Commission Delegated Regulation (EU) No 807/2014 of 11 March 2014 supplementing Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions

COMMISSION DELEGATED REGULATION (EU) No 807/2014

of 11 March 2014

supplementing Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005[(1)], and in particular Articles 2(3), 14(5), 16(5), 19(8), 22(3), 28(10), 28(11), 29(6), 30(8), 33(4), 34(5), 35(10), 36(5), 45(6), 47(6) and Article 89 thereof,

Whereas:

(1) Regulation (EU) No 1305/2013 lays down general rules governing Union support for rural development financed by the European Agricultural Fund for Rural Development (the EAFRD), complementing the common provisions for the European Structural and Investment Funds laid down in Part Two of Regulation (EU) No 1303/2013 of the European Parliament and of the Council[(2)]. Supplementary rules should be laid down.

(2) Member States should establish and apply specific conditions for access to support for young farmers in case they are not setting up as a sole head of the holding. In order to ensure equal treatment of beneficiaries irrespective of the legal form under which they choose to set up in an agricultural holding, it should be provided that the conditions under which a legal person or other form of partnership may be considered to be a 'young farmer' should be equivalent to those of a natural person. A grace period, sufficiently long to allow young farmers to acquire the needed qualifications, should be provided for.

(3) In order to ensure that farm and forest exchange schemes and farm and forest visits supported by the EAFRD are clearly defined and demarcated in relation to similar actions under other Union schemes, while at the same time taking into account the diversity of national situations, Member States should define the duration and content of such schemes and visits in their rural development programmes. That content should focus on certain areas, closely linked to the achievement of the Union priorities for rural development.

Changes to legislation: *There are outstanding changes not yet made to Commission Delegated Regulation (EU) No 807/2014. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(4) Rules specifying the characteristics of groups of producers and the types of actions that may receive support under the promotion component of the quality schemes measure, setting conditions to prevent distortion of competition and discrimination against certain products and excluding commercial brand names from support should be laid down.

(5) The business plans referred to in Article 19(4) of Regulation (EU) No 1305/2013 should provide sufficient elements to allow assessment of the attainment of the targets of the selected operation. In order to ensure equal treatment among beneficiaries across the Union and to facilitate monitoring, the criterion to be used for setting the thresholds referred to in Article 19(4) of that Regulation should be production potential of the agricultural holding.

(6) Minimum environmental requirements with which the afforestation of agricultural land must comply should be laid down ensuring that no inappropriate afforestation of sensitive habitats including areas under high natural value farming takes place and that the need for resilience to climate change is taken into account. On sites designated as Natura 2000, afforestation should be consistent with the management objectives of the sites concerned. Special attention should be paid to specific environmental needs for particular sites such as the prevention of soil erosion. More stringent rules should be provided for afforestation operations leading to the creation of larger forests in order to take into account the impact of scale of those operations on the ecosystems and to ensure that they comply with the objectives of the Green Infrastructure Strategy[(3)] and new EU Forest Strategy[(4)].

(7) Conditions applicable to commitments to extensify livestock farming, to rear local breeds in danger of being lost to farming and to preserve plant genetic resources under threat of genetic erosion should ensure that commitments are defined in accordance with the Union priorities for rural development and in particular the need to ensure the protection of the landscape and its features, of natural resources including water, of soil and of genetic diversity.

(8) Operations which may be eligible for support for the conservation and sustainable use and development of genetic resources in agriculture and the conservation and promotion of forest genetic resources should be defined.

(9) In order to exclude double funding of the agricultural practices beneficial for the climate and the environment and equivalent practices referred to in Article 43 of Regulation (EU) No 1307/2013 of the European Parliament and of the Council[(5)], to avoid distortion of competition among farmers and to ensure sound financial management of EAFRD funds, it should be provided that additional costs and income foregone resulting from those practices are deducted from the relevant payments.

(10) The areas in which animal welfare commitments are made to provide for upgraded standards of production methods should be defined. In doing so it should be avoided that those animal welfare commitments overlap with standard farming practices and in particular vaccination to prevent pathologies.

(11) Short supply chains and local markets in relation to which support may be given should be specified. In order to allow for a clear demarcation between the two, the number

***Changes to legislation:** There are outstanding changes not yet made to Commission Delegated Regulation (EU) No 807/2014. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

of intermediaries should be used as a criterion defining short supply chains whereas kilometric distance from the farm, taking into account specific geographic features of the area concerned, should be the criterion defining local markets, unless a convincing alternative criterion is presented. Cooperation among small operators should be sharply focused on overcoming the general disadvantages caused by fragmentation in rural areas. Therefore, it should be limited to microenterprises and natural persons who are about to start up a microenterprise at the moment of applying for support. In order to ensure a coherent approach in the implementation of the cooperation measure only promotion activities related to short supply chains and local markets should be supported under that measure.

(12) In order to ensure that contributions related to the interest on commercial loans taken by the mutual funds referred to in Articles 38(3)(b) and 39(4)(b) of Regulation (EU) No 1305/2013 are maintained at an appropriate level, the minimum and maximum duration of those commercial loans should be of between one and five years.

(13) In order to ensure the efficient use of EAFRD resources, certain types of expenditure linked to leasing contracts, such as lessor's margin, refinancing costs, overheads and insurance charges should be excluded from support. In order to take account of the differing financial and development conditions of the agricultural sector in the Member States, while ensuring sound financial management of EAFRD resources, Member States should be required to define in their rural development programmes the conditions under which second-hand equipment may be eligible for support. In accordance with the Union priorities for rural development, only renewable energy investments with high-level energy efficiency and a high level of environmental performance should receive EAFRD support. For that purpose, Member States should establish minimum criteria for energy efficiency. Member States should ensure that applicable sustainability criteria for bioenergy are fulfilled. Member States should also support the transition from first to second generation biofuels and should encourage greater production of advanced biofuels, which provide high greenhouse gas savings with low risk of causing indirect land use change and which do not compete directly for agricultural land for the food and feed markets.

(14) The conditions applicable to conversion or adjustment of commitments under the measures laid down in Articles 28, 29, 33 and 34 of Regulation (EU) No 1305/2013 should be laid down and situations in which reimbursement of the aid shall not be required should be defined. It should be ensured that conversion or adjustment of commitments is only possible when the environmental objectives of the commitment are safeguarded or reinforced.

(15) Provisions for the transition from rural development support under Council Regulation (EC) No 1698/2005[(6)] or, in the case of Croatia, Council Regulation (EC) No 1085/2006[(7)], to support under Regulation (EU) No 1305/2013 should be adopted. Taking into account that a number of transitional provisions for rural development have already been introduced by Regulation (EU) No 1310/2013 of the European Parliament and of the Council[(8)], this Regulation should lay down the conditions under which the expenditure relating to measures referred to in Articles 52 and 63 of Regulation

Changes to legislation: *There are outstanding changes not yet made to Commission Delegated Regulation (EU) No 807/2014. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(EC) No 1698/2005 becomes eligible under Regulation (EU) No 1305/2013. This Regulation should also adjust the dates for the submission of the *ex post* evaluations of the programmes and the summary thereof, to take account of the transitional provisions concerning the implementation of programmes of the 2007 to 2013 programming period in 2014 introduced by Article 1 of Regulation (EU) No 1310/2013.

(16) Since Regulation (EU) No 1305/2013 replaces Regulation (EC) No 1698/2005 it is appropriate to repeal the implementing rules of Regulation (EC) No 1698/2005 laid down by Commission Regulation (EC) No 1974/2006[9]. Regulation (EC) No 1974/2006 should therefore be repealed.

(17) In view of the fact that at the moment of publication of this Regulation in the *Official Journal of the European Union* the 2014-2020 programming period will have already started, it is necessary to shorten as much as possible the delay for its entry into force. It should therefore enter into force on the day of its publication and apply as of the first day of the 2014-2020 programming period, on 1 January 2014,

HAS ADOPTED THIS REGULATION:

CHAPTER I

SCOPE

Article 1

Scope

This Regulation lays down:

(1) provisions supplementing Regulation (EU) No 1305/2013 as regards:

- (a) young farmers;
- (b) farm and forest exchange schemes and visits;
- (c) quality schemes — promotion;
- (d) farm and business development;
- (e) afforestation and creation of woodland;
- (f) agri-environment-climate;
- (g) conservation of genetic resources in agriculture and in forestry;
- (h) exclusion of double-funding;
- (i) animal welfare;
- (j) cooperation;
- (k) commercial loans to mutual funds,
- (l) investments;

***Changes to legislation:** There are outstanding changes not yet made to Commission Delegated Regulation (EU) No 807/2014. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(m) conversion or adjustment of commitments;

(n) extended or new commitments;

(2) specific transitional rules laying down the conditions under which support approved by the Commission under Regulation (EC) No 1698/2005, or, in the case of Croatia, under Regulation (EC) No 1085/2006, may be integrated into support provided under Regulation (EU) No 1305/2013, including, in the case of Croatia, for technical assistance.

CHAPTER II

PROVISIONS SUPPLEMENTING RULES ON RURAL DEVELOPMENT MEASURES

[F1 Article 2

Young farmer

1 The conditions for access to support for a young farmer, within the meaning of Article 2(1)(n) of Regulation (EU) No 1305/2013, setting up in an agricultural holding as head of that holding jointly with other farmers shall be equivalent to the conditions required for a young farmer setting up as sole head of a holding. In all cases, young farmers shall hold control over the holding as defined by the provisions in force in the Member State.

2 Where the application for support concerns a holding owned by a legal person, a young farmer within the meaning of Article 2(1)(n) of Regulation (EU) No 1305/2013 shall exercise control over the legal person as defined by the provisions in force in the Member State. Where several natural persons, including person(s) who are not young farmer(s), participate in the capital or management of the legal person, the young farmer shall be capable of exercising such control either solely or jointly together with other farmers.

Where a legal person is solely or jointly controlled by another legal person, requirements laid down in the first subparagraph shall apply to any natural person having control over that other legal person.

3 A grace period not exceeding 36 months from the date of the individual decision granting support, may be allowed to the beneficiary, in order to meet the conditions relating to the acquisition of the occupational skills specified in the rural development programme.**]**

Textual Amendments

F1 Substituted by Commission Delegated Regulation (EU) 2019/94 of 30 October 2018 amending Delegated Regulation (EU) No 807/2014 supplementing Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions.