



# Rural development: transitional arrangements and use of EURI in RDPs

European Network for Rural Development

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*This presentation is only intended to facilitate the work of the ENRD webinar.  
It has no interpretative value as regards the draft Regulations for the CAP post-2020.*

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# State of play

- Transitional Regulation (EU) 2020/2220 adopted on 23 December 2020; OJ publication on 28 December 2020
- European Union Recovery Instrument Regulation (EU) 2020/2094 adopted on 14 December 2020; OJ publication on 22 December 2020 (additional  $\approx$  €8.5 billion for rural development to be implemented through RDPs)

# EAFRD: RDP extension & amendment

## Article 1:

- Extension of the period of duration of the RDPs by **two years**: 2021 and 2022 (implementation period ends on 31 December 2025, with N+3);
- Need to submit a request to **amend RDPs** (Art. 11 RD regulation);
- RDP amendment shall **ensure** that **at least the same overall share** of the EAFRD contribution is reserved for the **measures referred to in Article 59(6)** (environmental and climate measures).

# EAFRD: Eligibility of certain types of expenditure in the extended RDPs

## Article 3:

- Expenditure from previous programming periods continues to be eligible under the RDPs under the following conditions:
  - expenditure is provided in extended RDP;
  - the EAFRD contribution rate of the corresponding measure under RDP continues to apply;
  - IACS applies to the area-based measures;
  - the payment deadlines for the IACS-based measures apply.

# EAFRD: Community Led Local Development

## Article 4

- Support for costs of **capacity building** and **preparatory actions** related to the design and future implementation of CLLD strategies.

*Note:*

*Support for the existing CLLD continues.*

# EAFRD: Amendments to Regulation 1305/2013

## Article 7

- Multi-annual commitments: Art. 28 (AEC), 29 (OF), 33 (AW):
  - New commitments to be undertaken from 2021: a shorter period of 1 - 3 years;
  - In 2021 & 2022: possibility to determine a longer period for certain commitments;
  - From 2022: annual extension of commitments after the termination of the initial period cannot go beyond one year.
- ANC (Art. 31(5)):
  - Where degressive payments were not granted for a maximum duration of 4 years up to year 2020, payments may continue until end 2022;
  - No longer than four years in total;
  - Payments in 2021 & 2022 (EUR 25/ha).

# EAFRD: Amendments to Regulation 1305/2013

## Article 7

- Risk management: Art. 38 (mutual funds) & 39 (income stabilization tool)
  - Possibility to reduce thresholds of 30 %, however, to not less than 20%;
  - Modification of financing plan (Art, 8(1)(h)).
- 'COVID-19' measure: Art. 39(b) & 59(6a)
  - Deadline for the approval of applications made by beneficiaries: 30 June 2021;
  - Deadline for payments: 31 December 2021;
  - Support shall not exceed 2 % of the total EAFRD contribution to RDP for the years 2014-2020.

# EAFRD: Amendments to Regulation 1305/2013

## Article 7

- Technical assistance at the MS initiative (Art. 51(2)):
  - Possibility to devote 5% to TA, where total amount of EAFRD support during 2014-2020 period is less than EUR 1.8 billion;
- LEADER (Art. 59(5)):
  - Minimum 5% ring-fencing is kept (HR 2,5%);
  - 5% ring-fencing does not apply to DP transfers to RD in 2021 & 2022.



# EURI: Implementation rules

- Objective: to address the impact of the COVID-19 pandemic on agriculture and rural development and support the recovery (EURI Regulation);
- EURI will be used to support RD measures ***‘...paving the way for a resilient, sustainable and digital economic recovery in line with the objectives of the Union’s environmental and climate commitments and with the new ambitions set out in the European Green Deal’***;
- EURI resources are considered being part of the total amount of Union support for Rural Development (RD);
- EURI resources will be implemented through RD Regulation (1305/2013);
- In consequence, the rules set out in RD, Horizontal and CPR Regulations apply, except where the Transitional Regulation provides otherwise.

# EURI: Implementation rules

- EURI resources will be **programmed and monitored separately** from the EAFRD;
  - Financing plan (Art. 8 (1)(h)(i): EURI resources must be separate;
  - EURI budget commitments in RDPs must be made separately;
- No pre-financing will be granted;
- **Maximum contribution rate: 100%;**
- MS may establish a **single, specific contribution rate** applicable to all EURI supported operations.

# EURI: Implementation rules

- Support rates for investments in physical assets (Art. 17(3)) may be increased by an additional maximum **35%**, provided that such support does not exceed **75 %**, (when financed by EURI);
- Payments to young farmers under Art. 19(1)(a)(i) may be increased by additional maximum EUR **30 000** (when financed by EURI);
- Up to **4 %** may be allocated to technical assistance at the initiative of MS; up to **5%** where total amount of EAFRD support in 2014-2020 is less than EUR 1.8 billion;
- Articles 20 (performance reserve), 21 (performance review) and 22 (application of the performance framework) of the CPR do not apply.

# EURI: Ring-fencing requirements

- Minimum ring-fencing of 5% for LEADER (Art. 59(5)) and 30% for environment/climate beneficial operations (Art. 59(6)) does not apply to EURI;
- **1) Non-regression** (no-backsliding) principle applies: At least the same overall share of the EAFRD must be reserved in RDPs for measures under Art. 59(6);
- **2) At least 37 %** must be reserved for measures under Art. 33, 59(5) and (6) (animal welfare, LEADER and operations beneficial for environment & climate);
- **3) At least 55 %** must be reserved for measures under Art. 17 (investments), 19 (farm & business development), 20 (basic services) and 35 (co-operation) to promote economic & social development of rural areas, resilient, sustainable & digital economic recovery in line with agri- environment -climate objectives.
- MS may **derogate from the no-back sliding principle or the 55% threshold to the extent necessary** to comply with either of the two requirements.