Regulation (EU) No 1310/2013 of the European Parliament and of the Council of 17 December 2013 laying down certain transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), amending Regulation (EU) No 1305/2013 of the European Parliament and of the Council as regards resources and their distribution in respect of the year 2014 and amending Council Regulation (EC) No 73/2009 and Regulations (EU) No 1307/2013, (EU) No 1306/2013 and (EU) No 1308/2013of the European Parliament and of the Council as regards their application in the year 2014

REGULATION (EU) No 1310/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 17 December 2013

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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 Articles 42 and 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 Committee[(1)],

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) Regulation (EU) No 1305/2013 of the European Parliament and of the Council[(2)], which is to apply from 1 January 2014, lays down rules governing Union support for rural development and repeals Council Regulation (EC) No 1698/2005[(3)], without prejudice to the continued application of the Regulations implementing that Regulation until they are repealed. To facilitate the transition from existing support schemes under Regulation (EC) No 1698/2005 to the new legal framework which covers the programming period starting on 1 January 2014 ("the new programming period"), transitional rules should be adopted to avoid any difficulties or delays in the implementation of rural development support which may be caused as a result of the date of adoption of the new rural development programmes. For that reason, Member States should be allowed to continue to undertake legal commitments under their existing rural development

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programmes in 2014 for certain measures and the resulting expenditure should be eligible for support in the new programming period.

(2) In view of the substantial change in the method for the delimitation of areas facing significant natural constraints in the new programming period, the obligation imposed upon the farmer to continue farming in the area for five years should not apply to new legal commitments undertaken in 2014.

(3) To ensure legal certainty in the transition, certain expenditure undertaken pursuant to Regulation (EC) No 1698/2005 should be eligible for a European Agricultural Fund for Rural Development (EAFRD) contribution in the new programming period where there are still payments to be made. This should also cover certain long-term commitments under similar measures provided for in Council Regulation (EEC) No 2078/1992[(4)], in Council Regulation (EEC) No 2080/1992[(5)] and in Council Regulation (EC) No 1257/1999[(6)] where those measures were receiving support under Regulation (EC) No 1698/2005 and there are still payments to be made in 2014. In the interest of sound financial management and effective programme implementation, such expenditure should be clearly identified in the rural development programmes and throughout the management and control systems of the Member States. In order to avoid unnecessary complexity in the financial management of rural development programmes in the new programming period, the co-financing rates of the new programming period should apply to transitional expenditure.

(4) In view of the serious difficulties that a number of Member States still face with respect to their financial stability, and in order, during the transition from the current to the new programming period, to limit the negative effects resulting from those difficulties by allowing for maximum utilisation of the EAFRD funds available, it is necessary to extend the duration of the derogation which increases the maximum EAFRD contribution rates provided for in Article 70(4c) of Regulation (EC) No 1698/2005 to the final date of eligibility of expenditure for the 2007-2013 programming period, namely to 31 December 2015.

(5) Regulation (EU) No 1307/2013 of the European Parliament and of Council[(7)], which sets up new support schemes is to apply from 1 January 2015. Council Regulation (EC) No 73/2009[(8)] therefore continues to form the basis on which income support will be granted for farmers in calendar year 2014, but due account should be taken of Council Regulation (EU) No 1311/2013[(9)]. In order to ensure consistency in the implementation of the provisions on cross-compliance and respect of the standards required by certain measures, it should be provided that the relevant provisions that apply in the 2007-2013 programming period continue to apply until the new legislative framework becomes applicable. For the same reasons, the provisions relating to complementary national direct payments for Croatia that apply in 2013 should continue to apply.

(6) Regulation (EU) No 1306/2013 of the European Parliament and the Council[(10)] gives Member States the possibility to pay advances for the direct payments. Under Regulation (EC) No 73/2009, the exercise of that possibility needs to be authorised by the Commission. Experience gained in the implementation of direct support schemes has shown that it is appropriate to allow for farmers to receive advance payments. As

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regard applications made in 2014, those advances should be limited to up to 50 % of the support schemes listed in Annex I to Regulation (EC) No 73/2009 and to up to 80 % of the beef and veal payment.

(7) In order to comply with Regulation (EU) No 1311/2013 and in particular the levelling of the amount available for granting direct support to farmers as well as the external convergence mechanism, it is necessary to modify the national ceilings fixed in Annex VIII to Regulation (EC) No 73/2009 for 2014. The modification of the national ceilings will inevitably have an impact on the amounts that individual farmers may receive as direct payments in 2014. The way in which this modification will impact on the value of payment entitlements and the level of other direct payments should therefore be laid down. In order to take account of the situation of smaller farmers, especially as no modulation or adjustment mechanism, including in particular the exemption of direct payments up to EUR 5 000 from such mechanism, is applicable in 2014, Member States which do not grant a redistributive payment and which do not opt for transferring funds to rural development support via the flexibility mechanism should be allowed not to reduce the value of all payment entitlements.

(8) Certain provisions of Regulation (EC) No 73/2009, in particular as regards the elements covered by the figures set out in Annex VIII to that Regulation and the link with the possibility given to Member States to use the funds unspent in the single payment scheme to finance the specific support, should be clarified on the basis of experience gained in the financial implementation of that Regulation.

(9) Under Regulation (EC) No 73/2009, Member States could decide to use a certain percentage of their national ceiling for specific support for their farmers, as well as to review a previous decision by deciding to modify, or put an end to, such support. It is appropriate to provide for an additional review of those decisions, with effect from calendar year 2014. At the same time, the special conditions set out in Article 69(5) of Regulation (EC) No 73/2009 pursuant to which the specific support is paid in some Member States, which are due to expire in 2013, need to be extended for one more year, in order to avoid disruption in the degree of support. In view of the introduction of the voluntary coupled support that will be available from 1 January 2015 for certain sectors or regions in clearly defined cases, it is appropriate to allow Member States to increase the level of certain types of specific support under Article 68 of Regulation (EC) No 73/2009 to 6,5 % in 2014.

(10) The unitary support to farmers with smaller holdings should be sufficient in order to achieve the objective of income support effectively. As no modulation or adjustment mechanism, including in particular the exemption of direct payments up to EUR 5 000 from such mechanism, is applicable in 2014, Member States should be allowed already in 2014 to redistribute direct support between farmers by granting them an extra payment for the first hectares.

(11) The single area payment scheme laid down in Regulation (EC) No 73/2009 is transitional and was due to end on 31 December 2013. In the context of the reform of the common agricultural policy ("the CAP"), it was decided that Member States applying this scheme should be allowed to apply it for the purpose of granting the basic payment

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for a further transitional period until the end of 2020 at the latest. Therefore, the period of application of the single area payment scheme in Regulation (EC) No 73/2009 should be extended by one year. Moreover, in order to take account of ongoing land restructuring and for reasons of simplification, the eligible agricultural area in those Member States should also include those eligible areas which were not in good agricultural condition on 30 June 2003, as will be the case from 1 January 2015 under Regulation (EU) No 1307/2013.

(12) In accordance with Article 133a of Regulation (EC) No 73/2009, new Member States other than Bulgaria and Romania applying the single area payment scheme may grant transitional national aid to farmers in 2013. In view of the prolongation of the single area payment scheme for the year 2014, those Member States should retain that possibility in 2014. In view of the level of complementary national direct payments under Article 132 of Regulation (EC) No 73/2009 in Bulgaria and Romania in 2014, those Member States should be able to opt for transitional national aid in 2014 instead of granting complementary national direct payments.

(13) Transitional national aid is to be granted subject to the same conditions as those applied to this aid in 2013 or, in the case of Bulgaria and Romania, subject to the same conditions as those applied to complementary national direct payments in 2013. However, in order to simplify the management of the transitional national aid in 2014, the reductions referred to in Article 132(2) in conjunction with Articles 7 and 10 of Regulation (EC) No 73/2009 should not be applied. Furthermore, in order to ensure that the transitional national aid is coherent with the convergence mechanism, the maximum level of aid per sector should be limited to a certain percentage. In view of the difficult financial situation in Cyprus, certain adaptations should be provided for that Member State.

(14) With a view to allowing Member States to address the needs of their agricultural sectors or to strengthen their rural development policy in a more flexible way, they should be given the possibility to transfer funds from their direct payments ceilings to their support assigned for rural development and vice versa. At the same time, those Member States in which the level of direct support remains lower than 90 % of the Union average level of support should be given the possibility to transfer additional funds from their support assigned for rural development to their direct payments ceilings. Such decisions should be made, within certain limits, for the whole period of financial years 2015-2020, with the possibility of review in 2017, provided that any decision based on such review does not entail any decrease in the amounts assigned for rural development.

(15) Directive 2000/60/EC of the European Parliament and of the Council[(11)] provided for the repeal of Council Directive 80/68/EEC[(12)] with effect from 22 December 2013. In order to maintain the same rules under cross-compliance related to protection of groundwater as those laid down in Directive 80/68/EEC on the last day of its validity, it is appropriate to adjust the scope of cross-compliance and to define a standard of good agricultural and environmental condition that covers the requirements of both Article 4 and Article 5 of that Directive.

(16) Article 83 of Regulation (EC) No 1107/2009 of the European Parliament and of the Council[(13)] provides that the reference to Article 3 of Council Directive 91/414/EEC[(14)]

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in Annex II to Regulation (EC) No 73/2009 is to be construed as a reference to Article 55 of Regulation (EC) No 1107/2009. However, Regulation No (EU) 1306/2013, limitsthat reference so that it now refers only to the first and second sentence of Article 55 of Regulation (EC) No 1107/2009. In order to ensure consistency between the requirement for the use of plant protection products in the year 2014 and following years, Annex II to Regulation (EC) No 73/2009 should be amended accordingly.

(17) Regulation (EU) No 1308/2013[(15)] of the European Parliament and of the Council provides for support for silkworm rearing to be integrated into the direct support regime and, consequently, for its removal from Regulation (EU) No 1308/2013. In view of the delayed application of the new direct support regime, aids in the silkworm sector should continue for one more year.

(18) Finland has been authorised to pay national support to certain agricultural sectors in southern Finland in accordance with Article 141 of the 1994 Act of Accession. Taking into account the timing of the CAP reform, and due to the fact that the economic situation of agriculture in southern Finland is difficult and that the producers are, therefore, still in need of specific support, it is appropriate to provide for integration measures whereby Finland may, in accordance with Article 42 of the Treaty on the Functioning of the European Union, be authorised by the Commission to grant national aid in southern Finland under certain conditions. Income aid should be gradually reduced over the whole period and, by 2020, should not exceed 30 % of the amounts granted in 2013.

(19) The provisions on the farm advisory system, the integrated administration and control system and cross-compliance laid down in Title III, Chapter II of Title V and Title VI, respectively, of Regulation (EU) No 1306/2013 should apply from 1 January 2015.

(20) Following the insertion of Article 136a into Regulation (EC) No 73/2009, references to Article 14 of Regulation (EU) No 1307/2013 in Regulation (EU) No 1305/2013 need to be amended.

(21) Regulations (EC) No 73/2009, (EU) No 1307/2013, (EU) No 1306/2013, (EU) No 1308/2013 and (EU) No 1305/2013 should therefore be amended accordingly.

(22) In order to allow for the prompt application of the transitional provisions envisaged, this Regulation should enter into force on the day of its publication and should apply from 1 January 2014. In order to avoid any overlap between the rules on flexibility between pillars laid down in Regulation (EC) No 73/2009 and Regulation (EU) No 1307/2013 as amended by this Regulation, that particular amendment to Regulation (EC) No 73/2009 should apply from 31 December 2013 and the amendments to Regulation (EU) No 1307/2013, should apply from the date of entry into force of that Regulation. Furthermore, the amendments to Annexes II and III to Regulation (EC) No 73/2009, which aim to ensure the continuation of the current rules on cross-compliance, should apply from the date of repeal of Directive 80/68/EEC, namely 22 December 2013.

(23) Taking into account the fact that 2014 will be a transitional year during which Member States will have to prepare the full implementation of the CAP reform, it is important to