Commission Implementing Regulation (EU) 2020/1801 of 30 November 2020 adapting the adjustment rate for direct payments pursuant to Regulation (EU) No 1306/2013 of the European Parliament and of the Council in respect of the calendar year 2020

COMMISSION IMPLEMENTING REGULATION (EU) 2020/1801

of 30 November 2020

adapting the adjustment rate for direct payments pursuant to Regulation (EU) No 1306/2013 of the European Parliament and of the Council in respect of the calendar year 2020

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008[(1)], and in particular Article 26(4) thereof,

After consulting the Committee on the Agricultural Funds,

Whereas:

(1) Commission Implementing Regulation (EU) 2020/862[(2)] has fixed the adjustment rate for direct payments pursuant to Regulation (EU) No 1306/2013 in respect of the calendar year 2020. That adjustment rate has been set based on the information available in the context of the 2021 Draft Budget, in particular taking into account an amount of financial discipline of EUR 487,6 million for the reserve for crises in the agricultural sector referred to in Article 25 of Regulation (EU) No 1306/2013.

(2) That adjustment rate also took into account the need to apply financial discipline in order to respect the annual ceilings referred to in Article 16 of Regulation (EU) No 1306/2013, as provided for in Article 26(1) of that Regulation.

(3) While the need for financial discipline remains at EUR 487,6 million for the reserve for crises in the agricultural sector, the preliminary estimates available in relation to the upcoming Commission Amending Letter No 1 to the 2021 Draft Budget covering forecasts for direct payments and market related expenditure, show nevertheless the need to adapt the rate of financial discipline set in Implementing Regulation (EU) 2020/862.

(4) Consequently, based on the new information in possession of the Commission, it is appropriate to adapt the adjustment rate in accordance with Article 26(4) of Regulation (EU) No 1306/2013 before 1 December of the calendar year in respect of which the adjustment rate applies.

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2020/1801. (See end of Document for details)*

(5) The amended proposal for a Council Regulation laying down the multiannual financial framework for the years 2021 to 2027[3] has not yet been adopted. Therefore, as a precautionary measure and considering the already very advanced stage of the decision-making procedure for the adoption of that Regulation, the net balance available for the European Agricultural Guarantee Fund expenditure for financial year 2021 amounting to EUR 40 368,0 million (sub-ceiling as set out in the European Council conclusions of 21 July 2020, adjusted for transfers notified by Member States in allocations between the European Agricultural Fund for Rural Development and direct payments), should be used for the calculation of the adjustment rate.

(6) As a general rule, farmers submitting an aid application for direct payments for one calendar year (N) are paid within a fixed payment period falling within the financial year (N+1). However, Member States may make late payments to farmers beyond that payment period, within certain limits. Such late payments may be made in a subsequent financial year. When financial discipline is applied for a given calendar year, the adjustment rate should not be applied to payments for which aid applications have been submitted in calendar years other than the calendar year for which the financial discipline applies. Therefore, in order to ensure equal treatment of farmers, it is appropriate to provide that the adjustment rate is to be applied only to payments for which aid applications have been submitted in the calendar year for which the financial discipline is applied, irrespectively of when the payment to farmers is made.

(7) Article 8(1) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council[4] provides that the adjustment rate applied to direct payments determined in accordance with Article 26 of Regulation (EU) No 1306/2013 is to apply only to direct payments in excess of EUR 2 000 to be granted to farmers in the corresponding calendar year. Furthermore, Article 8(2) of Regulation (EU) No 1307/2013 provides that, as a result of the gradual introduction of direct payments, the adjustment rate is to apply to Croatia only from 1 January 2022. The adjustment rate to be determined by this Regulation should therefore not apply to payments to farmers in that Member State.

(8) The adapted adjustment rate should be taken into account for the calculation of all payments to be granted to a farmer for an aid application submitted in respect of the calendar year 2020. For the sake of clarity, Implementing Regulation (EU) 2020/862 should therefore be repealed.

(9) In order to ensure that the adapted adjustment rate is applicable as from the date on which the payments to farmers are to start in accordance with Regulation (EU) No 1306/2013, this Regulation should apply from 1 December 2020,

HAS ADOPTED THIS REGULATION:

Article 1

1 For the purpose of fixing the adjustment rate provided for in Articles 25 and 26 of Regulation (EU) No 1306/2013, and in accordance with Article 8(1) of Regulation (EU) No 1307/2013, the amounts of direct payments under the support schemes listed in Annex I to Regulation (EU) No 1307/2013 to be granted to farmers in excess of EUR 2 000 for an aid