Commission Implementing Regulation (EU) 2018/1077 of 30 July 2018 amending Implementing Regulation (EU) No 808/2014 laying down rules for the application of 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)

COMMISSION IMPLEMENTING REGULATION (EU) 2018/1077

of 30 July 2018

amending Implementing Regulation (EU) No 808/2014 laying down rules for the application of 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)

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 Article 8(3) thereof,

Whereas:

(1) Commission Implementing Regulation (EU) No 808/2014[(2)] has laid down rules for the application of Regulation (EU) No 1305/2013. Regulation (EU) 2017/2393 of the European Parliament and of the Council[(3)] has amended Regulation (EU) No 1305/2013 by simplifying the general rules governing the European Agricultural Fund for Rural Development (EAFRD). Therefore, the rules for the implementation of Regulation (EU) No 1305/2013 should be amended accordingly.

(2) The obligation to select bodies to provide advice through a specific call for tenders procedure was abolished. Therefore, implementing rules referring to the calls for tenders should be deleted.

(3) Rules for joint setting up of young farmers have been introduced in Article 2(1)(n) of Regulation (EU) No 1305/2013 and a definition of the 'date of setting up' has been added in Article 2(1)(s) of that Regulation. Therefore, provisions referring to the young farmer set out in paragraph 8 of Part 1 of Annex I to Implementing Regulation (EU) No 808/2014 should be aligned. Moreover, following the deletion of Article 57 of Commission Implementing Regulation (EU) No 809/2014[(4)] containing rules on Farm and business development, the rules for business plan laid down in Implementing Regulation (EU) No 808/2014 should also be simplified.

(4) The rules on financial instruments have been simplified. Notably, a derogation from the applicability of selection criteria for operations supported through financial instruments has been introduced in Article 49(4) of Regulation (EU) No 1305/2013. Paragraph 8

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2018/1077. (See end of Document for details)*

of Part 1 of Annex I to Implementing Regulation (EU) No 808/2014 should be aligned with this derogation.

(5) In order to avoid unnecessary administrative burden and in particular frequent modifications of the financing plans, it is necessary to clarify that the capping related to the overrun of the planned EAFRD contributions as presented in the financial plan of each programme is calculated at the level of the total amount of each measure.

(6) Article 39a of Regulation (EU) No 1305/2013 provides for support to farmers through a sector specific income stabilisation tool and Article 37 of that Regulation allows for support to agricultural insurance schemes covering production losses exceeding 20 % of an annual average caused by adverse climatic events, animal or plant diseases, pest infestation, or an environmental incident. In accordance with Article 8(1)(h) of Regulation (EU) No 1305/2013, the financing plan should indicate the planned EAFRD support and the contribution rate.

(7) Implementing Regulation (EU) No 808/2014 should therefore be amended accordingly.

(8) The measures provided for in this Regulation are in accordance with the opinion of the Rural Development Committee,

HAS ADOPTED THIS REGULATION:

Article 1

Implementing Regulation (EU) No 808/2014 is amended as follows:

(1) Article 7 is deleted;

(2) in Article 8, paragraph 1 is deleted;

(3) Part 1 of Annex I is amended as follows:

(a) paragraph 8 ‘Description of the measures selected’ is amended as follows:

(i) in point (2), point (c) is replaced by the following:

(c) scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria. Where support is provided to a financial instrument implemented under points (a) and (b) of the first subparagraph of Article 38(4) of Regulation (EU) No 1303/2013, description of the type of financial instrument, general categories of final recipients, general categories of eligible costs and maximum level of support.;

(ii) in point (2)(e), point 5 is replaced by the following:

5. *Farm and business development (Article 19 of Regulation (EU) No 1305/2013)*

— definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013;

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— definition of the actions referred to in point (s) of Article 2(1) of Regulation (EU) No 1305/2013 ("date of setting up");
— definition of upper and lower thresholds as referred to in the fifth subparagraph of Article 19(4) of Regulation (EU) No 1305/2013;
— specific conditions for support for young farmers where they are not setting up as a sole head of the holding in accordance with Article 2(1) and (2) of Delegated Regulation (EU) No 807/2014;
— information on the application of the grace period referred to in Article 2(3) of Delegated Regulation (EU) No 807/2014;
— summary of the requirements of the business plan;
— use of the possibility to combine different measures through the business plan giving access of the young farmer to those measures;
— domains of diversification covered.;

(iii) in point (2)(e), the title of point 16 is replaced by the following: 16.*Risk management (Articles 36 to 39a of Regulation (EU) No 1305/2013);*

(b) paragraph 10(c) is amended as follows:

(i) in the first subparagraph, the following point (v) is added:

(v) for the operations implemented in accordance with Article 37 of Regulation (EU) No 1305/2013 where the minimum loss threshold is set to 20 % and for operations implemented in accordance with 39a of Regulation (EU) No 1305/2013 the indicative total Union contribution and the indicative contribution rate.;

(ii) the following subparagraph is added:

For the purpose of interim payments referred to in Article 36 of Regulation (EU) No 1306/2013, the payment of the balance referred to in Article 37, and the clearance of accounts referred to in Article 51 of that Regulation, the EAFRD contribution to be paid in respect of the eligible public expenditure of the programme concerned shall be respected at the measure level.

Article 2

This Regulation shall enter into force on the third 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.