes for climate, environment and animal welfare, amendment of the CAP Strategic Plans, review of the CAP Strategic Plans and exemptions from controls and penalties (OJ L, 2024/1468, 24.5.2024, ELI: <http://data.europa.eu/eli/reg/2024/1468/oj>).

⁹ Commission Delegated Regulation (EU) 2024/1235 of 12 March 2024 amending Commission Delegated Regulation (EU) 2022/126 supplementing Regulation (EU) 2021/2115 of the European Parliament and of the Council as regards the rules on the ratio for the good agricultural and environmental condition (GAEC) standard 1, OJ L, 2024/1235, 26.4.2024, ELI: http://data.europa.eu/eli/reg_del/2024/1235/oj.

¹⁰ Commission Delegated Regulation (EU) 2022/126 of 7 December 2021 supplementing Regulation (EU) 2021/2115 of the European Parliament and of the Council with additional requirements for certain types of intervention specified by Member States in their CAP Strategic Plans for the period 2023 to 2027 under that Regulation as well as rules on the ratio for the good agricultural and environmental condition (GAEC) standard 1, OJ L 20, 31.1.2022, p. 52, ELI: http://data.europa.eu/eli/reg_del/2022/126/oj.

for GAEC standard 1 based on structural changes in farming systems and for derogations from the obligation to impose reconversion obligations on farmers and other beneficiaries.

- (4) Feedback and experience from the two years of implementation of the CAP Strategic Plans under the current CAP Union legal framework indicate that further, limited adjustments of that legislation are needed in order to address the identified bottlenecks and complexities. These include the fact that specific circumstances, practices and needs of certain groups of farmers - such as organic, young, small-scale, and livestock farmers - are not yet sufficiently taken into account in the CAP Union legal framework, which does not permit Member States to adjust the various instruments to the specific circumstances, needs and practices of those farmers. Also, certain simplification opportunities within the CAP, such as the use of lump-sums or simplified cost options, are underutilised due to complexities in their implementation and management. This can lead to overlapping or ambiguous requirements for farmers, complicate farmers' access to support, and hinder business development opportunities for farmers, such as for young and new farmers. There are also certain rigidities in the rules impacting how Member States manage and amend their CAP Strategic Plans and fulfil their reporting obligations. Finally, the burden of on-farm-visits and controls on both farmers and administrative bodies still needs to be alleviated, in particular by introducing more efficient methodologies for Integrated Administration and Control System (IACS) quality assessments and conditionality controls. Overcoming these bottlenecks and rigidities should help Member States use the CAP Strategic Plans to maximise opportunities for the benefit of farmers and other beneficiaries of the CAP, reduce administrative burden and complexity, and make better use of scarce resources.

- (5) Article 4(3), point (c), of Regulation (EU) 2021/2115 establishes that, when an agricultural area is used as a grassland and has not been included in the crop rotation of the holding for five years or more, it is to be considered as permanent grassland. However, some farming systems entail crop rotation on arable land where the grasses or other herbaceous forage are not included in the crop rotation for periods longer than five years, but where these areas are ploughed up to remain arable land. As a consequence, farmers in the Member States where such farming systems are applied, face difficulties in managing their agronomic rotations and in remaining viable while meeting the requirements for the implementation of GAEC Standard 1. In addition, the use of longer crop rotations with grasslands may bring significant benefits in terms of biodiversity and ecosystem services, while allowing farmers greater flexibility in their agronomic management. Therefore, in order to promote such flexible and sustainable agronomic practices for the management of grasslands, it should be possible for Member States to extend the period determining the classification of an area as permanent grassland from five years to seven years. Thus, Article 4(3), point (c), of Regulation (EU) 2021/2115 should be amended.
- (6) In order to minimise the risk of negative impacts on the single market and international trade of the new crisis payments to farmers following natural disasters, adverse climatic events and catastrophic events in accordance with ~~Articles 41a and~~ **Article 78a** of Regulation (EU) 2021/2115, the interventions under which this Union support is to be granted should be designed by the Member States in such a way that they qualify under the criteria of Annex 2 to the WTO Agreement on Agriculture ('Green Box').
- (7) Article 11 of Regulation (EU) 2021/2115 provides for a mechanism for implementation of the Memorandum of Understanding on oilseeds, including provisions on increases of planned outputs and reduction coefficients to avoid exceeding the maximum support area for the whole Union. This provision need to be adjusted to take into account amendments of Article 119 of that Regulation, introduced by this Regulation.

- (8) ~~In view of the exceptional nature of the payment the farmer would receive in an crisis situation, having suffered significant production losses as a result of natural disasters, adverse climatic events or other catastrophic events, and to ensure coherence with payments referred to in Article 78a of Regulation (EU) 2021/2115, the system of conditionality referred to in Article 12 of that Regulation should not apply to complementary payments to farmers following natural disasters, adverse climatic events or catastrophic events under direct payments, referred to in Article 41a of that Regulation.~~
- (9) The system of conditionality comprising Statutory Management Requirements (SMR) and Good Agricultural and Environmental Condition (GAEC) Standards aims to contribute to the development of sustainable agriculture through an increased awareness on the part of beneficiaries of the need to comply with those basic standards and requirements. It also aims to increase the consistency of the CAP with the environment, public health, plant health and animal welfare objectives pursued by Union legislation. However, considering that the agricultural area managed by small farmers who benefit from payments under the interventions referred to in Article 28 of Regulation (EU) 2021/2115 is limited, applying the system of conditionality to such small farmers, who manage majority of farms in the Union, yields insufficient benefits compared to significant costs, and imposes an important administrative burden, on those farmers and national administrations. To reduce such costs and ease the related administrative burden, it is appropriate to exempt small farmers from the application of the system of conditionality.
- (10) The GAEC standards referred to in Article 13 of Regulation (EU) 2021/2115 are part of the conditionality system referred to in Article 12 of that Regulation. They contribute to the mitigation and adaptation to climate change, protection of the environment, including water, soil and biodiversity of ecosystems. The general principles on which organic production pursuant to Article 5 of Regulation (EU) 2018/848 of the European Parliament and of the Council¹¹ is based include the preservation of natural landscape elements, such as natural heritage sites and the responsible use of energy and natural resources, such as water, soil, organic matter and air.

¹¹ Regulation (EU) 2018/848 of the European Parliament and of the Council of 30 May 2018 on organic production and labelling of organic products and repealing Council Regulation (EC) No 834/2007 (OJ L 150, 14.6.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/848/oj>).

- (11) GAEC standard 1, listed in Annex III to Regulation (EU) 2021/2115 aims to maintain permanent grassland to preserve carbon stock. Points 1.7.3 and 1.9.1.1 of Annex II to Regulation (EU) 2018/848 emphasize the importance of maximizing the use of grazing and pasture, which prevents the conversion of permanent grassland into other land uses, and in line with the main objective of GAEC standard 1 preserves carbon stock in permanent grasslands. GAEC standards 3, 5 and 6, listed in Annex III to Regulation (EU) 2021/2115 aim to maintain soil organic matter, limit erosion, and protect soils during sensitive periods, respectively. These objectives are already achieved through the tillage and cultivation practices applied in organic plant production, in particular those referred to in point 1.9. of Annex II to Regulation (EU) 2018/848. GAEC standard 4, listed in Annex III to Regulation (EU) 2021/2115, aims to protect water against pollution. Similarly, points 1.5, 1.7, 1.9 and 1.10 of Annex II to Regulation (EU) 2018/848 aim to reduce the risk of water pollution by limiting the use of veterinary medicinal products, restricting the use of fertilizers and pesticides, and restricting stocking density. Experience has shown that organic farming has a positive impact as regards nutrient leaching and run-off, making it less likely that an organic farmer would compromise the quality of water, thereby achieving the main objective of GAEC standard 4. Therefore, given the principles and rules laid down in Regulation (EU) 2018/848 and existing practices under the organic farming systems, ~~organic farmers whose entire holding is certified in accordance with Regulation (EU) 2018/848 should be deemed to comply with GAEC standards 1, 3, 4, 5, 6 and 7 in relation to their organic production units that are certified in accordance with Regulation (EU) 2018/848. In order to reduce the administrative burden for the competent authorities of the Member States while striving to apply this possibility in the most appropriate way, it should be possible for Member States to decide that the presumption of compliance with the above mentioned GAEC standards only applies where the entire holding of the farmer is certified in accordance with Regulation (EU) 2018/848 and 6, as is the case already in respect to GAEC standard 7.~~

- (12) To improve consistency of requirements for farmers and simplify the setting of the GAEC standards by the Member States, Article 13(1) of Regulation (EU) 2021/2115 should be amended to clarify that Member States may set out the GAEC standards in their CAP Strategic Plans consistently with mandatory national requirements, provided that such national requirements comply with the GAEC standards listed in Annex III to that Regulation. It should in particular be clarified that GAEC standards set in the CAP Strategic Plans do not need to go beyond existing mandatory national requirements, provided that those national requirements comply with GAEC standards listed in Annex III to Regulation (EU) 2021/2115, in particular with the main objectives of those GAEC standards.
- (13) ~~In view of the exceptional nature of the payment the farmer may receive in a crisis situation, having suffered significant production losses as a result of natural disasters, adverse climatic events or other catastrophic events, and to ensure coherence with the payments referred to in Article 78a of Regulation (EU) 2021/2115, the system of conditionality referred to in Article 14 of that Regulation should not apply to complementary payments to farmers following natural disasters, adverse climatic events or catastrophic events under the direct payments referred to in Article 41a of that Regulation.~~
- (14) ~~Natural disasters, adverse climatic events and catastrophic events are increasing in their frequency, intensity and duration and are having significant impact on the agricultural sector in the Union. Regulation (EU) 2021/2115 already provides a set of tools for farmers to build up resilience and respond to crisis. The scale of events and their sudden and extraordinary nature call however for expanding instruments available for Member States. Hence, it is appropriate to provide for complementary crisis payments to farmers and to include them as a new type of intervention in the form of direct payments in Article 16 of that Regulation.~~

- (15) Article 19 of Regulation (EU) 2021/2115 allows Member States to retain up to 3 % of the direct payments to be paid to a farmer to support the farmers' contribution to a risk management tool. A Member State deciding to make use of this option, had to apply it to all beneficiaries of direct payments in a given year. Experience shows that only very few Member States make use of this option. Discussions with the Member States have shown that an obstacle to the implementation of this provision is the lack of risk management tools, either set up by Member States or available through private insurance, available for all farmers receiving direct payments. In order to increase the uptake and use of the possibility provided for in Article 19 of that Regulation, it is necessary to make its implementation more flexible and to adapt it to the existing management tools in Member States. As a result of this amendment, Member States should **also** be able to retain up to 3% of direct payments to be paid to those farmers only for whom risk management schemes exist in a given year. ~~Member States where risk management schemes would exist for all direct payments beneficiaries should be able to continue retaining up to 3% of the direct payments of all such beneficiaries.~~
- (16) The simplified payment scheme designed by Member States for small farmers under Article 28 of Regulation (EU) 2021/2115 reduces the complexity of the application process for income support, both for small farmers and for administrations. In order to enhance its attractiveness and encourage a larger number of small farmers to benefit from that scheme, the maximum amount that can be received under that scheme should be increased. In order to foster the participation of small farmers who benefit from the payments referred to in Article 28 of Regulation (EU) 2021/2115 in the eco-schemes referred to in Article 31 of that Regulation, Member States should have the possibility to exclude payments received by those farmers under eco-schemes from the maximum amount of payment referred to in Article 28 of that Regulation.

- (17) Where a Member State decides pursuant to Article 28, second subparagraph, of Regulation (EU) 2021/2115 that the payment to small farmers referred to in Article 28, first subparagraph of that Regulation, is not to replace support for eco-schemes established in accordance with Article 31 of that Regulation, the eco-schemes should continue to comply with all requirements laid down in Article 31(5) of that Regulation. This principle should also be respected as regards interventions under Article 70 of that Regulation in respect of farmers receiving payments referred to in Article 28 of that Regulation. In order to ensure compliance with the general principle that payments are only provided for commitments going beyond the conditionality requirements, and to safeguard the ambition of the interventions, which form part of the environmental and climate architecture of the CAP, farmers receiving payments referred to in Article 28 of Regulation (EU) 2021/2115 should only receive payments under eco-schemes referred to in Article 31 of that Regulation or payments under interventions referred to in Article 70 of that Regulation if they comply with the conditions laid down in Article 31(5), first subparagraph, point (a) of that Regulation or the conditions laid down in Article 70(3), first subparagraph, point (a) of that Regulation, respectively.
- (18) To ensure that when Member States increase the delivery of environmental, climate, animal welfare and anti-microbial resistance objectives, by maintaining or adopting national legislation which goes beyond the corresponding minimum requirements laid down in Union law, the impact of such requirements on the financial and economic situation of the farmers concerned may be kept limited, Article 31(5) of Regulation (EU) 2021/2115 needs to be amended to allow Member States to grant support for commitments contributing to compliance with mandatory requirements imposed by national law going beyond the minimum requirements laid down in Union law, irrespective whether they have been newly imposed or were existing already. Furthermore, lifting the limitation of the period during which support may be granted for commitments under eco-schemes should simplify the management of the eco-schemes for Member States, as it should reduce the need for modifications of eco-schemes in the CAP Strategic Plans during this programming period due to changes of such national legislation or due to the expiry of the 24 months period during which support may be granted for commitments contributing to compliance with such national legislation.

- (19) GAEC standard 2, listed in Annex III to Regulation (EU) 2021/2115, aims to protect carbon-rich soils. Experience has shown that the requirements set out in the CAP Strategic Plans under the GAEC standard 2 have created challenges for farmers and Member States, particularly as regards the economic viability of the farmers concerned while guaranteeing the protection of carbon-rich soils. Compliance with certain requirements established under GAEC standard 2, such as those involving production limitation may be costly for farmers and significantly limit their capacity to change or adjust the use of their land. Besides, GAEC standard 2 impacts farmers in some Member States more than in others due to the varying proportions of wetlands and peatlands within their territories. While maintaining the existing requirements under GAEC standard 2, where appropriate, set out consistently with mandatory national requirements, as introduced by this Regulation, it should be possible to compensate farmers for the compliance with the obligations resulting from this standard. It should therefore be possible for Member States to exclude GAEC standard 2 from the requirement laid down in Article 31(5), point (a), of Regulation (EU) 2021/2115. This should enable Member States to provide in their CAP Strategic Plans support under the eco-schemes referred to in Article 31 of that Regulation in order for active farmers concerned by GAEC standard 2, to meet the requirements of that standard while maintaining a high level of protection of wetlands and peatlands, in particular the carbon sequestration potential of these areas.
- (20) In order to enable support for organic farming methods for livestock as a part of the eco-schemes referred to in Article 31 of Regulation (EU) 2021/2115, it should be possible for Member States to decide that support granted to commitments related to the conversion or maintenance of organic farming practices and methods in accordance with Regulation (EU) 2018/848 may take the form of an annual payment for livestock units. It should also be clarified that support for commitments improving farming practices related to apiculture may be granted in the form of annual payment for beehives as this will simplify the calculation of payments for those commitments. To ensure coherence of the definitions used in the CAP Strategic Plans, the notion of beehive for the purposes of granting support under eco-schemes referred to in Article 31 of Regulation (EU) 2021/2115 should be the notion of beehive defined by the Commission on the basis of Article 56, point (b), of that Regulation.

- (21) ~~In the first years of implementation of the CAP Strategic Plans, natural disasters, adverse climatic events or other catastrophic events have impacted many farmers' production around the Union. That trend is expected to continue in the future. It should therefore be possible for Member States to offer crisis payments in the form of increased direct income support to enable the most affected farmers to be compensated rapidly. To maintain the incentive for farmers to insure their production, Member States should set a higher rate of compensation for those farmers, who are covered by an insurance scheme or other risk management tool. To increase the funds to be mobilised in support of farmers, Member States should be allowed to co-finance those crisis payments with additional national financing of up to 200 %. However Member States should ensure that the total compensation received by the farmer accumulated with other forms of Union or nationally funded support (including additional national financing), private insurance or other risk management schemes does not lead to overcompensation or double funding.~~
- (22) Article 48 of Regulation (EU) 2021/2115 should be amended to delete the reference to annual performance clearance, in view of the removal of that procedure from Regulation (EU) 2021/2116 by this Regulation.
- (23) Producer organisations and associations of producer organisations in the fruit and vegetables sector play an important role in reinforcing the position of farmers in the supply chain. Support from the CAP to those organisations is of critical importance to address specific issues and sectoral objectives or to reward beneficial practices. It is therefore appropriate to allow producer organisations and associations of producer organisations implementing in their operational programmes one or more sectoral interventions linked to any of the objectives referred to in Article 46, points (d), (e), (f), (h), (i) or (j), of Regulation (EU) 2021/2115 to benefit from the increased limit for Union financial assistance referred to in Article 52(2) of that Regulation, provided that the amount in excess of the limits laid down in Article 52(2), first subparagraph, of that Regulation is spent solely to finance these sectoral interventions.
- (24) Article 69 of Regulation (EU) 2021/2115 should be amended to align the title of the type of intervention for rural development referred to in point (e) of that Article with the amendments of Article 75 of that Regulation and to include the title of the new type of intervention referred to in Article 78a of that Regulation.

- (25) To ensure that when Member States increase the delivery of environmental, climate, animal welfare and anti-microbial resistance objectives, by maintaining or adopting national legislation which goes beyond the corresponding minimum requirements laid down in Union law, the impact of such requirements on the financial and economic situation of the farmers concerned may be kept limited, Article 70(3) of Regulation (EU) 2021/2115 needs to be amended to allow Member States to grant support for commitments contributing to compliance with mandatory requirements imposed by national law going beyond the minimum requirements laid down in Union law, irrespective whether they have been newly imposed or were existing already. Furthermore, lifting the limitation of the period during which support may be granted for agri-environment-climate commitments should simplify the management of those commitments for Member States, as it should reduce the need for modifications of those interventions in the CAP Strategic Plans during this programming period due to changes of such national legislation or due to the expiry of the 24 months period during which support may be granted for commitments contributing to compliance with such national legislation.

- (26) Experience has shown that the requirements set out in the CAP Strategic Plans under the GAEC standard 2 have created significant challenges for farmers and Member States, particularly as regards the economic viability of the farmers concerned while guaranteeing the protection of carbon-rich soils. Compliance with certain requirements established under GAEC standard 2, such as those involving production limitation may be costly for farmers and significantly limit their capacity to change or adjust the use of their land. Besides, GAEC standard 2 impacts farmers in some Member States more than in others due to the varying proportions of wetlands and peatlands within their territories. While maintaining the existing requirements under GAEC standard 2, where appropriate, set out consistently with mandatory national requirements, as introduced by this Regulation, it should be possible to compensate farmers for the compliance with the obligations resulting from this standard. It should therefore be possible for Member States to exclude GAEC standard 2 from the requirement laid down in Article 70(3), point (a), of Regulation (EU) 2021/2115 for interventions based on Article 70 of that Regulation. This should enable Member States to provide in their CAP Strategic Plans support under interventions referred to in Article 70 of that Regulation, in order for farmers and other beneficiaries concerned by GAEC standard 2, to meet the requirements of the standard while maintaining a high level of protection of wetlands and peatlands, in particular the carbon sequestration potential of these areas.
- (27) Pursuant to Article 70(8) of Regulation (EU) 2021/2115, Member States are to establish payments for agri-environment-climate commitments as well as commitments to convert to or maintain organic farming only as payments per hectare. In order to ensure consistency with support under the eco-schemes referred to in Article 31 of that Regulation, it should be possible for Member States, in duly justified cases, to grant support for such commitments in the form of a payment per livestock unit. In order to facilitate activities beneficial for the environment in the case of beekeeping, it should be possible to grant support for agri-environment-climate commitments or commitments to convert to or maintain organic farming in the form of a payment per beehive. To ensure coherence of the definitions used in the CAP Strategic Plans, the notion of beehive for the purposes of granting support for these commitments should be the notion of beehive defined by the Commission on the basis of Article 56, point (b), of Regulation (EU) 2021/2115.

- (28) Article 72(5) of Regulation (EU) 2021/2115 lays down rules concerning the calculation of additional costs and income foregone to grant payments for area-specific disadvantages resulting from certain mandatory requirements that go beyond the relevant GAEC standards. It does not grant payments for area-specific disadvantages resulting from the relevant GAEC standards. However, compliance with certain requirements established under GAEC standard 2 may be costly for farmers as they involve production limitations due to significant land use restrictions. In order to integrate in the principles of calculation of payments for area-specific disadvantages resulting from certain mandatory requirements costs related to the respect of GAEC standard 2, it should be possible for Member States to include in that calculation disadvantages resulting from the requirements of GAEC standard 2.
- (29) To ensure that farmers have more time and flexibility to adjust to new Union legislation in an increasingly challenging context of geopolitical tensions, structural challenges and economic difficulties related, among others, to high energy and input prices, Article 73(5) of Regulation (EU) 2021/2115 should be amended to extend the period during which support may be granted for investments contributing to compliance with new requirements imposed by Union law from 24 months to 36 months from the date on which these new requirements become mandatory for the holding.
- (30) The Union's farming sector faces demographic difficulties, with an ageing workforce. While attracting young farmers is key to ensuring a sustainable future for agriculture, the creation and development of new economic activity in the agricultural sector by young farmers is financially challenging. In order to further facilitate their setting up for the first time, the period of eligibility for investments to comply with new Union standards should be extended for young farmers.

- (31) To strengthen the competitiveness and sustainability of the Union food system, significant investments and development of businesses are needed. Especially, the development of small farms, which are facing particular challenges and are potentially economically viable, should be encouraged. At the same time, there is a need to simplify the implementation of support for small farms to minimise the administrative burden. To address these needs, it is appropriate to amend Article 75 of Regulation (EU) 2021/2115 to include the business development of small farms among the interventions that Member States may support and to provide for a lump sum support of EUR 50 000 for that intervention. For reasons of consistency, Member States should define small farms in the same way for the purposes of investments pursuant to Article 73(4), point (b) of that Regulation and for the purposes of business development pursuant to Article 75 of that Regulation.
- (32) Risk management interventions are very useful in making farmers more resilient and hence should be encouraged. However, experience has shown that current rules are too rigid to use this type of intervention to its full potential. In particular, it appears that the current formula for the calculation of losses is not adapted to the specific situation of certain beneficiaries, such as young farmers, areas with permanent crops or other justified cases for which the calculation formula of losses is not appropriate. To increase the use and uptake of risk management tools under Article 76 of Regulation (EU) 2021/2115, Member States should have more flexibility for calculating the losses for such beneficiaries or crops, to take into account their specific situations.

- (33) In order to efficiently support farmers whose production was damaged by natural disasters, adverse climatic events or other catastrophic events, Member States should be able to plan crisis payments ~~not only through direct income support interventions, but also through~~ rural development interventions. Such types of support should offer Member States sufficient flexibility in planning the interventions. ~~However, Member States should ensure consistency between these interventions. Accordingly, provisions regarding the targeting of support and the incentive effect should be the same.~~ In order to ensure sound financial management of the Union funds, Member States should ensure that the total compensation received by the farmer accumulated with other forms of Union or nationally funded support (including additional national financing), private insurance or other risk management schemes does not lead to overcompensation or double-funding.
- (34) Article 79(1) of Regulation (EU) 2021/2115 lays down the rules concerning the setting out by managing authorities of selection criteria for interventions relating to certain types of intervention. The list of types of intervention for which Member States are to use selection criteria should be amended to take into account the amendments to the types of intervention referred to in Article 75 of that Regulation.
- (35) Article 80 of Regulation (EU) 2021/2015 lays down the rules and principles for implementation of financial instruments in the CAP. Article 80(2) of that Regulation ensures consistency with the provisions of Regulation (EU) 2021/1060 of the European Parliament and of the Council¹² concerning financial instruments. To further strengthen the synergy in the implementation and control between CAP financial instruments and the other financial instruments governed by Regulation (EU) 2021/1060, Article 80 of Regulation (EU) 2021/2115 should be amended to ensure that the requirements regarding the audit trail for financial instruments are the same in Regulation (EU) 2021/2115 and in Regulation (EU) 2021/1060.

¹² Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159, ELI: <http://data.europa.eu/eli/reg/2021/1060/oj>).

- (36) Article 80(3) of Regulation (EU) 2021/2115 sets out the maximum applicable gross grant equivalent ceiling when financial instruments support activities falling within the scope of Article 42 of the Treaty. To ensure alignment with the newly introduced changes in the general State aid regime under Article 3(2) of Commission Regulation (EU) 2023/2831¹³, the ceiling needs to be increased accordingly. Furthermore, the reference period should be changed from 'fiscal' years to 'years' to align with Article 3(2) of that Commission Regulation. As regards support for working capital for activities outside the scope of Article 42 TFEU, general state aid rules continue to apply.
- (37) Article 80(5) of Regulation (EU) 2021/2115 defines the eligibility of expenditure when support is provided through financial instruments. To ensure clarity and equal treatment under all financial instruments governed by Regulation (EU) 2021/1060, Article 80(5) of Regulation (EU) 2021/2115 should be amended to set out the eligibility rules with regard to the value-added tax ('VAT').
- (38) Article 81 of Regulation (EU) 2021/2015 lays down the rules and conditions for transfers by Member States of EAFRD allocations to InvestEU Programme established by Regulation (EU) 2021/523 of the European Parliament and of the Council¹⁴. To ensure full uptake of newly introduced possibilities under Article 10a(4) of Regulation (EU) 2021/523, Article 81 of Regulation (EU) 2021/2115 should be amended..
- (39) Article 83 of Regulation (EU) 2021/2115 lays down the rules for calculating and applying simplified cost options. To simplify and boost the implementation of investments and other rural development interventions and to increase the use of simplified cost options, it should be possible to use the calculation methods established under Regulation (EU) 2021/1060 without the need to provide further justification.

¹³ Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ L, 2023/2831, 15.12.2023, ELI: <http://data.europa.eu/eli/reg/2023/2831/oj>).

¹⁴ Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30, ELI: <http://data.europa.eu/eli/reg/2021/523/oj>).

- (40) Article 86(2) and (3) of Regulation (EU) 2021/2115 lays down rules on the eligibility of expenditure resulting from amendments of CAP Strategic Plans for contribution from the EAGF and the EAFRD, respectively. To simplify the rules on eligibility of expenditure, to improve synergies between the EAGF and the EAFRD and to increase the flexibility for the Member States to determine the dates of effect of the EAGF-related amendments of CAP Strategic Plans, it is appropriate to allow the eligibility of expenditure resulting from an approved strategic amendment of a CAP Strategic Plan for EAGF contribution from the date of effect of the amendment set by the Member State concerned in accordance with Article 119(8) of that Regulation, but not earlier than from the date of submission to the Commission of the request for amendment. For other amendments of CAP Strategic Plans related to the EAGF, the expenditure should be eligible for contribution from the EAGF from the date of notification of the amendment to the Commission, as laid down in Article 119(9) of Regulation (EU) 2021/2115, as amended by this Regulation. ~~To ensure coherence between the rules concerning eligibility for contribution from the EAGF and EAFRD in cases of emergency measures due to natural disasters, catastrophic events or adverse climatic events, it should be possible to establish in CAP Strategic Plans that the eligibility of EAGF-financed expenditure relating to amendments to CAP Strategic Plans related to complementary crisis payments to farmers under direct payments referred to in Article 41a of that Regulation, may start from the date on which the event occurred.~~
- (41) For the purpose of ensuring adequate financing for the new types of intervention for crisis payments to farmers following natural disasters, adverse climatic events or catastrophic events referred to in ~~Articles 41a and~~ **Article 78a** of Regulation (EU) 2021/2115, Member States should be able to reserve a certain share of ~~both direct payments and~~ EAFRD funding for ~~these types~~ **this type** of intervention. However, with a view of ensuring that sufficient financing remains available to deliver on the other CAP priorities, this share should be limited to a maximum annual amount available per Member State corresponding to 3 % of the total of direct payments and EAFRD funding per year. ~~In order to incite Member States to privilege the use of the instrument set out in Article 41a of that Regulation and financed with direct payments funding, the maximum annual amount that can be reserved by a Member State for this type of intervention should correspond to 4 % of the total of direct payments and EAFRD funding per year, if the Member State decides not to provide support for crisis payments under Article 78a of that Regulation.~~

- (42) Due to their special nature, the new types of intervention for crisis payments to farmers under ~~direct payments referred to in Article 41a of Regulation (EU) 2021/2115~~ and under rural development referred to in Article 78a of ~~that Regulation (EU) 2021/2115~~ should be exempt from the obligation to contribute to the result indicators listed in Annex I to that Regulation.
- (43) ~~Additional national financing for complementary crisis payments to farmers provided in accordance with Article 41a of Regulation (EU) 2021/2115 should be included in Annex V to the CAP Strategic Plan of the Member State.~~
- (44) Article 119(4) of Regulation (EU) 2021/2115 provides for the approval by the Commission of requests for amendments of CAP Strategic Plans submitted by Member States. Article 119(9) of that Regulation enables Member States to make and apply modifications of CAP Strategic plans related to the interventions referred to in Title III, Chapter IV, of that Regulation, which are approved by the Commission together with the next request for amendment. Experience has shown that the amendments of CAP Strategic Plans often contain numerous technical elements that render them complex, onerous for Member States, and result in delays in the approval procedures although the strategic orientation of the Plans remain unchanged. This interferes with timely and effective adaptation of CAP Strategic Plans to changing economic reality and needs of farmers and other beneficiaries in Member States and negatively impacts the implementation of those Plans. To simplify and improve the efficiency of amendment procedures, in particular regarding elements of the CAP Strategic Plans that are not of strategic nature, approval by the Commission should be required only for strategic amendments of CAP Strategic Plans. For this purpose, strategic amendments should be defined in Regulation (EU) 2021/2115 as amendments of important elements of the CAP Strategic Plans that significantly impact the strategy and intervention logic of those plans, including transfers of financial allocations between the EAFRD and the EAGF, maximum and minimum financial allocations, and changes to target and financial plans. Member States should be able to make and apply all other amendments to their CAP Strategic Plans upon notifying them to the Commission, and these other amendments should not be subject to Commission approval.

- (45) To ensure compatibility of the CAP Strategic Plans with the Union CAP legal framework, the Commission should have the power to object to notified amendments where it considers that those amendments are not compatible with Regulation (EU) 2021/2115, Regulation (EU) 2021/2116 or the delegated and implementing acts adopted pursuant to them. To ensure legal certainty for farmers and other beneficiaries, the Member States should upon receipt of an objection to a notified amendment not apply that amendment and remove such amendment from the amended CAP Strategic Plan submitted to the Commission. Expenditure related to such amendments should also not be eligible for a contribution from the EAFG or the EAFRD, respectively. The experience shows that Member States may notify complex and numerous amendments to their CAP Strategic Plans. The Commission should therefore have a reasonable period of time to assess the notified amendments and to make objections to the Member States, where necessary. Member States should have the possibility to submit amendments to which Commission made objections for approval as a part of a request for strategic amendment referred to in Article 119(2) of Regulation (EU) 2021/2115, as amended by this Regulation, to ensure that those amendments only take legal effect if they comply with Regulation (EU) 2021/2115 and Regulation (EU) 2021/2116, as well as delegated and implementing acts based on them.
- (46) Article 119(8), third subparagraph, of Regulation (EU) 2021/2115 provides that Member States are to determine a date of effect for amendments of CAP Strategic Plans related to the EAGF for a date that is later than the date of approval of the request for amendment by the Commission. To increase the flexibility for the Member States in setting the dates of effect for EAGF-related strategic amendments of CAP Strategic Plans and to increase synergies between the rules applicable to EAGF-related strategic amendments of CAP Strategic Plans and EAFRD-related amendments of CAP Strategic Plans, it should be possible for Member States to set the date of effect of strategic amendments of CAP Strategic Plans between the date of the submission to the Commission of the request for approval of strategic amendment referred to in Article 119(2) of Regulation (EU) 2021/2115, as amended by this Regulation, and the date of approval of the request for amendment by the Commission.

- (47) Article 120 of Regulation (EU) 2021/2115 ensures that the CAP Strategic Plans are updated to reflect amendments made to the legislative acts listed in Annex XIII to that Regulation concerning the environment and climate to which the CAP Strategic Plans should contribute to and be consistent with. For that purpose, Member States are to assess whether their CAP Strategic Plans should be amended, and where necessary are to submit a request for amendment, where any of the legislative acts is modified. In order to avoid unnecessary administrative processes in the late phase of implementation of CAP Strategic Plans Article 120 of Regulation (EU) 2021/2115 should be deleted.
- (48) Article 122 of Regulation (EU) 2021/2115 should be adjusted to reflect the amendments of Article 119 of that Regulation, introduced by this Regulation.
- (49) Article 124(4) of Regulation (EU) 2021/2115 should be amended to enable the Monitoring Committee to give its opinion on the date of effect of all EAGF-related amendments to ensure that farmers and beneficiaries have sufficient time to take the proposed amendments into account.
- (50) Article 134 of Regulation (EU) 2021/2115 sets out requirements on the content and procedure for annual performance reports, which are a basis for annual performance clearance referred to in Article 54 of Regulation (EU) 2021/2116. In view of the removal of the annual performance clearance procedure by this Regulation, these requirements should be modified to delete information required solely for the purposes of that procedure, such as information on realised unit amounts and justifications to be provided by Member States where the realised unit amounts exceed the corresponding planned unit amounts set out in the CAP Strategic Plans.
- (51) Article 134(7) of Regulation (EU) 2021/2115 needs to be clarified to strengthen the link between the annual performance report and the biennial performance review referred to in Article 135 of that Regulation, as regards the inclusion in the annual performance report of justifications for shortfalls from milestones for the purposes of biennial performance review.

- (52) Pursuant to Article 134(13) of Regulation (EU) 2021/2115, the Commission may make observations on an admissible annual performance report within one month from its submission. Experience has shown that the assessment of admissibility of the annual performance report pursuant to Article 134(3) of that Regulation and a comprehensive assessment of the submitted annual performance report cannot be carried out in parallel with one another. It is therefore necessary to modify the date from which the time limit for sending observations, referred to in Article 134(13) of that Regulation, is calculated, to the date on which the annual performance report becomes admissible, in accordance with Article 134(3) of that Regulation.
- (53) ~~Additional national financing for complementary crisis payments to farmers provided in accordance with Article 41a of Regulation (EU) 2021/2115 should be subject to the same rules as additional national financing under rural development.~~
- (54) Pursuant to Article 159 of Regulation (EU) 2021/2115 the Commission is to review the list of legislative acts in Annex XIII to that Regulation and make legislative proposals to add additional legislative acts to that Annex. In view of the deletion of Article 120 of that Regulation, Article 159 of that Regulation should be deleted to ensure coherence, stability and to avoid disrupting the implementation of CAP Strategic Plans by national authorities, farmers and other beneficiaries.
- (55) Annex I to Regulation (EU) 2021/2115 sets out impact, result and output indicators pursuant to Article 7 of that Regulation. The table ‘Annual performance clearance – OUTPUT’ in Annex I to that Regulation should be replaced to introduce output indicators linked with the newly introduced ~~type~~**type** of intervention and the amended types of intervention and to take into account the deletion by this Regulation of the annual performance clearance provided for in Article 54 of Regulation (EU) 2021/2116.
- (56) Annex II to Regulation (EU) 2021/2115 lists the relevant paragraphs of Annex 2 to the WTO Agreement on Agriculture (‘Green Box’) for each type of intervention of that Regulation. The newly introduced types of intervention for crisis payments to farmers under ~~direct payments referred to in Article 41a of Regulation (EU) 2021/2115~~ and for rural development referred to in Article 78a of ~~that Regulation (EU) 2021/2115~~ should therefore be included in that Annex.

- (57) GAEC standard 1, listed in Annex III to Regulation (EU) 2021/2115, aims to maintain permanent grasslands to preserve carbon stock based on a ratio of permanent grassland in relation to agricultural area at national, regional, subregional, group-of-holdings or holding level in comparison to the reference year 2018, with a maximum decrease of 5 % compared to the reference year. Structural changes to farms that may occur during the programming period 2023-2027, in particular in the livestock sector. These changes may be accompanied by rapid changes in land use at the farm level, in particular to mitigate the impacts of climate change on feed and fodder availability, which may however only show in the available data with a delay. Such evolution of structural changes to farms may lead to variations in the annual ratio of permanent grasslands compared to the reference year 2018. In view of these variations and with a view to facilitating the implementation of GAEC standard 1, the maximum percentage of the decrease of the ratio of permanent grassland compared to the reference year 2018 should be increased to 10 %, to enable the Member States to take into account the developments during the programming period 2023-2027 and needs of farms, in particular in the livestock sector.
- (58) GAEC standard 4, listed in Annex III to Regulation (EU) 2021/2115, aims to protect river courses against pollution and run-off by the establishment of buffer strips along water courses. Experience has shown that Member States should have the possibility to align the definition of 'water course' for the purposes of this GAEC standard with the definition of water course established by Member States in national legislation, including national legislation implementing the Union legislation, which is part of SMR listed in Annex III to that Regulation. The definition of water course used by the Member States for the purposes of GAEC standard 4 should however be in line with the main objective of that GAEC standard, in particular to reduce the risk of excluding smaller water courses, that could carry pollution downstream, from the scope of that GAEC standard.

(59) Enhancing interoperability, including seamless exchange of data, between public agricultural information systems offers a range of operational, statistical, and policy related benefits, such as reduced data collection burden and improved efficiency, automated data integration and validation, improved data accuracy and reliability, enhanced policy monitoring and more effective collaboration within Member States. However, the absence of a coordinated structure at Member State level, as well as the differences observed in the progress of digital transition among Member States inhibit the effective implementation of interoperability and its benefits. In line with the Commission Communication ‘A Vision for Agriculture and Food’, which underlines the ‘collect once, use multiple times’ principle, Member States should ensure that data is collected only once by the authorities responsible for the implementation, monitoring and evaluation of the CAP and re-used, without asking the farmers several times to provide the same data.

(60) To achieve and maintain interoperability between information systems used for the implementation, monitoring and evaluation of the CAP, and seamless exchange of data between those information systems for the benefit of farmers and other CAP beneficiaries and the administration, and potentially the wider economy, and in consideration of the European Strategy of Data¹⁵ and other relevant EU and national initiatives, such as the Common European Agricultural Data Space and the Interoperable Europe Act¹⁶, each Member State should designate one authority responsible for drawing up and implementing a roadmap containing measures and actions. For that purpose, the designated authority should, where relevant, collaborate with other national authorities and Union institutions and bodies. To ensure a timely and appropriate follow-up by the Commission, the Member States should submit to the Commission their Roadmaps. The Commission should have the possibility to make observations on the Roadmaps submitted by Member States with the view to ensuring coherence and enhancement of interoperability between public agricultural information systems. A non-harmonized approach on digital identifiers or data sharing mechanisms hampers progress on interoperability. For that purpose, Member States should consider the establishment of a single digital identity framework and alignment with Regulation (EU) No 910/2014 of the European Parliament and of the Council¹⁷, including as regards the European Digital Identity Wallet for natural and legal persons. The Member States should establish and implement the Roadmap based on their specific situation and needs and should ensure that it contains the measures needed to achieve and maintain interoperability between public agricultural information systems as well as timeline within which these measures would be implemented. The designation of the Authority as well as the drawing up and implementation of the Roadmap should not be

¹⁵ COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS A European strategy for data, COM/2020/66 final.

¹⁶ Regulation (EU) 2024/903 of the European Parliament and of the Council of 13 March 2024 laying down measures for a high level of public sector interoperability across the Union (Interoperable Europe Act) (OJ L, 2024/903, 22.3.2024, ELI: <http://data.europa.eu/eli/reg/2024/903/oj>)

¹⁷ Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (OJ L 257, 28.8.2014, p. 73–114, ELI: <http://data.europa.eu/eli/reg/2014/910/oj>).

considered as basic Union requirements, referred to in Article 2, point (c), of Regulation (EU) 2021/2116.

- (61) Experience with the implementation of the agricultural reserve has shown that it is valuable in case of crisis in order to offer support to farmers affected and to contribute to the return of markets to a better balance. However, in the past years it was increasingly used for alleviating the situation of the farmers suffering direct losses due to natural disasters, adverse climatic events or catastrophic events although its intended original purpose as financing market instrument was to focus on compensating and mitigating the impacts of market disturbances. In view of the mounting challenges faced by the Union agricultural sector, including trade tensions, geopolitical uncertainty and increased indirect impact of animal health issues on market balance, it appears justified to refocus the reserve on its original purpose. Compensations to farmers for direct effects of natural disasters, adverse climate events or catastrophic events, such as those resulting in physical losses of plants, animals and products thereof should be addressed by Member States who are in charge of developing robust risk and crisis management strategies with the financial support of their CAP Strategic Plans including the new instruments established by this Regulation. Measures to balance the negative impact on farmers generated by market disturbance such as those affecting prices, costs or sales, also when they are generated as indirect effects of natural disasters, adverse climate events or catastrophic events, should continue to be financed by the agricultural reserve.

- (62) Article 21(1) and Article 32(8) of Regulation (EU) 2021/2116 setting out rules on monthly and interim payments, respectively, should be amended to take into account the deletion by this Regulation of the annual performance clearance provided for in Article 54 of that Regulation. Moreover, Article 21(2) of Regulation (EU) 2021/2116 should be also amended in order to ensure that, following the amendments introduced by this Regulation in Article 86(2) and Article 119(8) of Regulation (EU) 2021/2115, expenditure that becomes eligible for EAGF contribution from a date of effect, which precedes the approval of the amendment by the Commission but follows the date of submission to the Commission of the request for amendment, is declared to the Commission only after the approval of the amendment by the Commission in accordance with Article 119(10) of Regulation (EU) 2021/2115. To this end, it should be possible to declare expenditure, which cannot be declared in the month concerned due to a pending approval of an amendment, in the subsequent months of the same financial year or, at the latest, in the annual accounts of that financial year to be sent to the Commission by 15 February of the year following that financial year. When determining the date of effect of an amendment and in order to ensure that any expenditure resulting from the amendment already paid to beneficiaries can be still declared within the respective financial year, Member States should take into account the time limits for the approval procedure laid down in Article 119 of Regulation (EU) 2021/2115.
- (63) Article 40 of Regulation (EU) 2021/2116 on suspension of payments in relation to the annual performance clearance needs to be amended to take into account the deletion by this Regulation of the annual performance clearance provided for in Article 54 of that Regulation.

(63a) **Article 44(2) of Regulation (EU) 2021/2116 provides that Member States may pay advances of up to 50 % for interventions in the form of direct payments and for the measures referred to in Chapter IV of Regulation (EU) No 228/2013 of the European Parliament and of the Council¹⁸ and in Chapter IV of Regulation (EU) No 229/2013 of the European Parliament and of the Council¹⁹ and advances of up to 75 % for area-based and animal-based rural development interventions under Regulation (EU) 2021/2115. Article 44(6) of Regulation (EU) 2021/2116 provides that upon request of a Member State, in the event of an emergency, the Commission is to adopt, where appropriate, implementing acts derogating from Article 44(2) of that Regulation to the extent and for such period as is strictly necessary. For each of the years in the current programming period (2023, 2024 and 2025), Member States have requested derogations from Article 44(2) of Regulation (EU) 2021/2116 to allow for a higher rate of advance payments. The reasons for those derogations have been broad, including military conflict in Europe and the Middle East, adverse weather conditions and exceptional climate events, and unforeseen rises in input prices and inflation for farmers, coupled with relatively low prices of agricultural commodities. As those additional pressures are unlikely to be resolved in the years 2026 or 2027, it is appropriate, for reasons of simplification, to change permanently the maximum rates for advance payments in Regulation (EU) 2021/2116, so as to allow the higher rate to be paid for the remainder of the current programming period.**

¹⁸ **Regulation (EU) No 228/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in the outermost regions of the Union and repealing Council Regulation (EC) No 247/2006 (OJ L 78, 20.3.2013, p. 23, ELI: <http://data.europa.eu/eli/reg/2013/228/oj>).**

¹⁹ **Regulation (EU) No 229/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in favour of the smaller Aegean islands and repealing Council Regulation (EC) No 1405/2006 (OJ L 78, 20.3.2013, p. 41, ELI: <http://data.europa.eu/eli/reg/2013/229/oj>).**

- (64) Article 53 of Regulation (EU) 2021/2116 provides that based on the information referred to in Article 9(3), first subparagraph, points (a) and (d), of that Regulation, the Commission is to adopt implementing acts containing its decision on the clearance of the accounts of the accredited paying agencies for the expenditure referred to in Article 5(2) and Article 6 of that Regulation. Article 53 of Regulation (EU) 2021/2116 should be amended to take into account the deletion by this Regulation of the annual performance clearance provided for in Article 54 of that Regulation.
- (65) Article 54 of Regulation (EU) 2021/2116 provides that where the expenditure referred to in Article 5(2) and Article 6 of that Regulation and corresponding to the interventions referred to in Title III of Regulation (EU) 2021/2115 does not have a corresponding output as reported in the annual performance report referred to in Article 9(3) and Article 10 of Regulation (EU) 2021/2116 and in Article 134 of Regulation (EU) 2021/2115, the Commission is to adopt implementing acts prior to 15 October of the year following the relevant budgetary year determining the amounts to be reduced from Union financing ('annual performance clearance'). The experience gained from the first year of implementation of the annual performance clearance exercise, and from the preparation of the second-year exercise, shows that Member States bear a disproportionate administrative burden in the preparation and provision of the necessary information for the annual performance report as well as during the annual performance clearance. To alleviate the administrative burden on Member States, the annual performance clearance provided for in Article 54 of Regulation (EU) 2021/2116, should be abolished. The requirement that expenditure effected by paying agencies is to be matched by a corresponding output, laid down in Article 37(1), point (b)(i), of that Regulation, is covered by the conformity procedure referred to in Article 55 of that Regulation.

- (66) The requirement that expenditure is to be effected in accordance with the applicable governance systems, laid down in Article 37(1), point (b)(ii), of Regulation (EU) 2021/2116 is controlled by the paying agencies, and afterwards verified by certification bodies on an annual basis, and by the Commission in the form of reviews of the Certification Body's opinions and reports and as a part of follows up on the findings, as well as during conformity procedures referred to in Article 55 of that Regulation. These procedures provide the necessary assurance that realised outputs are achieved in compliance with Union legislation. Together with the biennial performance review referred to in Article 135 of Regulation (EU) 2021/2115, these procedures also ensure that Member States achieve the milestones and targets referred to in Article 109(1), point (a), of that Regulation, set by them as a part of their performance systems in the CAP Strategic Plans. Article 54 of Regulation (EU) 2021/2116 should therefore be deleted.
- (67) Further alignment on financial instruments between the CAP and the other policies under shared management needs to be achieved in the context of irregularities and financial corrections, when bodies implementing financial instruments demonstrate the fulfilment of a cumulative set of actions. Therefore, Article 57 of Regulation (EU) 2021/2116 needs to be amended to ensure consistency with Article 103(6) of Regulation (EU) 2021/1060.
- (68) Farmers have repeatedly reported the pressure of undergoing multiple controls throughout the year. Member States have already the possibility to group several controls in a single visit. In order to reduce the number of ~~field visits~~**on-the-spot checks** per farm and thereby alleviating the administrative burden on beneficiaries, where possible, Member States should not select a beneficiary that has already been selected for an on-the-spot check for that year, except when the circumstances require ~~a second control~~**more than one on-the-spot checks** to ensure the protection of the financial interests of the Union. In addition, this reduction should not reduce the level of checks. For this purpose, Article 60(1) of Regulation (EU) 2021/2116 should be amended accordingly.
- (69) Article 67(1) of Regulation (EU) 2021/2116 should be amended to remove the reference to annual performance clearance referred to in Article 54 of that Regulation.

- (70) Based on the first years of implementation, it appears redundant to carry out on-the-spot checks on interventions that are monitored by Copernicus Sentinels satellite data or other data with at least equivalent value, entailing an unjustified burden for the Member States and farmers. Therefore, for those eligibility conditions, Member States should not be obliged to carry out on-the-spot checks, including those executed remotely with the use of technology. For this purpose, Article 72 of Regulation (EU) 2021/2116 should be amended accordingly.
- (71) The experience gained shows that the quality assessments of, respectively, the Identification System for agricultural parcels (LPIS), the Geo-Spatial Application (GSA) and the Area Monitoring System (AMS) should be merged. Since the systems are intrinsically linked, assessing the quality of one system without considering the impact on the others is challenging. Moreover, by merging these quality assessments, Member States administrations would benefit from a reduced workload related to the inspection procedures and the reporting obligations. Additionally, when needed, Member States would have the advantage of proposing a single remedial action encompassing all three systems (LPIS, GSA and AMS), rather than implementing separate actions, increasing their efficiency. For this purpose, a new Article should be introduced in Regulation (EU) 2021/2116 and the relevant references should be amended accordingly.
- (72) Experience gained in the application of the conditionality control system, including through conformity procedures, has shown that certain conditions are unnecessarily rigid and place an undue burden on Member States, without necessarily enhancing the protection of Union funds. To streamline the control system and reduce administrative burden while maintaining its effectiveness in verifying compliance with conditionality requirements, Member States should be granted greater flexibility in designing their control systems. To this end, the requirement for a yearly review of the control system should be removed and the factors to be considered in the risk analysis should be left to the discretion of Member States.

- (73) Regulation (EU) 2024/1468 of the European Parliament and of the Council²⁰ amended Articles 83 and 84 of Regulation (EU) 2021/2216 to lessen the burden on small farmers and national administrations related to conditionality controls and penalties. Specifically, it exempts farmers with a maximum size of holding not exceeding 10 hectares of agricultural area declared in accordance with Article 69(1) of Regulation (EU) 2021/2116 from conditionality controls and from the application of administrative penalties for non-compliance with conditionality requirements. However, the geo-spatial application referred to in Article 69(1) of Regulation (EU) 2021/2116 includes areas other than agricultural area and there are technical constraints to calculate the agricultural areas, given that some of the elements and landscape features may not be measured and may vary in size over time. Therefore, the exemptions should be based on the area eligible for the payments and the support relevant for conditionality.

²⁰ Regulation (EU) 2024/1468 of the European Parliament and of the Council of 14 May 2024 amending Regulations (EU) 2021/2115 and (EU) 2021/2116 as regards good agricultural and environmental condition standards, schemes for climate, environment and animal welfare, amendment of the CAP Strategic Plans, review of the CAP Strategic Plans and exemptions from controls and penalties (OJ L, 2024/1468, 24.5.2024, ELI: <http://data.europa.eu/eli/reg/2024/1468/oj>).

- (74) Furthermore, small beneficiaries other than farmers, such as land managers, may not benefit from the exemptions from conditionality controls and penalties. However, the administrative burden linked to the controls and the application of penalties for those conditionality requirements provided for in Regulation (EU) 2021/2116 can also be disproportionately high for those beneficiaries. Likewise, since the area managed by those beneficiaries is limited and penalties are in general low for small beneficiaries, the application of penalties could also lead to disproportionate burden for Member States' administrations. Therefore, small beneficiaries other than farmers should also be exempted from conditionality controls and from the application of administrative penalties for conditionality requirements. Nevertheless, it is important for the CAP to continue to contribute to the environmental objectives set out in Article 6(1), points (d), (e) and (f), of Regulation (EU) 2021/2115 through conditionality requirements and to ensure the stability of those requirements as the common baseline for Member States and beneficiaries. Therefore, the conditionality requirements should continue to apply to all beneficiaries listed in Article 83(1) of Regulation (EU) 2021/2116.
- (75) Articles 102 and 103 of Regulation (EU) 2021/2116 laying down rules concerning exercise of delegation of power to adopt delegated acts and the committee procedure should be amended to take account of amendments of other provisions of Regulation (EU) 2021/2116 introduced by this Regulation, in particular the deletion of Article 54 of that Regulation.
- (76) To ensure coherence among the various provisions of Regulation (EU) 2021/2116, that Regulation should be amended to remove references to annual performance clearance procedure, in particular to Article 54 and Article 40(1) of that Regulation.
- (77) Regulations (EU) 2021/2115 and (EU) 2021/2116 should therefore be amended accordingly.
- (78) Transitional provisions should be laid down in connection with amendments to Article 119 of Regulation (EU) 2021/2115, introduced by this Regulation, to ensure that requests for amendment and notifications of modifications of CAP Strategic Plans submitted by Member States to the Commission before the entry into force of this Regulation are approved using the procedures applicable at the time of submission of those requests for amendment or notifications.

- (78a) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States given the links between this Regulation and the other instruments of the CAP, but can rather, by reason of the multiannual guarantee of Union finance and by concentrating on the Union's priorities, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (79) In order to ensure a smooth implementation of the measures introduced by this Regulation and as a matter of ~~urgency in order to reduce coherence between~~, on the one hand, the **reduction of the administrative burden for Member States' authorities involved in the preparation of the annual performance report for financial year 2025 and, on the other hand, the deletion of the annual performance clearance as from financial year 2025**, this Regulation should enter into force on the day following that of its publication in the ~~Official Journal of the European Union~~ **Official Journal of the European Union and the relevant provisions on the annual performance report and the performance clearance should apply as from financial year 2025**.
- (80) ~~Given that funds have already been allocated from the 2025 agricultural reserve for sectors affected by adverse climatic events and natural disasters as provided for in Commission Implementing Regulation (EU) 2025/441²¹, Article 2, point (5) of this Regulation should apply from the agricultural financial year 2026, i.e. from 16 October 2025 only.~~

²¹ ~~Commission Implementing Regulation (EU) 2025/441 of 6 March 2025 providing for emergency financial support for the agricultural sectors affected by adverse climatic events and natural disasters in Spain, Croatia, Cyprus, Latvia and Hungary, in accordance with Regulation (EU) No 1308/2013 of the European Parliament and of the Council~~

- (81) The European Data Protection Supervisor was consulted in accordance with Article 42(1) of Regulation (EU) 2018/1725²² of the European Parliament and the Council and delivered an opinion on ~~[-10 July 2025.]~~

HAVE ADOPTED THIS REGULATION:

Article 1

Amendments to Regulation (EU) 2021/2115

Regulation (EU) 2021/2115 is amended as follows:

- (1) Article 4(3), **point (c)**, the first subparagraph is replaced by the following:

‘permanent grassland and permanent pasture’ (together referred to as ‘permanent grassland’) shall be land that is 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 or, where Member States so decide, for seven years or more and, where Member States so decide, that has not been ploughed up, or tilled, or reseeded with different types of grass or other herbaceous forage, for five years or more or for seven 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 grasses and other herbaceous forage remain predominant.;’

²² Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39–98), ELI: <http://data.europa.eu/eli/reg/2018/1725/oj>.

- (2) in Article 10, the second subparagraph is replaced by the following:

‘In particular, the basic income support for sustainability, the complementary redistributive income support for sustainability, the complementary income support for young farmers, and the schemes for the climate, the environment and animal welfare, and the crisis payments to farmers following natural disasters, adverse climatic events or catastrophic events ~~under direct payments and~~ under rural development shall qualify under the criteria of the paragraphs of Annex 2 to the WTO Agreement on Agriculture listed in Annex II to this Regulation for those interventions. For other interventions, the paragraphs of Annex 2 to the WTO Agreement on Agriculture listed in Annex II to this Regulation are indicative and those interventions may instead comply with a paragraph of Annex 2 to the WTO Agreement on Agriculture not listed in Annex II to this Regulation if that is specified and explained in the CAP Strategic Plan.’

- (3) Article 11 is amended as follows:

- (a) paragraph 4 is replaced by the following:

‘4. If a Member State intends to increase its planned outputs referred to in paragraph 1 of this Article set out in its CAP Strategic Plan approved by the Commission, it shall notify the Commission of its revised planned outputs in accordance with Article 119(9) before 1 January of the year preceding the claim year concerned.’

- (b) in paragraph 5, the third subparagraph is replaced by the following:

‘Each Member State concerned shall submit a notification in accordance with Article 119(9) with the reduction coefficient referred to in the second subparagraph of this paragraph by 31 March of the year preceding the claim year concerned.’

(4) **in Article 12 the following paragraph is inserted**~~is amended as follows:~~

(a) ~~paragraph 1 is replaced by the following:~~

~~‘1. Member States shall include, in their CAP Strategic Plans, a system of conditionality under which farmers and other beneficiaries receiving direct payments under Chapter II, except for the payments referred to in Article 41a, or annual payments under Articles 70, 71 and 72 are subject to an administrative penalty if they do not comply with the statutory management requirements under Union law and the GAEC standards established in the CAP Strategic Plans, as listed in Annex III, relating to the following specific areas:~~

~~(a) the climate and the environment, including water, soil and biodiversity of ecosystems;~~

~~(b) public health and plant health;~~

~~(c) animal welfare;’~~

(b) ~~the following paragraph is inserted:~~

~~‘1a. By way of derogation from paragraph 1, the system of conditionality shall not apply to beneficiaries of payments referred to in Article 28.’~~

(5) **in Article 13(1), the following subparagraphs are added:**

‘Farmers whose entire holding is certified in accordance with Regulation (EU) 2018/848 of the European Parliament and of the Council* shall be deemed to comply with GAEC standards 1, 3, 4, 5, 6 and 7 listed in Annex III to this Regulation, in relation to their organic production units as defined in Article 3, point (10), of Regulation (EU) 2018/848. However, taking into consideration the administrative burden of the control, Member States may decide that only farmers whose entire holding is certified in accordance with Regulation (EU) 2018/848 shall be deemed to comply with the GAEC standards referred to in the first sentence of this subparagraph.

In setting their standards, Member States may, where relevant, set the elements referred to in Article 109(2)(a)(i) so that they are consistent with mandatory requirements established by national law and do not go beyond them, provided that these existing national mandatory requirements comply with the GAEC standards listed in Annex III.’

* Regulation (EU) 2018/848 of the European Parliament and of the Council of 30 May 2018 on organic production and labelling of organic products and repealing Council Regulation (EC) No 834/2007 (OJ L 150, 14.6.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/848/oj>).;’

(6) ~~in Article 14, paragraph 1 is replaced by the following:~~

~~‘1. Member States shall indicate, in their CAP Strategic Plans, that, at the latest as from 1 January 2025, farmers and other beneficiaries receiving direct payments under Chapter II, except for the payments referred to in Article 41a, or annual payments under Articles 70, 71 and 72 are to be subject to an administrative penalty if they do not comply with the requirements related to applicable working and employment conditions or employer obligations arising from the legal acts referred to in Annex IV.’~~

(7) ~~Article 16 is amended as follows:~~

(a) ~~paragraph 1 is replaced by the following:~~

~~‘1. The types of intervention under this Chapter may take the form of decoupled and coupled direct payments and of complementary crisis payments.’~~

(b) ~~the following paragraph is added:~~

~~‘4. Complementary crisis payments shall be direct payments to farmers following natural disasters, adverse climatic events or catastrophic events.’~~

- (8) ~~in Article 19, the second subparagraph~~ is replaced by the following:

‘Member States that decide to make use of this provision shall apply it to all farmers **receiving direct payments in a given year or Member States may decide to apply it to the farmers** for whom a risk management tool exists in a given year **if this corresponds better to the risk management tool in place.**;’

- (9) Article 28 is replaced by the following:

‘Article 28

Payments for small farmers

Member States may grant a payment to small farmers, as determined by the Member States, by way of a lump sum or of amounts per hectare replacing direct payments under this Section and Section 3 of this Chapter. Member States shall design the corresponding intervention in the CAP Strategic Plan as optional for farmers.

By way of derogation from the first subparagraph, Member States may decide in the CAP Strategic Plan that the payment to small farmers referred to in the first subparagraph, shall not replace direct payments made to support eco-schemes established in accordance with Article 31.

The annual payment for each farmer under the first subparagraph shall not exceed EUR 2 500.

Member States may decide to set different lump sums or amounts per hectare linked to different area thresholds.’

(10) Article 31 is amended as follows:

(a) paragraph 5 is amended as follows:

~~(1)~~(i) ~~(i)~~ the second subparagraph is replaced by the following:

‘For commitments referred to in the first subparagraph, point (b), where national law imposes requirements which go beyond the corresponding mandatory minimum requirements laid down in Union law, support may be granted for commitments contributing to compliance with those requirements.’

~~(b)~~(ii) ~~(i)~~ the following subparagraph is added:

‘By way of derogation from the first subparagraph, Member States may decide to exclude from the requirement laid down in the first subparagraph, point (a), GAEC standard 2 established under Chapter I, Section 2, of this Title.’

~~(e)~~(b) paragraph 7 is amended as follows:

(i) the second subparagraph is replaced by the following:

‘By way of derogation from the first subparagraph, payments granted in accordance with point (b) of that subparagraph for animal welfare commitments, commitments combating antimicrobial resistance, commitments for agricultural practices beneficial for the climate and commitments to convert to or maintain organic farming practices and methods laid down in Regulation (EU) 2018/848 may also take the form of an annual payment for the livestock units.’

(ii) the following subparagraph is added:

‘By way of derogation from the first subparagraph, payments granted in accordance with point (b) of that subparagraph, may, where appropriate, take the form of an annual payment for beehives. For the purposes of this derogation, the definition of ‘beehive’ set out in the delegated act referred to in Article 56, point (b), shall apply.’

(11) in Title III, Chapter II, the following Section is added:

~~‘Section 4~~

~~Complementary crisis payments~~

~~Article 41a~~

~~Complementary crisis payments to farmers following natural disasters, adverse climatic events or catastrophic events under direct payments~~

- ~~1. Member States may provide complementary crisis payments to compensate beneficiaries of direct payments under Sections 2 and 3 of this Chapter that are affected by natural disasters, adverse climatic events or catastrophic events. Those payments shall aim at ensuring continuity of the agricultural activity of those beneficiaries and shall be subject to the conditions laid down in this Article and as further specified by the Member States in their CAP Strategic Plans.~~
- ~~2. Support under this Article shall be subject to the formal recognition by the competent authority of the Member State that a natural disaster, adverse climatic event or catastrophic event, as defined by the Member State, has occurred and that these events, or measures adopted in accordance with Regulation (EU) 2016/2031 to eradicate or contain a plant disease or pest, or measures adopted to control, prevent or eradicate animal diseases listed in the Annex to Commission Implementing Regulation (EU) 2018/1882* or measures adopted regarding an emerging disease in accordance with Article 6(3) and Article 259 of Regulation (EU) 2016/429 have directly caused a damage resulting in the destruction of at least 30 % of the average annual production of the farmer in the preceding three-year period or a three-year average based on the preceding five-year period, excluding the highest and the lowest entry. The losses shall be calculated either at holding level, at the level of the holding's activity in the sector concerned or in relation to the specific area concerned.~~

3. ~~Member States shall ensure that support under this Article targets farmers who are most affected by natural disasters, adverse climatic events or catastrophic events, by determining eligibility conditions on the basis of available evidence.~~
4. ~~Member States shall establish the applicable support rates for compensating the loss of production. Those rates shall be higher for farmers who are covered by an insurance scheme or another risk management tool. Indexes may be used for calculating the loss of production.~~
5. ~~Member States may decide to co-finance the payments with additional national financing of up to 200 % in accordance with Article 115(5) and Article 146.~~
6. ~~When granting support under this Article, Member States shall ensure that interventions under this Article are consistent with those based on Article 78a and that overcompensation as a result of the combination of s intervention under this Article with other national or Union support instruments or private insurance schemes is avoided.~~
7. ~~By way of derogation from Article 111, first subparagraph, points (h) and (i) of that subparagraph shall not apply to support under this type of intervention.~~

~~* Commission Implementing Regulation (EU) 2018/1882 of 3 December 2018 on the application of certain disease prevention and control rules to categories of listed diseases and establishing a list of species and groups of species posing a considerable risk for the spread of those listed diseases (OJ L 308, 4.12.2018, p. 21, ELI: http://data.europa.eu/eli/reg_impl/2018/1882/oj).;~~

- (12) Article 48 is replaced by the following:

‘Article 48

Planning and reporting at operational programme level

Article 7(1), point (a), Article 102, Article 111, points (g) and (h), Article 112(3), point (b), and Article 134 shall apply for the types of intervention in the sectors referred to in Article 42, points (a), (d), (e) and (f), at the level of operational programmes instead of at the level of intervention. The planning and reporting for those types of intervention shall also be carried out at the level of operational programmes.;

‘Those limits may be increased by 0,5 percentage points, where the operational programme comprises one or more interventions linked to any of the objectives referred to in Article 46, points (d), (e), (f), (h), (i) or (j), provided that the amount in excess of the relevant percentage set out in the first subparagraph is used solely to finance expenditure resulting from the implementation of these interventions. In the case of associations of producer organisations, including transnational associations of producer organisations, those interventions may be implemented by the association on behalf of its members.;

- (14) **in Article 69, point (e) is replaced by the following** ~~is amended as follows:~~

- (a) ~~point (e) is replaced by the following:~~

‘(e) setting-up of young farmers and new farmers, rural business start-up, and business development of small farms;’²

- (b) the following point added:

‘(i) crisis payments to farmers following natural disasters, adverse climatic events or catastrophic events under rural development.;

(15) Article 70 is amended as follows:

(a) paragraph 3 is amended as follows:

(i) the second subparagraph is replaced by the following:

‘For commitments referred to in the first subparagraph, point (b), where national law imposes requirements which go beyond the corresponding mandatory minimum requirements laid down in Union law, support may be granted for commitments contributing to compliance with those requirements.’

(ii) the following subparagraph is inserted:

‘By way of derogation from the first subparagraph, Member States may decide to exclude from the requirement laid down in the first subparagraph, point (a), GAEC standard 2 established under Chapter I, Section 2, of this Title.’

~~(e)~~(b) paragraph 8 is replaced by the following:

‘8. Where support under this Article is granted to agri-environment-climate commitments or commitments to convert to or maintain organic farming practices and methods as laid down in Regulation (EU) 2018/848, Member States shall establish a payment per hectare, or where appropriate, per beehive, as defined in the delegated act referred to in Article 56, point (b), of this Regulation. For other commitments, Member States may apply units other than hectares. In duly justified cases, Member States may grant support under this Article as a lump sum.

By way of derogation from the first subparagraph, support for agri-environment-climate commitments beneficial for the climate and commitments to convert to or maintain organic farming practices and methods as laid down in Regulation (EU) 2018/848 may take the form of a payment for the livestock units.’

(16) in Article 72(5), the following subparagraph is added:

‘By way of derogation from the first subparagraph, Member States may decide to include in the calculation additional costs and income foregone in relation to disadvantages resulting from compliance with GAEC standard 2 established under Chapter I, Section 2, of this Title.’

(17) in Article 73, paragraph 5 is replaced by the following:

‘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 36 months from the date on which they become mandatory for the holding.

For young farmers setting up for the first time in an agricultural holding as head of the holding support for investments to comply with the requirements of Union law may be granted for a maximum of 36 months from the date of setting up, or until the actions defined in the business plan referred to in Article 75(3) are completed.’

(18) Article 75 is amended as follows:

(a) the title is replaced by the following:

**‘Setting-up of young farmers and new farmers, ~~and~~ rural business start-up, and
~~or~~ business development of small farms;’**

(b) paragraph 1 is replaced by the following:

‘1. Member States may grant support for the setting-up of young farmers and the start-up of rural businesses, including the setting-up of new farmers, and for business development of small farms under the conditions set out in this Article and as further specified in their CAP Strategic Plans with a view to contributing to the achievement of one or more of the specific objectives set out in Article 6(1) and (2).’

(c) in paragraph 2, the following point is added:

‘(d) the business development of small farms, as determined by Member States pursuant to Article 73(4), second subparagraph, point (b).;’

(d) paragraph 4 is replaced by the following:

‘4. Member States shall grant support in the form of lump sums or financial instruments or a combination of both. Support shall be limited to:

- (a) the maximum amount of aid of EUR 100 000 for the activities referred to in paragraph 2, points (a), (b) and (c);
- (b) the maximum amount of aid of EUR 50 000 for the activities referred to in paragraph 2, point (d).

Support may be differentiated in accordance with objective criteria.;’

(19) in Article 76(5), the first subparagraph is replaced by the following:

‘Member States shall ensure that support is granted only for covering losses which exceed a threshold of at least 20 % of the average annual production or income of the farmer in the preceding three-year period, or a three-year average based on the preceding five-year period excluding the highest and lowest entry. Sectoral production risk management tools shall calculate the losses either at holding level, at the level of the holding’s activity in the sector concerned or in relation to the specific area insured.

For permanent crops and in other justified cases for which the calculation methods referred to in the first subparagraph are not appropriate, Member States may assess the losses on the basis of the average annual production or income of the farmer over a period that does not exceed eight years, excluding the highest and lowest entry.

Member States may apply an appropriate alternative assessment for calculating the losses for young farmers and new farmers.;’

(20) in Title III, Chapter IV, Section 1, the following Article is added:

‘Article 78a

Crisis payments to farmers following natural disasters, adverse climatic events or catastrophic events under rural development

1. Member States may provide crisis payments to active farmers that are affected by natural disasters, adverse climatic events or catastrophic events. Those payments shall aim at ensuring continuity of the agricultural activity of those farmers and shall be subject to the conditions set out in this Article and as further specified by the Member States in their CAP Strategic Plans.
2. Support under this Article shall be subject to the formal recognition by the competent authority of the Member State that a natural disaster, adverse climatic event or catastrophic event, as defined by the Member State, has occurred and that these events, or measures adopted in accordance with Regulation (EU) 2016/2031 to eradicate or contain a plant disease or pest, or measures adopted to prevent or eradicate animal diseases listed in the Annex to Commission Implementing Regulation (EU) 2018/1882 or measures adopted regarding an emerging disease in accordance with Article 6(3) and Article 259 of Regulation (EU) 2016/429 have directly caused a damage resulting in the destruction of at least 30 % of the average annual production of the farmer in the preceding three-year period or a three-year average based on the preceding five-year period, excluding the highest and the lowest entry. The losses shall be calculated either at holding level, at the level of the holding’s activity in the sector concerned or in relation to the specific area concerned.
3. Member States shall ensure that support under this Article targets farmers who are most affected by natural disasters, adverse climatic events or catastrophic events, by determining eligibility conditions on the basis of available evidence.
4. Member States shall establish the applicable support rates for compensating the loss of production. Those rates shall be higher for farmers who are covered by an insurance scheme or another risk management tool. Indexes may be used for calculating the loss of production.

5. When granting support under this Article, Member States shall ensure that ~~interventions under this Article are consistent with those based on Article 41a and that~~ overcompensation as a result of the combination of intervention under this Article with other national or Union support instruments or private insurance schemes is avoided.
6. By way of derogation from Article 111, first subparagraph, points (h) and (i) of that subparagraph shall not apply to support under this type of intervention.;

(21) in Article 79(1), the first subparagraph is replaced by the following:

‘After consultation of the monitoring committee referred to in Article 124 (‘the monitoring committee’), the national managing authority, regional managing authorities where relevant, or designated intermediate bodies shall set out selection criteria for interventions relating to the following types of intervention: investments, setting-up of young farmers and new farmers, rural business start-up and business development of small farms, cooperation, knowledge exchange and dissemination of information. Those selection criteria shall aim to ensure equal treatment of applicants, better use of financial resources and targeting of the support in accordance with the purpose of the interventions.;

(22) Article 80 is amended as follows:

(a) in paragraph 2, the first subparagraph is replaced by the following:

‘Where support is granted in the form of financial instruments, the definitions of ‘financial instrument’, financial product, ‘final recipient’, ‘holding fund’, ‘specific fund’, ‘leverage effect’, ‘multiplier ratio’, ‘management costs’ and ‘management fees’ laid down in Article 2 of Regulation (EU) 2021/1060 and the provisions of Title V, Chapter II, Section II and point II of Annex XIII to that Regulation shall apply.;

(b) in paragraph 3, the second subparagraph is replaced by the following:

‘For activities falling within the scope of Article 42 TFEU, the total amount of support for working capital provided to a final recipient shall not exceed a gross grant equivalent of EUR 300 000 over any period of three years.;

- (c) in paragraph 5, the following subparagraph is added:

‘Value-added tax (‘VAT’) shall be eligible as regards investments made by final recipients in the context of financial instruments. Where these investments are supported by financial instruments combined with programme support in the form of a grant as referred to in Article 58(5) of Regulation (EU) 2021/1060, the VAT shall not be eligible for the part of the investment cost which corresponds to the programme support in the form of a grant, unless the VAT for the investment cost is non-recoverable under national VAT legislation.’

- (23) Article 81 is amended as follows:

- (a) in paragraph 1, the first subparagraph is replaced by the following:

‘Member States may allocate, in the proposal for a CAP Strategic Plan referred to in Article 118 or in the request for amendment of a CAP Strategic Plan referred to in Article 119, an amount of up to 3 % of the initial EAFRD allocation to the CAP Strategic Plan to be contributed to InvestEU and delivered through the EU guarantee or the InvestEU financial instrument referred to in Article 10a of Regulation (EU) 2021/523 and the InvestEU Advisory Hub. The CAP Strategic Plan shall contain a justification for the use of InvestEU and its contribution to the achievement of one or more of the specific objectives set out in Article 6(1) and (2) of this Regulation and chosen under the CAP Strategic Plan.’

- (b) paragraph 3 is replaced by the following:

‘3. The amount referred to in paragraph 1 shall be used for the provisioning of the part of the EU guarantee or for the funding provided under the InvestEU financial instrument under the Member State compartment and for the InvestEU Advisory Hub, upon conclusion of the contribution agreement referred to in Article 10(3) or Article 10a(3) of Regulation (EU) 2021/523. The budgetary commitments of the Union in respect of each contribution agreement may be made by the Commission in annual instalments during the period between 1 January 2023 and 31 December 2027.’

- (c) in paragraph 4, the first subparagraph is replaced by the following:

‘Where a contribution agreement as referred to in Article 10(2) or Article 10a(2) of Regulation (EU) 2021/523 for the amount referred to in paragraph 1 of this Article allocated in the CAP Strategic Plan has not been concluded following the adoption of the Commission implementing decision approving that CAP Strategic Plan in accordance with Article 118 of this Regulation, the corresponding amount shall be reallocated in the CAP Strategic Plan following the approval of a request for amendment by the Member State submitted in accordance with Article 119 of this Regulation.’

- (d) paragraphs 5, 6 and 7 are replaced by the following:

‘5. Where a guarantee agreement as referred to in Article 10(4), second subparagraph, or in Article 10a(4), second subparagraph, of Regulation (EU) 2021/523 has not been concluded within 12 months from the approval of the contribution agreement, the contribution agreement shall be terminated or prolonged by mutual agreement.

Where the participation of a Member State in InvestEU is discontinued, the amounts concerned paid into the common provisioning fund as provisioning or allocated under the InvestEU financial instrument shall be recovered as internal assigned revenue pursuant to Article 21(5) of the Financial Regulation and the Member State shall submit a request for amendment of its CAP Strategic Plan to use the amounts recovered and the amounts allocated to future calendar years in accordance with paragraph 2 of this Article.

The termination or amendment of the contribution agreement shall be concluded simultaneously with the adoption of the Commission implementing decision approving the relevant amendment of the CAP Strategic Plan and at the latest on 31 December 2026.

6. Where a guarantee agreement as referred to in Article 10(4), third subparagraph, or in Article 10a(4), third subparagraph, of Regulation (EU) 2021/523 has not been duly implemented within the period agreed in the contribution agreement, but not exceeding four years from the signature of the guarantee agreement, the contribution agreement shall be amended. The Member State may request that amounts contributed to the EU guarantee or to the InvestEU financial instrument under paragraph 1 of this Article and committed in the guarantee agreement but not covering underlying loans, equity investments or other risk-bearing instruments are treated in accordance with paragraph 5 of this Article.
7. Resources generated by or attributable to the amounts contributed to the EU guarantee in accordance with this Article shall be made available to the Member State in accordance with Article 10(5), point (a), of Regulation (EU) 2021/523 and shall be used for support under the same objective or objectives referred to in paragraph 1 of this Article in the form of financial instruments or budgetary guarantees. Resources generated by or attributable to the amounts contributed to the InvestEU financial instrument in accordance with this Article shall be made available to the Member State in accordance with the contribution agreement and shall be used for support under the same objective or objectives in the form of financial instruments or budgetary guarantees.;

(24) in Article 83(2), after point (b), the following point is inserted:

‘(ba) in accordance with the calculation methods established pursuant to Article 54, Article 55 and Article 56(1) and (3) of Regulation (EU) 2021/1060;’

(25) in Article 86, paragraphs 2 and 3 are replaced by the following:

‘2. –Expenditure that becomes eligible as a result of an amendment of a CAP Strategic Plan shall be eligible for a contribution from the EAGF from the date of effect of the amendment set by the Member State concerned in accordance with Article 119(8), but not earlier than from the date of submission to the Commission of the request for amendment or from the date of submission to the Commission of notification referred to in Article 119(9).’;

~~By way of derogation from the first subparagraph of this paragraph, the CAP Strategic Plan may provide that, in cases of emergency measures due to natural disasters, catastrophic events or adverse climatic events, the eligibility of EAGF-financed expenditure relating to amendments to the CAP Strategic Plan related to interventions referred to in Article 41a may start from the date on which the event occurred.~~

3. Expenditure that becomes eligible as a result of an amendment of a CAP Strategic Plan shall be eligible for a contribution from the EAFRD from the date of submission to the Commission of the request for amendment, or from the date of notification referred to in Article 119(9).

By way of derogation from the first subparagraph of this paragraph and from paragraph 4, second subparagraph, the CAP Strategic Plan may provide that, in cases of emergency measures due to natural disasters, catastrophic events or adverse climatic events or a significant and sudden change in the socio-economic conditions of the Member State or region, the eligibility of EAFRD-financed expenditure relating to amendments to the CAP Strategic Plan may start from the date on which the event occurred.’

- (26) in Title IV, the following Article is inserted:

‘Article 96a

Maximum financial allocations for crisis payments to farmers following natural disasters, adverse climatic events or catastrophic events

1. For each Member State, the maximum amount that can be reserved for the crisis payments to farmers following natural disasters, adverse climatic events or catastrophic events referred to in ~~Articles 41a and~~ **Article 78a** shall be limited to the annual amounts set out in Annex XV, ~~Table 1.~~

~~For calendar years 2025 and 2026, the total annual expenditure for the complementary crisis payments referred to in Article 41a shall not exceed the indicative financial allocation for this type of intervention for the relevant calendar year, as established by Member States in their financial plans in accordance with Article 112(2), point (a), and approved by the Commission in accordance with Article 119. That financial ceiling shall constitute a financial ceiling set by Union law.~~

The total EAFRD expenditure for the crisis payments referred to in Article 78a shall not exceed the sum of the indicative financial allocations for this type of intervention for financial years 2026 and 2027, as established by Member States in their financial plans in accordance with Article 112(2), point (a), and approved by the Commission in accordance with Article 119. That financial ceiling shall constitute a financial ceiling set by Union law.

2. ~~By way of derogation from paragraph 1, where a Member State decides not to provide support for crisis payments in accordance with Article 78a, the maximum annual amount that can be reserved by this Member State for the complementary crisis payments referred to in Article 41a shall be limited to the annual amounts set out in Annex XV, Table 2.~~

~~For calendar years 2025 and 2026, the total annual expenditure for the complementary crisis payments as referred to in Article 41a shall not exceed the indicative financial allocation for this type of intervention for the relevant calendar year, as established by Member States in their financial plans in accordance with Article 112(2), point (a), and approved by the Commission in accordance with Article 119. That financial ceiling shall constitute a financial ceiling set by Union law.²~~

(27) in Article 111, the second subparagraph is replaced by the following:

~~‘Point (e) of the first subparagraph shall not apply to interventions under the type of intervention for complementary crisis payments to farmers under direct payments referred to in Article 41a; the type of intervention in the apiculture sector referred to in Article 55(1), points (a) and (c) to (g), interventions under the type of intervention in the wine sector referred to in Article 58(1), points (h) to (k), the information and promotion actions for quality schemes under the type of intervention for cooperation referred to in Article 77, and interventions under the type of intervention for crisis payments to farmers under rural development referred to in Article 78a.;’~~

(28) ~~in Article 115(5), point (a) is replaced by the following:~~

~~‘(a) a short description of additional national financing for interventions in rural development laid down in Title III, Chapter IV, and for interventions for complementary crisis payments to farmers laid down in Article 41a, which is provided within the scope of the CAP Strategic Plan, including the amounts per intervention and indication of compliance with the requirements laid down in this Regulation;;’~~

(29) Article 119 is replaced by the following:

‘Article 119

Amendments of the CAP Strategic Plans

1. Member States may amend their CAP Strategic Plans by submitting requests for strategic amendment to the Commission pursuant to paragraph 2 or by notifying the amendment to the Commission pursuant to paragraph 9.

2. Member States shall submit to the Commission requests for strategic amendments of their CAP Strategic Plans. Strategic amendments shall be the following amendments of the CAP Strategic Plans:
 - (a) amendments introducing new interventions or deleting interventions from the CAP Strategic Plans;
 - (b) amendments that lead to changes of milestones or targets under the result indicators which are marked with 'PR' in Annex I;
 - (c) amendments related to Article 17(5), Article 88(7), Articles 92 to 98 or Article 103(1) and (5);
 - (d) amendments of the target and financial plans in the CAP Strategic Plan referred to in Article 112, including amendments to the contribution from EAFRD to InvestEU referred to in Article 81, amendments to the EAFRD total contribution to each type of intervention for the entire period covered by the CAP Strategic Plan or amendments related to the EAFRD contribution rates referred to in Article 91.

Requests for strategic amendments of CAP Strategic Plans shall be duly justified and shall in particular set out the expected impact of the changes to the plan on achieving the specific objectives set out in Article 6(1) and (2). They shall be accompanied by the amended plan including the updated annexes as appropriate.

3. The Commission shall assess the consistency of strategic amendments referred to in paragraph 2 with this Regulation and the delegated and implementing acts adopted pursuant to it as well as with Regulation (EU) 2021/2116 and its effective contribution to achieving the specific objectives.
4. The Commission shall approve the requested strategic amendment of a CAP Strategic Plan provided that the necessary information has been submitted and the strategic amendment is compatible with this Regulation and Regulation (EU) 2021/2116, as well as the delegated and implementing acts adopted pursuant to them.

5. The Commission shall make observations within 30 working days from the submission of the request for amendment referred to in paragraph 2. The Member States shall provide to the Commission all necessary additional information.
6. The approval of a request for strategic amendment of a CAP Strategic Plan shall take place no later than three months after its submission by the Member State.
7. A request for strategic amendment of the CAP Strategic Plan may be submitted twice per calendar year, subject to possible exceptions provided for in this Regulation or to be determined by the Commission in accordance with Article 122. In addition, three further requests for strategic amendment of the CAP Strategic Plan may be submitted during the duration of the CAP Strategic Plan period. This paragraph shall not apply to requests for amendments to submit the missing elements of the CAP Strategic Plan in accordance with Article 118(5).

A request for strategic amendment of the CAP Strategic Plan related to Article 17(5), Article 88(7) or Article 103(5) shall not count for the limitation laid down in the first subparagraph of this paragraph.

8. An amendment of the CAP Strategic Plan related to Article 17(5), Article 88(7) or Article 103(1) in relation to the EAGF shall take effect from 1 January of the calendar year following the year of approval of the request for strategic amendment by the Commission and following the corresponding amendment of the allocations in accordance with Article 87(2).

An amendment of the CAP Strategic Plan related to Article 103(1) in relation to the EAFRD shall take effect after the approval of the request for strategic amendment by the Commission and following the corresponding amendment of the allocations in accordance with Article 89(4).

A strategic amendment of the CAP Strategic Plan related to the EAGF, other than the amendments referred to in the first subparagraph of this paragraph, shall take effect from a date to be determined by the Member State but not earlier than from the date of submission to the Commission of the request for amendment. Member States may set different date or dates of effect for different elements of the strategic amendment. Where the strategic amendment may place the farmers concerned in a less favourable position than they enjoyed prior to that amendment, Member States shall take into account when determining the date of effect of the amendment the need of farmers and other beneficiaries to have sufficient time to take the amendment into account. The planned date of effect for strategic amendment related to the EAGF shall be indicated by the Member State in the request to amend the CAP Strategic Plan referred to in paragraph 2 of this Article and shall be subject to approval by the Commission in accordance with paragraph 10 of this Article.

9. Member States may, at any time, make and apply other amendments to their CAP Strategic Plans, than strategic amendments referred to in paragraph 2. They shall notify those other amendments to the Commission by the time they start applying them and add them to the amended CAP Strategic Plan submitted together with the next request for amendment in accordance with paragraph 2.

In case amendments are introduced in relation to GAEC standard 1 and 4, Member States shall ensure and provide a specific justification that such amendments do not put at risk environmental and climate objectives linked to, as appropriate, the conservation of permanent grassland or the protection of watercourses from pollution.

Where the Commission does not object to notified amendments within 30 working days from the submission of the notification, the amendments shall have legal effects from the date of the notification. The Commission shall object to a notified amendment if it finds that the amendment is not compatible with this Regulation and Regulation (EU) 2021/2116, as well as in the delegated and implementing acts adopted pursuant to them.

The notified amendments to which Commission made objections shall not have legal effects and Member State shall delete them from the amended CAP Strategic Plan submitted pursuant to the first subparagraph of this paragraph. The expenditure resulting from those amendments shall not be eligible for a contribution from the EAFRD or the EAGF. The Member State may submit those amendments to the Commission for approval in a request for strategic amendment referred to in paragraph 2. The rules concerning approvals of strategic amendments referred to in paragraphs 2 to 8 and 10 and 11 concerning strategic amendments shall apply *mutatis mutandis* to approval of amendments to which Commission objected in accordance with the second subparagraph of this paragraph. Article 121 of this Regulation on the calculation of time limits for Commission actions shall apply *mutatis mutandis* to actions pursuant to this paragraph.

10. Each strategic amendment of a CAP Strategic Plan referred to in paragraph 2 shall be approved by the Commission by means of an implementing decision without applying the committee procedure referred to in Article 153.
11. Without prejudice to Article 86, strategic amendments to CAP Strategic Plans referred to in paragraph 2 shall only have legal effects after their approval by the Commission.
12. Corrections of clerical or obvious errors or of a purely editorial nature that do not affect the implementation of the policy and the intervention shall not be considered to be a request for amendment or notification under this Article. Member States shall inform the Commission of such corrections.’

(30) Article 120 is deleted;

(31) In Article 122, point (a) is replaced by the following:

- ‘(a) procedures and time limits for the submission of requests for amendment and notifications of amendments;;’

(32) in Article 124(4), point (d) is replaced by the following:

‘(d) any proposal by the managing authority for amendment of a CAP Strategic Plan and, as regards a proposal for amendment of a CAP Strategic Plan related to the EAGF, the date of effect of the amendment proposed by the managing authority in accordance with Article 119(8).;’

(33) Article 134 is amended as follows:

(a) paragraph 3 is replaced by the following:

‘3. To be admissible, the annual performance report shall contain all information required in paragraphs 4, 5, 7 and 10. The Commission shall inform the Member States concerned within 15 working days from the submission of the annual performance report if it is not admissible, failing which it shall be deemed admissible.;’

(b) paragraph 5 is replaced by the following:

‘5. The quantitative information referred to in paragraph 4 shall include:

- (a) the realised outputs achieved by the end of the previous financial year;
- (b) the gross expenditure at the end of the financial year, 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 57 of Regulation (EU) 2021/2116;
- (c) the ratio between gross expenditure referred to in point (b) and the relevant realised outputs referred to in point (a) (‘realised unit amount’);

- (d) results and distance to corresponding milestones set in accordance with Article 109(1), point (a).

The information referred to in the first subparagraph, points (a), (b) and (c), shall be broken down per unit amount as set out in the CAP Strategic Plan in accordance with Article 111, point (h). For output indicators which are marked in Annex I as used only for monitoring, only the information referred to in the first subparagraph, point (a), of this paragraph shall be included.;

- (c) paragraph 6 is deleted;
- (d) in paragraph 7, point (b) is replaced by the following:
 - ‘(b) any issues which affect the performance of the CAP Strategic Plan, in particular as regards deviations from milestones, providing the justifications referred to in Article 135, or where appropriate, giving reasons, and where relevant, describing the measures taken;;’
- (e) paragraphs 8 and 9 are deleted;
- (f) in paragraph 10, the second subparagraph is deleted;
- (g) paragraph 13 is replaced by the following:
 - ‘13. The Commission may make observations on the admissible annual performance reports, within one month from the day on which the Commission informs the Member States of their admissibility. Where the Commission does not provide observations within that deadline, the reports shall be deemed to be accepted. Article 121 on calculation of time limits for Commission actions shall apply mutatis mutandis.’

(34) ~~in Article 146, the first paragraph is replaced by the following:~~

~~‘Support provided by Member States in relation to operations falling within the scope of Article 42 TFEU that is intended to provide additional financing for interventions in rural development laid down in Title III, Chapter IV, of this Regulation, and for interventions for complementary crisis payments to farmers laid down in Article 41a of this Regulation for which Union support is granted at any time during the CAP Strategic Plan period may only be made if it complies with this Regulation and is included in Annex V to the CAP Strategic Plans approved by the Commission.;~~’

(34a) **in Article 155(4) the introductory part is replaced by the following:**

‘Expenditure relating to legal commitments to beneficiaries incurred under the measures referred to in Articles 14 to 18, Article 19(1), points (a) and (b), and Articles 20, 23 to 27, 31, 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) 2020/2220 after 31 December 2025 may be eligible for an EAFRD contribution in the CAP Strategic Plan period, subject to the following conditions:’

(35) Article 159 is deleted;

(36) Annexes I, ~~H~~ and III are amended in accordance with Annex I to this Regulation.

(37) the text set out in Annex II to this Regulation is added as Annex XV.

Article 2

Amendments to Regulation (EU) 2021/2116

Regulation (EU) 2021/2116 is amended as follows:

(1) in Article 9(3), first subparagraph, point (b) is replaced by the following:

‘(b) the annual performance report referred to in Article 134 of Regulation (EU) 2021/2115 showing that the expenditure was effected in accordance with Article 37 of this Regulation;;’

(2) in Article 10(1), point (b) is replaced by the following:

‘(b) to supply the Commission with the annual performance report referred to in Article 134 of Regulation (EU) 2021/2115;’

(3) in Article 12(2), first subparagraph, point (c) is replaced by the following:

‘(c) the performance reporting on output indicators and the performance reporting on result indicators for the multiannual performance monitoring referred to in Article 128 of Regulation (EU) 2021/2115, demonstrating that Article 37 of this Regulation is complied with, is correct;’

(4) ~~in Title II, the following Chapter is added:~~

~~‘Chapter III~~

~~**CAP data and interoperability governance**~~

~~**Article 13a**~~

~~*Authority in charge of data governance under the CAP*~~

- ~~1. Each Member State shall designate one authority responsible for taking or coordinating actions to achieve and maintain national and cross-border interoperability between information systems used for the implementation, administration, monitoring and evaluation of the CAP for the benefit of farmers and other CAP beneficiaries. For the purposes of this Article, interoperability means the ability of information systems to interact with each other by sharing data by means of electronic communication.~~
- ~~2. The designated authority shall have in particular the following tasks:~~
 - ~~(a) drawing up and submitting to the Commission a Roadmap at the level of the Member State to achieve and maintain interoperability (hereinafter the ‘Roadmap’);~~

- (b) ~~coordination of the implementation, or, as decided by the Member State,~~
~~implementation of the Roadmap in an efficient, effective and timely way;~~

~~The Member States shall notify the Commission of the designation of the authority at the latest by [...]]~~~~[OPOCE: within three months from the entry into force of this Regulation].~~

3. ~~The Roadmap shall contain in particular the following elements:~~

- (a) ~~assessment of the current state of interoperability as referred to in paragraph 1,~~
~~as well as assessment of digital identification systems and data sharing~~
~~mechanisms used currently;~~
- (b) ~~identification of needs to achieve and maintain interoperability as referred to in~~
~~paragraph 1, and design of measures to address them as well as timeframe with~~
~~milestones and targets for their implementation;~~
- (c) ~~identification of possible synergies with other EU and national interoperability~~
~~initiatives.~~

~~To the extent possible, Member States shall base their assessment of needs and the~~
~~design of the measures on the principle that data is collected only once and re-used.~~

4. ~~Member States shall submit the Roadmap referred to in paragraph 3 to the~~
~~Commission at the latest by 16 September 2026.~~

~~The Commission shall assess the Member States' Roadmaps and communicate its~~
~~observations on the Roadmaps to the Member States at the latest by 16 November~~
~~2026. Member States shall take utmost account of the Commission observations,~~
~~and, if necessary, shall submit a revised version of the Roadmap to the Commission~~
~~by 16 December 2026.~~

~~Member States shall submit to the Commission amendments, if any, of their Roadmaps. The Commission shall assess the amendments of the Roadmap and shall communicate its observations on the amendments to the Member States within two months from their submission. Member States shall take utmost account of the Commission observations.~~

~~5. The definition referred to in Article 2 point (c) of this Regulation shall not apply to this Article.;~~

~~(5) in Article 16(1), the following subparagraph is added:~~

~~‘The reserve shall not be used for measures providing support to farmers affected by natural disasters, adverse climatic events or catastrophic events. However, the reserve can be used for measures addressing market disturbance caused by natural disasters, adverse climatic events or catastrophic events including measures adopted pursuant to Articles 219 and 220 of Regulation (EU) No 1308/2013.;~~

~~(6) in Article 21, paragraph 1 is replaced by the following:~~

~~‘1. Without prejudice to Articles 53 and 55, the monthly payments shall be made by the Commission for expenditure effected by accredited paying agencies during the reference month.;~~

~~(7) in Article 21(2), the following subparagraph is added:~~

~~‘However, if expenditure referred to in Article 86(2) of Regulation (EU) 2021/2115 cannot be declared to the Commission in the month concerned due to the pending approval by the Commission of an amendment to the CAP Strategic Plan in accordance with Article 119(10) of that Regulation, that expenditure may be declared in the subsequent months of the same financial year or, or at the latest, in the annual accounts of that financial year to be sent to the Commission in accordance with Article 90(1), point (c)(iii), of this Regulation.;~~

(8) in Article 32, paragraph 8 is replaced by the following:

‘8. Without prejudice to Articles 53 and 55, the Commission shall make interim payments within 45 days of registering a declaration of expenditure which meets the requirements laid down in paragraph 6 of this Article.’

(9) Article 40 is amended as follows:

(a) paragraph 2 is deleted;

(b) paragraph 4 is replaced by the following:

‘4. The implementing acts provided for in paragraph 1 of this Article shall be adopted in accordance with the advisory procedure referred to in Article 103(2).

Before adopting the implementing acts referred to in paragraph 1, of this Article, the Commission shall inform the Member State concerned of its intention and shall give the Member State the opportunity to submit its comments within a period which shall not be less than 30 days.’

(9a) in Article 44(2), the second subparagraph is replaced by the following:

‘Notwithstanding the first subparagraph, Member States may:

(a) **prior to 1 December, but not before 16 October, pay advances of up to 70 % for interventions in the form of direct payments and for the measures referred to in Chapter IV of Regulation (EU) No 228/2013 and in Chapter IV of Regulation (EU) No 229/2013;**

(b) **prior to 1 December pay advances of up to 85% for the support granted under interventions for rural development referred to in Article 65(2).’**

(10) in Article 45(1), point (a) is replaced by the following:

‘(a) as regards expenditure under both the EAGF and the EAFRD, sums under Articles 38 and 55 of this Regulation and Article 54 of Regulation (EU) No 1306/2013 applicable in accordance with Article 104 of this Regulation and, as regards expenditure under the EAGF, sums under Articles 53 and 56 of this Regulation which are to be paid into the Union budget, including interest thereon;’

(11) in Article 53(1), the second subparagraph is replaced by the following:

‘Those implementing acts shall cover the completeness, accuracy and veracity of the annual accounts submitted and shall be without prejudice to the content of the implementing acts subsequently adopted pursuant to Article 55.;’

(12) Article 54 is deleted;

(13) in Article 57, the following paragraph is added:

‘3. The bodies implementing financial instruments shall reimburse to Member States programme contributions affected by irregularities, together with interest and any other gains generated by these contributions.

By way of derogation from paragraph 1, the bodies implementing financial instruments shall not reimburse to Member States the amounts referred to in the first subparagraph of this paragraph provided that those bodies demonstrate for a given irregularity that all the following conditions are fulfilled:

- (a) the irregularity occurred at the level of final recipients or, in the case of a holding fund, at the level of bodies implementing specific funds or final recipients;
- (b) the bodies implementing financial instruments carried out their obligations, in relation to the programme contributions affected by the irregularity, in accordance with applicable law and acted with the degree of professional care, transparency and diligence expected from a professional body experienced in implementing financial instruments; and

- (c) the amounts affected by the irregularity could not be recovered notwithstanding that the bodies implementing financial instruments pursued all applicable contractual and legal measures with due diligence.;

(14) in Article 60, paragraph 1, the following subparagraph is added:

‘Where a beneficiary has been selected for an on-the-spot check on an aid application or on a payment claim or on conditionality pursuant to Article 83, Member States shall **aim**, to the extent possible and taking account of the associated risks, not **to** select that beneficiary for ~~a subsequent check~~ **more checks** and control ~~samples~~ **samples** for that year, except when the circumstances require ~~a second control~~ **more than one on-the-spot checks** in order to ensure the effective protection of the financial interests of the Union. This provision shall not reduce the level of checks.;

(15) in Article 67(1), the first subparagraph is replaced by the following:

‘Member States shall record and keep any data and documentation on the annual outputs reported in the context of the reported progress towards targets set out in the CAP Strategic Plan and monitored in accordance with Article 128 of Regulation (EU) 2021/2115.;

(16) in Article 68, paragraph 3 is deleted;

(17) in Article 69, paragraph 6 is deleted;

(18) in Article 70, paragraph 2 is deleted;

(19) the following Article is inserted:

‘Article 70a

Quality assessment of the identification system for agricultural parcels, of the geo-spatial application system and of the area monitoring system

Member States shall annually assess the quality of the elements referred to in Articles 68, 69 and 70 in accordance with the methodology set up at Union level. Where the assessment reveals deficiencies in the systems, Member States shall adopt appropriate remedial actions or, failing that, the Commission shall request Member States to set up an action plan in accordance with Article 42.

Member States shall submit to the Commission an assessment report and, where appropriate, the remedial actions and the timetable for their implementation by 15 February following the calendar year concerned.;

(20) Article 72 is replaced by the following:

‘Article 72

Control and penalty system

Member States shall set up a control and penalty system referred to in Article 66(1), point (e). Member States, through the paying agencies or the bodies delegated by them, shall annually carry out administrative checks on the aid application and payment claims to verify legality and regularity in accordance with Article 59(1), point (a). Those checks shall be supplemented by on-the-spot checks, which may be executed remotely with the use of technology.

However, Member States may choose not to carry out on the spot checks where the eligibility conditions of interventions are monitored under the area monitoring system referred to in Article 70.;

(21) in Article 74, point (a) is replaced by the following:

‘(a) rules on the quality assessment referred to in Article 70a;’

(22) Article 75 is replaced by the following:

‘Article 75

Implementing powers relating to Articles 68 to 70a

The Commission may adopt implementing acts laying down rules on:

- (a) the form and content of, and arrangements for transmitting or making available to the Commission:
 - (i) the assessment reports on the quality of the identification system for agricultural parcels, of the geo-spatial application system and of the area monitoring system;
 - (ii) the remedial actions referred to in Article 70a;
- (b) basic features of, and rules on, the aid application system under Article 69 and the area monitoring system referred to in Article 70, including parameters of the gradual increase of the number of interventions under the area monitoring system.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 103(3).;’

(23) Article 83 is amended as follows:

~~(a) in paragraph 1, point (a) is replaced by the following:~~

~~‘(a) beneficiaries receiving direct payments under Title III, Chapter II, of Regulation (EU) 2021/2115, except for the payments referred to in Article 41a of that Regulation;’~~

(b) the following paragraph is inserted:

‘1a. By way of derogation from paragraph 1, the control system for conditionality shall not apply to beneficiaries of payments referred to in Article 28 of Regulation (EU) 2021/2115;’

(c) paragraphs 2 and 3 are replaced by the following:

‘2. Beneficiaries listed in paragraph 1 of this Article shall be exempted from controls under the system set up in accordance with that paragraph where the area eligible for the payments and the support referred to in that paragraph, as declared in the geo-spatial application referred to in Article 69(1), does not exceed 10 hectares.

3. Member States may make use of their existing control systems and administration to ensure compliance with the rules on conditionality.

Those systems shall be compatible with the control systems referred to in paragraph 1.’

(d) paragraph 4 is deleted;

(e) paragraph 6 is amended as follows:

(i) the introductory sentence is replaced by the following:

‘6. In order to comply with their control obligations laid down in paragraphs 1 and 3, Member States;’

(ii) point (d) is replaced by the following:

‘(d) shall establish the control sample for the on-the-spot checks referred to in point (a) to be carried out each year on the basis of an annual risk analysis that includes a random component and covers at least 1 % of the beneficiaries listed in paragraph 1 of this Article. Where, pursuant to Article 60(1), third subparagraph, a Member State does not select a beneficiary for a check or control sample, it shall ensure that the minimum control rate is respected;’

(24) Article 84 is amended as follows:

(a) the following paragraph is inserted:

‘1a. By way of derogation from paragraph 1, the system of administrative penalties for conditionality shall not apply to beneficiaries of payments referred to in Article 28 of Regulation (EU) 2021/2115;’

(b) paragraph 4 is replaced by the following:

‘4. Beneficiaries listed in Article 83(1) shall be exempted from the penalties referred to in paragraph 1 of this Article where the area eligible for the payments and the support referred to in Article 83(1), as declared in the geo-spatial application referred to in Article 69(1), does not exceed 10 hectares;’

(25) Article 102 is amended as follows:

(a) paragraphs 2 and 3 are replaced by the following:

- ‘2. The power to adopt delegated acts referred to in Article 11(1), Article 17(5), Article 23(2), Article 38(2), Article 40(3), Article 41(3), Article 44(4) and (5), Article 47(1), Article 52(1), Article 55(6), Article 60(3), Article 64(3), Article 74, Article 76(2), Article 85(7), Article 89(2), Article 94(5) and (6), Article 95(2) and Article 105 shall be conferred on the Commission for a period of seven years from 7 December 2021. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the seven-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.
3. The delegation of power referred to in Article 11(1), Article 17(5), Article 23(2), Article 38(2), Article 40(3), Article 41(3), Article 44(4) and (5), Article 47(1), Article 52(1), Article 55(6), Article 60(3), Article 64(3), Article 74, Article 76(2), Article 85(7), Article 89(2), Article 94(5) and (6), Article 95(2) and Article 105 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.’

(b) paragraph 6 is replaced by the following:

‘6. A delegated act adopted pursuant to Article 11(1), Article 17(5), Article 23(2), Article 38(2), Article 40(3), Article 41(3), Article 44(4) and (5), Article 47(1), Article 52(1), Article 55(6), Article 60(3), Article 64(3), Article 74, Article 76(2), Article 85(7), Article 89(2), Article 94(5) and (6), Article 95(2) and Article 105 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and to the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.’

(26) in Article 103(1), second subparagraph is replaced by the following:

‘For the purposes of Articles 11, 12, 17, 18, 23, 26, 32, 39 to 44, 47, 51 to 53, 55, 58, 59, 60, 64, 75, 82, 92, 95 and 100, as regards matters relating to interventions in the form of direct payments, interventions in certain sectors, interventions for rural development and the common organisation of markets, the Commission shall be assisted by the Committee on the Agricultural Funds, the Common Agricultural Policy Committee established by Regulation (EU) 2021/2115 and the Committee for the Common Organisation of the Agricultural Markets established by Regulation (EU) No 1308/2013, respectively.’

Article 3

Transitional provisions and measures

1. Approvals of requests for amendment of CAP Strategic Plans submitted to the Commission before the entry in force of this Regulation shall be governed by Article 119 of Regulation (EU) 2021/2115 as applicable at the time of the submission of those requests.
2. Modifications of CAP Strategic Plans notified to the Commission pursuant to Article 119(9) of Regulation (EU) 2021/2115 but not approved by the Commission before the entry into force of this Regulation shall be included in the next request for strategic amendment of the CAP Strategic Plan submitted pursuant to Article 119(2) of Regulation (EU) 2021/2115, as amended by this Regulation.

Article 4

Entry into force and application

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

However, Article 21, point ~~(5)~~**(33)**, and Article 2, points (1) to (3), ~~(6)~~, ~~(9)~~ to (12), (15), ~~(25)~~ and ~~(26)~~, shall apply from ~~16 October~~**agricultural financial year 2025**.

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

Done at Brussels,

For the European Parliament
The President

For the Council
The President

ANNEX I

- (1) in Annex I to Regulation (EU) 2021/2115, the table ‘Annual performance clearance – OUTPUT Types of intervention and their output indicators’ is replaced by the following :

‘Monitoring – OUTPUT

Types of intervention and their output indicators*

Types of intervention	Output indicators
Cooperation (Article 77)	O.1 Number of European Innovation Partnership (EIP) operational group projects
Knowledge exchange and dissemination of information (Article 78)	O.2 Number of advice actions or units to provide innovation support for preparing or implementing European Innovation Partnership (EIP) operational group projects
Horizontal indicator	O.3 Number of CAP support beneficiaries
Basic income support (Article 21)	O.4 Number of hectares benefitting from basic income support
Payment for small farmers (Article 28)	O.5 Number of beneficiaries or hectares benefitting from payments for small farmers
Complementary income support for young farmers (Article 30)	O.6 Number of hectares benefitting from complementary income support for young farmers
Redistributive income support (Article 29)	O.7 Number of hectares benefitting from redistributive income support
Eco-schemes (Article 31)	O.8 Number of hectares or of livestock units or beehives benefitting from eco-schemes
Risk management tools (Article 76)	O.9 Number of units covered by supported CAP risk management tools
Complementary crisis payments for farmers under direct payments (Article 41a)	O.9a Number of farmers benefitting from complementary crisis payments under direct payments
Crisis payments for farmers under rural development (Article 78a)	O.9b Number of farmers benefitting from crisis payments under rural development
Coupled income support (Article 32)	O.10 Number of hectares benefitting from coupled income support

	O.11 Number of heads benefitting from coupled income support
Natural or other area-specific constraints (Article 71)	O.12 Number of hectares benefitting from support for areas facing natural or other specific constraints, including a breakdown per type of area
Area-specific disadvantages resulting from certain mandatory requirements (Article 72)	O.13 Number of hectares benefitting from support under Natura 2000 or Directive 2000/60/EC
Environmental, climate-related and other management commitments (Article 70)	O.14 Number of hectares (excluding forestry) or number of other units covered by environmental or climate-related commitments going beyond mandatory requirements
	O.15 Number of hectares (forestry) or number of other units covered by environmental or climate-related commitments going beyond mandatory requirements
	O.16 Number of hectares or number of other units under maintenance commitments for afforestation and agroforestry
	O.17 Number of hectares or number of other units benefitting from support for organic farming
	O.18 Number of livestock units (LU) benefitting from support for animal welfare, health or increased biosecurity measures
	O.19 Number of operations or units supporting genetic resources
Investments (Articles 73 and 74)	O.20 Number of supported on-farm productive investment operations or units
	O.21 Number of supported on-farm non-productive investment operations or units
	O.22 Number of supported infrastructure investment operations or units
	O.23 Number of supported off-farm non-productive investment operations or units
	O.24 Number of supported off-farm productive investment operations or units
Setting-up of young farmers and , new farmers, rural business start-up	O.25 Number of young farmers receiving setting-up support

and business development of small farms (Article 75)	O.26 Number of new farmers receiving setting-up support (other than young farmers reported under O.25)
	O.27 Number of rural businesses receiving support for start-up
	O.27a Number of small farms receiving support for business development'
Cooperation (Article 77)	O.28 Number of supported producer groups and producer organisations
	O.29 Number of beneficiaries receiving support to participate in official quality schemes
	O.30 Number of supported operations or units for generational renewal (excluding setting-up support)
	O.31 Number of supported local development strategies (LEADER) or preparatory actions
	O.32 Number of supported other cooperation operations or units (excluding EIP reported under O.1)
Knowledge exchange and dissemination of information (Article 78)	O.33 Number of supported training, advice and awareness actions or units
Horizontal indicator	O.34 Number of hectares under environmental practices (summary indicator on physical area covered by conditionality, eco-schemes, agri- and forest-environment-climate management commitments)
Types of intervention in certain sectors (Article 47)	O.35 Number of supported operational programmes
Types of intervention in certain sectors (Article 47)	O.36 Number of supported operational programmes
Types of intervention in the wine sector (Article 58)	O.37. 36 Number of actions or units supported in the wine sector
Types of intervention in the apiculture sector (Article 55)	O.38. 37 Number of actions or units for beekeeping preservation or improvement

* Data declared annually for their notified expenditure.;

- (2) in Annex II to Regulation (EU) 2021/2115, the Table ‘WTO DOMESTIC SUPPORT PURSUANT TO ARTICLE 10’ is amended as follows:

- (a) after the entry ‘Schemes for the climate, the environment and animal welfare (eco-schemes)’, the following entry is added:

‘Complementary crisis payments to farmers under direct payments	Article 41a	8’
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- (b) after the entry ‘Knowledge exchange and dissemination of information’, the following entry is added:

‘Crisis payments to farmers under rural development	Article 78a	8’
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- (3) Annex III to Regulation (EU) 2021/2115 is amended as follows:

- (a) the entry ‘GAEC 1’ is replaced by the following:

‘GAEC 1	Maintenance of permanent grassland based on a ratio of permanent grassland in relation to agricultural area at national, regional, subregional, group-of-holdings or holding level in comparison to the reference year 2018 Maximum decrease of 10 % compared to the reference year.’	General safeguard against conversion to other agricultural uses to preserve carbon stock
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(b) the entry ‘GAEC 4’ is replaced by the following:

‘GAEC 4	Establishment of buffer strips along water courses*	Protection of water courses against pollution and run-off
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* The buffer strips along water courses under this GAEC standard shall, as a general rule, and in compliance with Union law, respect the minimum width of 3 metres without using pesticides and fertilisers.

In areas with significant dewatering and irrigation ditches, Member States may adjust, if duly justified for those areas, the minimum width in accordance with specific local circumstances.

Member States may use for the purposes of this GAEC standard the definition of water courses laid down in national legislation, provided that that definition is in line with the main objective of this GAEC standard.;

(ba) in the footnote to the entry ‘GAEC 7’, the last sentence is deleted

‘ ANNEX XV

Table 1

MAXIMUM AMOUNT PER MEMBER STATE THAT CAN BE RESERVED FOR CRISIS
PAYMENTS TO FARMERS referred to in ARTICLE 96A(1)

Member State	Calendar year 2025 Financial year 2026	Calendar year 2026 Financial year 2027
Belgium	17 331 805	17 331 805
Bulgaria	33 153 681	33 412 568
Czechia	33 122 850	33 122 850
Denmark	28 149 040	28 149 040
Germany	180 241 656	180 241 656
Estonia	8 705 240	8 791 062
Ireland	44 937 679	44 937 679
Greece	73 458 409	73 458 409
Spain	177 305 135	177 524 124
France	261 562 218	261 394 218
Croatia	20 162 329	20 162 329
Italy	149 173 516	149 173 516
Cyprus	2 142 542	2 142 542
Latvia	14 276 793	14 429 368
Lithuania	23 989 755	24 246 239
Luxembourg	1 351 754	1 351 754
Hungary	49 801 629	49 801 629
Malta	737 356	737 356
Netherlands	23 719 521	23 719 521
Austria	35 928 198	35 928 198

Poland	134 243 576	135 179 090
Portugal	35 146 807	35 410 328
Romania	89 072 611	89 899 353
Slovenia	7 251 007	7 251 007
Slovakia	20 090 491	20 146 020
Finland	26 326 118	26 380 675
Sweden	26 954 340	26 961 185

Table 2

~~MAXIMUM AMOUNT PER MEMBER STATE THAT CAN BE RESERVED FOR THE
COMPLEMENTARY CRISIS PAYMENTS TO FARMERS referred to in ARTICLE 96A(2)~~

Member State	Calendar year 2025 Financial year 2026	Calendar year 2026 Financial year 2027
Belgium	23 109 073	23 109 073
Bulgaria	44 204 908	44 550 091
Czechia	44 163 800	44 163 800
Denmark	37 532 053	37 532 053
Germany	240 322 208	240 322 208
Estonia	11 606 987	11 721 416
Ireland	59 916 905	59 916 905
Greece	97 944 546	97 944 546
Spain	236 406 847	236 698 831
France	348 749 624	348 525 624
Croatia	26 883 106	26 883 106
Italy	198 898 021	198 898 021
Cyprus	2 856 722	2 856 722

Latvia	19 035 724	19 239 157
Lithuania	31 986 340	32 328 319
Luxembourg	1 802 339	1 802 339
Hungary	66 402 173	66 402 173
Malta	983 141	983 141
Netherlands	31 626 028	31 626 028
Austria	47 904 264	47 904 264
Poland	178 991 434	180 238 787
Portugal	46 862 409	47 213 771
Romania	118 763 481	119 865 804
Slovenia	9 668 010	9 668 010
Slovakia	26 787 322	26 861 360
Finland	35 101 491	35 174 233
Sweden	35 939 120	35 948 246 ²²
