COMMISSION IMPLEMENTING REGULATION (EU) …/...


THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 (1), and in particular Articles 52(9) and 67(1) and (2) thereof,

Whereas:

(1) Pursuant to Chapter 1 of Title IV of Regulation (EU) No 1307/2013, Member States may grant coupled support to farmers under the conditions laid down in that Chapter. That Chapter is supplemented by Commission Delegated Regulation (EU) No 639/20142.

(2) The second subparagraph of Article 53(2) of Delegated Regulation (EU) No 639/2014 lays down rules in relation to the per unit amount of coupled support. For the sake of better targeting and thus making a more effective use of coupled support, it is appropriate to allow economies of scale to be taken into account and, accordingly, decreasing per unit amounts within a single measure to be fixed.

In light of the introduction of decreased per unit amounts within a single measure, it is appropriate to modify the requirements on the information to be notified by Member States in accordance with Annex I to Delegated Regulation (EU) No 639/2014.

In accordance with Article 52(5) of Regulation (EU) No 1307/2013, coupled support may only be granted to the extent necessary to create an incentive to maintain current levels of production in the sectors or regions concerned. In view of this requirement, point 3(i) of Annex I to Delegated Regulation (EU) No 639/2014 provides that Member States are to notify the amounts for the financing of each voluntary coupled support measure. For the sake of an efficient use of the financial resources available for coupled support, it is appropriate, however, to allow for certain flexibility in the use of those amounts per measure in the form of transfers of funds between measures.

Such flexibility should however not affect the compliance of the support with the requirements of Regulation (EU) No 1307/2013, including the requirements to be considered as falling within the 'Blue Box' of the Agreement on Agriculture concluded during the Uruguay Round of multilateral trade negotiations. In particular, transfers of funds between measures should not create an incentive to produce beyond current levels of production. Furthermore, such transfers should not result in the support measures notified to the Commission pursuant to Article 54 of Regulation (EU) No 1307/2013 and Article 67 of Delegated Regulation (EU) No 639/2014 becoming void.

In order to ensure the correct application of the rules on voluntary coupled support, Member States should notify the Commission of their decisions to transfer funds between voluntary coupled support measures. Such notification should also include a justification that the transfer does not create an incentive for production increase for the purposes of Article 52(5) of Regulation (EU) No 1307/2013 and that the transfer does not result in the decisions notified to the Commission pursuant to Article 54 of Regulation (EU) No 1307/2013 and Article 67(1) and (2) of Delegated Regulation (EU) No 639/2014 becoming void.

Article 54 of Delegated Regulation (EU) No 639/2014 aims at avoiding accumulation of support by different coupled support measures with an identical objective. For the sake of clarity, it is appropriate to specify that no such accumulation of support exists where the same farmer benefits from different coupled support measures in the same sector or region if those measures target different types of farming or specific agricultural sectors within that sector or region.

Pursuant to Article 52(1) of Delegated Regulation (EU) No 639/2014, the regions referred to in Article 52(3) of Regulation (EU) No 1307/2013 are to be defined by the Member States in accordance with objective and non-discriminatory criteria. It is appropriate to include the respective notification obligations into Annex I to Delegated Regulation (EU) No 639/2014.

On the basis of the experience gained from the notifications made in August 2014 and in order to simplify the Member States' notifications, it is appropriate to remove the notification obligation in point 3(d) of Annex I to Delegated Regulation (EU) No 639/2014 concerning the criteria fixed for the purpose of defining the targeted sectors and productions.

Delegated Regulation (EU) No 639/2014 should therefore be amended accordingly.

In accordance with Article 53(6) of Regulation (EU) No 1307/2013, Member States may, by 1 August 2016, review their decisions on voluntary coupled support. With the introduction of the possibility to fix decreased per unit amounts within a single sector or region, it is appropriate to facilitate the transfer of funds between measures.
measure, it is appropriate to derogate from that provision so as to allow, when certain conditions are fulfilled, a corresponding review of decisions relating to those measures that were notified by 1 August 2014 with effect from 2016,

HAS ADOPTED THIS REGULATION:

Article 1
Amendment of Delegated Regulation (EU) No 639/2014

Delegated Regulation (EU) No 639/2014 is amended as follows:

(1) In Article 53(2), the following third subparagraph is added:

"Without prejudice to Article 52(5) of Regulation (EU) No 1307/2013, Member States may decide to decrease the per unit amount of support referred to in the second subparagraph of this paragraph in respect of certain categories of farmers in order to take into account economies of scale resulting from the size of the production structures in the targeted specific type of farming or specific agricultural sector, or, if the measure targets a region or an entire sector, in the region or sector concerned. Article 67(1) of this Regulation shall apply mutatis mutandis to the notification of such decisions."

(2) The following Article 53a is inserted:

"Article 53a
Transfer of funds between measures

1. Without prejudice to the requirements set out in Chapter I of Title IV of Regulation (EU) No 1307/2013, Member States may decide to use the amounts notified in accordance with point (3)(i) of Annex I to this Regulation for the purpose of financing one or several other support measures under Chapter I of Title IV of Regulation (EU) No 1307/2013 in respect of the same claim year.

Such decision to transfer funds between support measures shall be taken before the date of the first payments to farmers in respect of the voluntary coupled support. The competent authority of the Member State intending to take such decision shall inform farmers of a possible transfer before the date of submission of applications.

A transfer of funds between support measures shall not result in a support measure notified to the Commission pursuant to Article 54 of Regulation (EU) No 1307/2013 and Article 67(1) and (2) of this Regulation becoming void.

2. Where the area or the number of animals eligible for voluntary coupled support in the claim year concerned equals to or exceeds the quantitative limit notified in accordance with point (3)(j) of Annex I to this Regulation, the support measure shall not benefit from a transfer of funds from any other support measure(s).

3. Where the area or the number of animals targeted by a support measure is in decrease compared to the quantitative limit notified in accordance with point (3)(j) of Annex I to this Regulation, a transfer of funds shall not result in the per unit amount becoming lower than the ratio between the amount fixed for the financing as notified in accordance with point (3)(i) of Annex I to this Regulation and the quantitative limit."
4. Where Member States grant coupled support for protein crops while using the possibility provided for in Article 53(3) of Regulation (EU) No 1307/2013, a transfer of funds shall not result in the support available for protein crops to be less than 2% of the annual national ceiling set out in Annex II to that Regulation.

(3) In Article 54, paragraph 3 is replaced by the following:
"3. Where support under a certain coupled support measure may also be granted under another coupled support measure, or under a measure implemented under other Union measures and policies, Member States shall ensure that the farmer concerned may receive support aiming at the objective referred to in Article 52(5) of Regulation (EU) No 1307/2013 under only one such measure per sector, region, specific type of farming or specific agricultural sector that is targeted in accordance with Article 52(3) of that Regulation."

(4) In Article 67, the following paragraph 3 is added:
"3. Member States shall notify the Commission of any decision taken pursuant to Article 53a(1) at the latest 15 days after the first payment to farmers in respect of the voluntary coupled support. That notification shall include the following:
(a) a list of the affected measures and the amounts transferred;
(b) for each affected measure, the eligible areas or number of animals in the relevant claim year after all checks of the submitted applications have been carried out
(c) for each affected measure, a justification that a transfer does not create an incentive to produce beyond current levels of production and that the decisions notified to the Commission pursuant to Article 54 of Regulation (EU) No 1307/2013 and paragraphs 1 and 2 of this Article do not become void."

(5) Annex I is amended in accordance with the Annex to this Regulation.

**Article 2**

*Derogation from Article 53(6) of Regulation (EU) No 1307/2013*

1. By way of derogation from Article 53(6) of Regulation (EU) No 1307/2013, Member States may review, with effect from 2016, their decisions taken pursuant to Article 53(1) to (5) of that Regulation and notified by 1 August 2014 where those decisions are affected by the application of the third subparagraph of Article 53(2) of Delegated Regulation (EU) No 639/2014 as amended by this Regulation and to the extent necessary to modify the conditions for granting the support related to the implementation of the decreasing per unit amounts. Member States shall notify the Commission of such reviewed decisions not later than one month after the publication of this Regulation.

2. Member States shall inform farmers sufficiently in advance of any decision reviewed pursuant to paragraph 1.
Article 3
Entry into force

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

This Regulation shall be binding in its entirety and directly applicable in all Member States.
Done at Brussels,

For the Commission
The President
Jean-Claude JUNCKER
ANNEX

In Annex I to Delegated Regulation (EU) No 639/2014, point 3 is amended as follows:

(1) point (b) is replaced by the following:

"(b) the specific types of farming and/or the specific agricultural sectors selected as well as a description of the difficulties encountered and, where applicable, the criteria fixed by Member States to define the regions referred to in Article 52(1) of this Regulation;"

(2) point (d) is deleted;

(3) the following point (ga) is inserted:

"(ga) for Member States applying the third subparagraph of Article 53(2) of this Regulation, the criteria applied for the establishment of degressivity in respect of each estimated per unit amount in accordance with that subparagraph;"

(4) point (h) is replaced by the following:

"(h) the estimated per unit amount(s) of support calculated in accordance with the second and third subparagraphs of Article 53(2) of this Regulation;"