**EUROPEAN UNION**

**THE EUROPEAN PARLIAMENT** **THE COUNCIL**

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**LEGISLATIVE ACTS AND OTHER INSTRUMENTS**

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| Subject: | REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2021/2115 as regards the conditionality system, types of intervention in the form of direct payment, types of intervention in certain sectors and rural development and annual performance reports and Regulation (EU) 2021/2116 as regards suspensions of payments, annual performance clearance and controls and penalties |

**REGULATION (EU) …/…**
**OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**of …**

# amending Regulation (EU) 2021/2115 as regards the conditionality system, types of intervention in the form of direct payment, types of intervention in certain sectors and rural development and annual performance reports and Regulation (EU) 2021/2116 as regards suspensions of payments, annual performance clearance and controls and penalties

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 Article 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[2],

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1 Opinion of 18 September 2025 (not yet published in the Official Journal).

2 Position of the European Parliament of 16 December 2025 (not yet published in the Official Journal) and decision of the Council of …

Whereas:

(1) In its communications of 29 January 2025 entitled ‘A Competitiveness compass for the EU’ and of 11 February 2025 entitled ‘A simpler and faster Europe: Communication on implementation and simplification’, the Commission emphasised the need to enhance competitiveness, foster innovation, and support growth across the Union, for which simplification and reducing administrative burden are critical enabling factors. It is, therefore, necessary to address costly regulatory burdens, complexities of Union law and its implementation, including excessive reporting obligations, while paying attention to the specific needs of small and medium entities.

(2) The Commission in its communication of 19 February 2025 on a vision for agriculture and food stresses that, to drive innovation and sustainability in agricultural practices, farmers should be entrepreneurs and providers who do not carry unnecessary bureaucratic or regulatory burdens. That perspective and the sector’s diversity call for tailored approaches rather than ‘one-size-fits-all’ solutions, alongside reality checks for the Union law, and simplifications, considering also the benefits brought by digital technologies, such as technologies enabling automated reporting. A better balance between requirements and incentives is needed to guide the sustainability transition of farming and to foster innovation. The special needs of small farms, which underpin the vitality of rural communities by protecting nature and livelihoods, call for more fitted and straightforward support under the Common Agricultural Policy (CAP), minimising administrative burden. Small farms are often at a disadvantage in accessing and utilising funding, which hinders their ability to invest, innovate and pursue development opportunities.

(3) Regulation (EU) 2021/2115 of the European Parliament and of the Council[3] establishes rules on support for strategic plans to be drawn up by Member States under the CAP (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD). Regulation (EU) 2021/2116 of the European Parliament and of the Council[4] establishes rules on the CAP financing, management and monitoring. In 2024, Regulation (EU) 2024/1468 of the European Parliament and of the Council[5] was adopted with the aim to better adjust the Union CAP support framework to on-farm realities, improve administration of the CAP Strategic Plans by Member States and reduce the burden related to checks.

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3 Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013 (OJ L 435, 6.12.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/2115/oj).

4 Regulation (EU) 2021/2116 of the European Parliament and of the Council of 2 December 2021 on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013 (OJ L 435, 6.12.2021, p. 187, ELI: http://data.europa.eu/eli/reg/2021/2116/oj).

5 Regulation (EU) 2024/1468 of the European Parliament and of the Council of 14 May 2024 amending Regulations (EU) 2021/2115 and (EU) 2021/2116 as regards good agricultural and environmental condition standards, schemes for climate, environment and animal welfare, amendment of the CAP Strategic Plans, review of the CAP Strategic Plans and exemptions from controls and penalties (OJ L, 2024/1468, 24.5.2024, ELI: http://data.europa.eu/eli/reg/2024/1468/oj).

Also, the Commission adopted Delegated Regulation (EU) 2024/1235[6] amending Commission Delegated Regulation (EU) 2022/126[7], providing in particular for the possibility for Member States to adjust the reference ratio for Good Agricultural and Environmental Condition (GAEC) standard 1 based on structural changes in farming systems and for derogations from the obligation to impose reconversion obligations on farmers and other beneficiaries.

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6 Commission Delegated Regulation (EU) 2024/1235 of 12 March 2024 amending Commission Delegated Regulation (EU) 2022/126 supplementing Regulation (EU) 2021/2115 of the European Parliament and of the Council as regards the rules on the ratio for the good agricultural and environmental condition (GAEC) standard 1 (OJ L, 2024/1235, 26.4.2024, ELI: http://data.europa.eu/eli/reg_del/2024/1235/oj).

7 Commission Delegated Regulation (EU) 2022/126 of 7 December 2021 supplementing Regulation (EU) 2021/2115 of the European Parliament and of the Council with additional requirements for certain types of intervention specified by Member States in their CAP Strategic Plans for the period 2023 to 2027 under that Regulation as well as rules on the ratio for the good agricultural and environmental condition (GAEC) standard 1 (OJ L 20, 31.1.2022, p. 52, ELI: http://data.europa.eu/eli/reg_del/2022/126/oj).

(4) Feedback and experience from the two years of implementation of the CAP Strategic Plans under the current CAP Union legal framework indicate that further, limited adjustments of that legal framework are needed in order to address the identified bottlenecks and complexities. Those include the fact that specific circumstances, practices and needs of certain groups of farmers, such as organic farmers, young farmers, women farmers, mountain-area farmers, small-scale farmers and livestock farmers, are not yet sufficiently taken into account in the CAP Union legal framework, which does not permit Member States to adjust the various instruments to the specific circumstances, practices and needs of those farmers. Also, certain simplification opportunities within the CAP, such as the use of lump-sums or simplified cost options, are underutilised due to complexities in their implementation and management. That can lead to overlapping or ambiguous requirements for farmers, complicate farmers' access to support, and hinder business development opportunities for farmers, such as for young farmers and new farmers. There are also certain rigidities in the rules impacting how Member States manage and amend their CAP Strategic Plans and fulfil their reporting obligations. Finally, the burden of on-farm-visits and checks on both farmers and administrative bodies still needs to be alleviated, in particular by introducing more efficient methodologies for Integrated Administration and Control System (IACS) quality assessments and conditionality controls. Overcoming those bottlenecks, complexities and rigidities would help Member States use the CAP Strategic Plans to maximise opportunities for the benefit of farmers and other beneficiaries of the CAP, reduce administrative burden and complexity, and make better use of scarce resources. In order to maximise the effect of the direct payments granted under the support system established by the CAP legal framework, in particular as regards the fair income and living standards of the farmers, it is important that national measures outside CAP are designed in such a way as to not affect the direct payments negatively.

(5) Article 4(3), point (c), of Regulation (EU) 2021/2115 establishes that, when an agricultural area is used as a grassland and has not been included in the crop rotation of the holding for five years or more, it is to be considered as permanent grassland. However, some farming systems entail crop rotation on arable land where the grasses or other herbaceous forage are not included in the crop rotation for periods longer than five years, but where those areas are ploughed up to remain arable land. As a consequence, farmers in the Member States where such farming systems are applied face difficulties in managing their agronomic rotations and in remaining viable while meeting the requirements for the implementation of GAEC standard 1. In addition, the use of longer crop rotations with grasslands may bring significant benefits in terms of biodiversity and ecosystem services, while allowing farmers greater flexibility in their agronomic management. Therefore, in order to promote such flexible and sustainable agronomic practices for the management of grasslands, it should be possible for Member States to extend the period determining the classification of an area as permanent grassland from five to seven years. Therefore, Article 4(3), point (c), of Regulation (EU) 2021/2115 should be amended accordingly.

(6) However, the automatic conversion of arable land into permanent grassland after a fixed period can create unnecessary regulatory pressure for farmers wishing to keep their land classified as arable land. Therefore, in order to provide greater flexibility, it should be possible for Member States to decide that land classified as arable land on 1 January 2026 remains arable land, even where the period of five or seven years has expired. In such a case, farmers should be given the possibility to opt out from the decision taken by the Member State and to continue applying the rule of conversion of their arable land into permanent grassland after the expiry of the five or seven year period. To ensure consistency and legal certainty, Member States implementing such flexibility should also ensure that their decision does not affect ongoing multiannual environmental commitments undertaken under Article 70 of Regulation (EU) 2021/2115, and that beneficiaries are given the possibility to amend or withdraw accordingly the application referred to in Article 69(1) of Regulation (EU) 2021/2116 in the year following the Member States' decision.

(7) In order to minimise the risk of negative impacts on the single market and international trade of the new crisis payments to farmers following natural disasters, adverse climatic events or catastrophic events in accordance with Article 78a of Regulation (EU) 2021/2115, the interventions under which that Union support is to be granted should be designed by the Member States in such a way that they qualify under the criteria of Annex 2 to the WTO Agreement on Agriculture.

(8) Article 11 of Regulation (EU) 2021/2115 provides for a mechanism for implementation of the memorandum of understanding on oilseeds, including provisions on increases of planned outputs and reduction coefficients to avoid exceeding the maximum support area for the whole Union. That provision needs to be amended to take into account amendments of Article 119 of that Regulation, introduced by this Regulation.

(9) The system of conditionality comprising statutory management requirements (SMR) and GAEC standards aims to contribute to the development of sustainable agriculture through an increased awareness, on the part of beneficiaries, of the need to comply with those basic standards and requirements. It also aims to increase the consistency of the CAP with the environment, public health, plant health and animal welfare objectives pursued by Union law. However, considering that the agricultural area managed by small farmers who benefit from payments under the interventions referred to in Article 28 of Regulation (EU) 2021/2115 is limited, applying the system of conditionality to such small farmers, who manage majority of farms in the Union, yields insufficient benefits compared to significant costs, and imposes an important administrative burden on those farmers and national administrations. To reduce such costs and ease the related administrative burden, it is appropriate to exempt small farmers from the application of the system of conditionality.

(10) The GAEC standards referred to in Article 13 of Regulation (EU) 2021/2115 are part of the conditionality system referred to in Article 12 of that Regulation. They contribute to the mitigation of, and adaptation to, climate change, and to the protection of the environment, including water, soil and biodiversity of ecosystems. The general principles on which organic production pursuant to Article 5 of Regulation (EU) 2018/848 of the European Parliament and of the Council[8] is based include the preservation of natural landscape elements, such as natural heritage sites, and the responsible use of energy and natural resources, such as water, soil, organic matter and air.

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[8] Regulation (EU) 2018/848 of the European Parliament and of the Council of 30 May 2018 on organic production and labelling of organic products and repealing Council Regulation (EC) No 834/2007 (OJ L 150, 14.6.2018, p. 1, ELI: http://data.europa.eu/eli/reg/2018/848/oj).

(11) GAEC standard 1, listed in Annex III to Regulation (EU) 2021/2115, aims to maintain permanent grassland to preserve carbon stock. Points 1.7.3 and 1.9.1.1 of Annex II to Regulation (EU) 2018/848 emphasize the importance of maximizing the use of grazing and pasture, which prevents the conversion of permanent grassland into other land uses, and in line with the main objective of GAEC standard 1 preserves carbon stock in permanent grasslands. GAEC standards 3, 5 and 6, listed in Annex III to Regulation (EU) 2021/2115, aim to maintain soil organic matter, limit erosion, and protect soils during sensitive periods, respectively. Those objectives are already achieved through the tillage and cultivation practices applied in organic plant production, in particular those referred to in point 1.9 of Annex II to Regulation (EU) 2018/848. GAEC standard 4, listed in Annex III to Regulation (EU) 2021/2115, aims to protect water against pollution. Similarly, points 1.5, 1.7, 1.9 and 1.10 of Annex II to Regulation (EU) 2018/848 aim to reduce the risk of water pollution by limiting the use of veterinary medicinal products, restricting the use of fertilisers and pesticides, and restricting stocking density. Experience has shown that organic farming has a positive impact as regards nutrient leaching and run-off, making it less likely that an organic farmer would compromise the quality of water, thereby achieving the main objective of GAEC standard 4. Therefore, given the principles and rules laid down in Regulation (EU) 2018/848 and existing practices under the organic farming systems, farmers certified in accordance with Regulation (EU) 2018/848 should be deemed to comply with GAEC standards 1, 3, 4, 5, 6 and, as is already the case, 7 in relation to their organic production units and in-conversion production units, as defined in Regulation (EU) 2018/848. In order to reduce the administrative burden on the competent authorities of the Member States while striving to apply that possibility of the presumption of compliance with certain GAEC standards in the most appropriate way, it should be possible for Member States to decide that such presumption of compliance only applies where the entire holding of the farmer certified in accordance with Regulation (EU) 2018/848 consists of organic production units or of in-conversion production units as defined in Regulation (EU) 2018/848, or of both such production units.

(12) To improve consistency of requirements for farmers and simplify the setting of the GAEC standards by the Member States, Article 13(1) of Regulation (EU) 2021/2115 should be amended to clarify that Member States may set out the GAEC standards in their CAP Strategic Plans consistently with mandatory national requirements, provided that such national requirements comply with the GAEC standards listed in Annex III to that Regulation. It should, in particular, be clarified that GAEC standards set out in the CAP Strategic Plans do not need to go beyond existing mandatory national requirements, provided that those national requirements comply with GAEC standards listed in Annex III to Regulation (EU) 2021/2115, in particular with the main objectives of those GAEC standards.

(13) Article 13(2a) of Regulation (EU) 2021/2115 should be amended to enable Member States, when implementing the GAEC standards, to provide for temporary derogations from the requirements of minimum standards also in the case of plant diseases or pest infestations, which prevent farmers from complying with those requirements in a given year.

(14) GAEC standard 9 imposes a ban on converting or ploughing permanent grasslands designated as environmentally sensitive in Natura 2000 sites. Experience has, however, shown that there could be exceptional situations where such environmentally sensitive permanent grassland is damaged, for instance by invasive species, and appropriate measures to address such situations, including exceptions to the ban on ploughing of the areas concerned in order to restore such permanent grassland, could be necessary to ensure that the GAEC standard 9 requirements contribute to the protection of habitats and species. In line with the simplification objective, Member States could in particular make use of their existing control systems in Natura 2000 sites on the basis of a risk analysis. Furthermore, Member States could use mandatory requirements established in the Natura 2000 management plans, provided that those requirements comply with GAEC standard 9 listed in Annex III to Regulation (EU) 2021/2115.

(15) Article 19 of Regulation (EU) 2021/2115 allows Member States to retain up to 3 % of the direct payments to be paid to a farmer to support the farmers' contribution to a risk management tool. A Member State deciding to make use of that option has to apply it to all beneficiaries of direct payments in a given year. Experience shows that only very few Member States make use of that option. Discussions with the Member States have shown that the lack of risk management tools, whether set up by Member States or available through private insurance, available for all farmers receiving direct payments, is an obstacle to the implementation of that Article. In order to increase the uptake and use of that option, it is necessary to amend that Article 19 so that its implementation is more flexible and to adapt it to the existing risk management tools in Member States. As a result of that amendment, Member States deciding to use the option to retain up to 3 % of the direct payments to be paid to a farmer as farmers' contribution to risk management tools should be able to decide whether it applies to all farmers receiving direct payments in a given year, or whether it applies to the farmers for whom a risk management tool exists in a given year, on the condition that their decision corresponds to the risk management tools in place.

(16) The simplified payment scheme designed by Member States for small farmers under Article 28 of Regulation (EU) 2021/2115 reduces the complexity of the application process for income support, both for small farmers and for administrations. In order to enhance its attractiveness and encourage a larger number of small farmers to benefit from that scheme, the maximum amount that can be received under that scheme should be increased. In order to foster the participation of small farmers who benefit from the payments referred to in that Article in the eco-schemes referred to in Article 31 of that Regulation, Member States should have the possibility to exclude payments received by those farmers under the eco-schemes from the maximum amount of payment referred to in Article 28 of that Regulation.

(17) Where a Member State decides pursuant to Article 28, second paragraph, of Regulation (EU) 2021/2115 that the payment to small farmers referred to in Article 28, first paragraph of that Regulation, is not to replace support for eco-schemes established in accordance with Article 31 of that Regulation, the eco-schemes should continue to comply with all requirements laid down in Article 31(5) of that Regulation. That principle should also be respected as regards interventions under Article 70 of that Regulation in respect of farmers receiving payments referred to in Article 28 of that Regulation. In order to ensure compliance with the general principle that payments are only provided for commitments going beyond the conditionality requirements, and to safeguard the ambition of the interventions, which form part of the environmental and climate architecture of the CAP, farmers receiving payments referred to in Article 28 of that Regulation should only receive payments under eco-schemes referred to in Article 31 of that Regulation or payments under interventions referred to in Article 70 of that Regulation if they comply with the conditions laid down in Article 31(5), first subparagraph, point (a), of that Regulation or the conditions laid down in Article 70(3), first subparagraph, point (a), of that Regulation.

(18) To ensure that the impact on the financial and economic situation of the farmers concerned is kept limited when Member States increase the delivery of environmental, climate, animal welfare and anti-microbial resistance objectives by maintaining or adopting national legislation that goes beyond the corresponding minimum requirements laid down in Union law, Article 31(5) of Regulation (EU) 2021/2115 needs to be amended. Such amendment should allow Member States to grant support for commitments contributing to compliance with mandatory requirements imposed by national law going beyond the minimum requirements laid down in Union law, irrespective whether they are newly imposed or exist already. Furthermore, lifting the limitation of the period during which support may be granted for commitments under eco-schemes would simplify the management of the eco-schemes for Member States. It would reduce the need for modifications of eco-schemes in the CAP Strategic Plans during this programming period due to changes of such national legislation or due to the expiry of the 24 months period during which it is possible to grant support for commitments contributing to compliance with such national legislation.

(19) GAEC standard 2, listed in Annex III to Regulation (EU) 2021/2115, aims to protect carbon-rich soils. GAEC standard 9, listed in Annex III to Regulation (EU) 2021/2115, aims to protect habitats and species through a ban on converting or ploughing permanent grassland designated as environmentally-sensitive permanent grasslands in Natura 2000 sites. Experience has shown that, while guaranteeing the protection of carbon-rich soils and environmentally-sensitive permanent grasslands in Natura 2000 sites, respectively, the requirements set out in the CAP Strategic Plans under GAEC standards 2 and 9 have created challenges for farmers and Member States, particularly as regards the economic viability of the farmers concerned. Compliance with certain requirements established under GAEC standards 2 and 9, such as those involving production limitation or a ban on converting or ploughing environmentally-sensitive permanent grasslands in Natura 2000 sites, can be costly for farmers or significantly limit their capacity to change or adjust the use of their land. Moreover, GAEC standards 2 and 9 impact farmers in some Member States more than in others due to the varying proportions of wetlands and peatlands or environmentally-sensitive permanent grasslands in Natura 2000 sites within their territories. While maintaining the existing requirements under GAEC standards 2 and 9, where appropriate, set out consistently with mandatory national requirements, as introduced by this Regulation, it should be possible to compensate farmers for the compliance with the obligations resulting from those standards. It should, therefore, be possible for Member States to exclude GAEC standards 2 and 9 from the requirement laid down in Article 31(5), point (a), of that Regulation. This should enable Member States to provide support in their CAP Strategic Plans under the eco-schemes referred to in Article 31 of that Regulation in order for active farmers concerned by GAEC standards 2 or 9 to meet the requirements of those standards while maintaining a high level of protection of wetlands and peatlands, in particular the carbon sequestration potential of those areas, and a high level of protection of environmentally-sensitive permanent grasslands in Natura 2000 sites, respectively.

(20) In order to enable support for organic farming methods for livestock as a part of the eco-schemes referred to in Article 31 of Regulation (EU) 2021/2115, it should be possible for Member States to decide that support granted to commitments related to the conversion or maintenance of organic farming practices and methods in accordance with Regulation (EU) 2018/848 is to take the form of an annual payment for livestock units. It should also be clarified that support for commitments improving farming practices related to apiculture may be granted in the form of annual payment for beehives as this will simplify the calculation of payments for those commitments. To ensure coherence of the definitions used in the CAP Strategic Plans, 'beehive' for the purposes of granting support under eco-schemes referred to in Article 31 of Regulation (EU) 2021/2115 should mean 'beehive' as defined in the delegated act referred to in Article 56, point (b), of that Regulation.

(21) Article 48 of Regulation (EU) 2021/2115 should be amended to delete the reference to annual performance clearance, in view of the deletion of that procedure from Regulation (EU) 2021/2116 by this Regulation.

(22) Producer organisations and associations of producer organisations in the fruit and vegetables sector play an important role in reinforcing the position of farmers in the supply chain. Support from the CAP to those organisations is of critical importance in addressing specific issues and sectoral objectives or rewarding beneficial practices. It is, therefore, appropriate to allow producer organisations and associations of producer organisations that implement, in their operational programmes, one or more sectoral interventions linked to any of the objectives referred to in Article 46, point (d), (e), (f), (h), (i) or (j), of Regulation (EU) 2021/2115 to benefit from the increased limit for Union financial assistance referred to in Article 52(2) of that Regulation, provided that the amount in excess of the limits laid down in Article 52(2), first subparagraph, of that Regulation is spent solely on financing those sectoral interventions.

(23) Article 69 of Regulation (EU) 2021/2115 should be amended to align the title of the type of intervention for rural development referred to in point (e) of that Article with the amendments of Article 75 of that Regulation and to include the title of the new type of intervention referred to in Article 78a of that Regulation.

(24) To ensure that the impact on the financial and economic situation of the farmers concerned is kept limited when Member States increase the delivery of environmental, climate, animal welfare and anti-microbial resistance objectives by maintaining or adopting national legislation that goes beyond the corresponding minimum requirements laid down in Union law, Article 70(3) of Regulation (EU) 2021/2115 needs to be amended. Such amendment should allow Member States to grant support for commitments contributing to compliance with mandatory requirements imposed by national law going beyond the minimum requirements laid down in Union law, irrespective whether they are newly imposed or exist already. Furthermore, lifting the limitation of the period during which support may be granted for agri-environment-climate commitments would simplify the management of those commitments for Member States. It would reduce the need for modifications of those interventions in the CAP Strategic Plans during this programming period due to changes of such national legislation or due to the expiry of the 24 months period during which it is possible to grant support for commitments contributing to compliance with such national legislation.

(25) Experience has shown that the requirements set out in the CAP Strategic Plans under the GAEC standards 2 and 9 have created significant challenges for farmers and Member States, particularly as regards the economic viability of the farmers concerned, while guaranteeing the protection of carbon-rich soils and environmentally-sensitive permanent grasslands in Natura 2000 sites, respectively. Compliance with certain requirements established under GAEC standards 2 and 9, such as those involving production limitation or ban on converting or ploughing environmentally-sensitive permanent grasslands in Natura 2000 sites, could be costly for farmers or significantly limit their capacity to change or adjust the use of their land. Moreover, GAEC standards 2 and 9 impact farmers in some Member States more that in others due to the varying proportions of wetlands and peatlands or environmentally-sensitive permanent grasslands in Natura 2000 sites within their territories. While maintaining the existing requirements under GAEC standards 2 and 9, where appropriate, set out consistently with mandatory national requirements, as introduced by this Regulation, it should be possible to compensate farmers for the compliance with the obligations resulting from those standards. It should, therefore, be possible for Member States to exclude GAEC standards 2 and 9 from the requirement laid down in Article 70(3), point (a), of Regulation (EU) 2021/2115 for interventions based on Article 70 of that Regulation. That should enable Member States to provide in their CAP Strategic Plans support under interventions referred to in Article 70 of that Regulation in order for farmers and other beneficiaries concerned by GAEC standards 2 and 9 to meet the requirements of those standards while maintaining a high level of protection of wetlands and peatlands, in particular the carbon sequestration potential of these areas, and a high level of protection of environmentally-sensitive permanent grasslands in Natura 2000 sites, respectively.

(26) Pursuant to Article 70(8) of Regulation (EU) 2021/2115, Member States are to establish payments for agri-environment-climate commitments or commitments to convert to or maintain organic farming practices and methods as payments per hectare only. In order to ensure consistency with support under the eco-schemes referred to in Article 31 of that Regulation, it should be possible for Member States, in duly justified cases, to grant support for such commitments in the form of a payment per livestock unit. In order to facilitate activities beneficial for the environment in the case of beekeeping, it should be possible to grant support for agri-environment-climate commitments or commitments to convert to or maintain organic farming in the form of a payment per beehive. To ensure coherence of the definitions used in the CAP Strategic Plans, 'beehive' for the purposes of granting support for those commitments should mean 'beehive' as defined in the delegated act referred to in Article 56, point (b), of Regulation (EU) 2021/2115.

(27) Article 72(5) of Regulation (EU) 2021/2115 lays down rules concerning the calculation of payments for area-specific disadvantages to compensate for the additional costs and income foregone resulting from compliance with certain mandatory requirements that go beyond the relevant GAEC standards. It does not grant payments for area-specific disadvantages resulting from the relevant GAEC standards. However, compliance with certain requirements established under GAEC standard 2 can be costly for farmers as they involve production limitations due to significant land use restrictions. In order to integrate costs related to the compliance with GAEC standard 2 in the calculation of payments for area-specific disadvantages resulting from compliance with certain mandatory requirements, it should be possible for Member States to include in such calculations disadvantages resulting from the requirements of that GAEC standard.

(28) To ensure that farmers have more time and flexibility to adjust to new requirements of Union law in an increasingly challenging context of geopolitical tensions, structural challenges and economic difficulties related, inter alia, to high energy prices and high input prices, Article 73(5) of Regulation (EU) 2021/2115 should be amended. Such amendment should extend the period during which support can be granted for investments contributing to compliance with such new requirements from 24 to 36 months from the date on which those new requirements become mandatory for the holding.

(29) The Union's farming sector faces demographic difficulties with an ageing workforce. While attracting young farmers is key to ensuring a sustainable future for agriculture, the creation and development of new economic activity in the agricultural sector by young farmers is financially challenging. In order to further facilitate their setting up for the first time, the eligibility period for investments to comply with new Union standards should be extended for young farmers.

(30) To strengthen the competitiveness and sustainability of the Union food system, significant investments and development of businesses are needed. The development of small farms, which are facing particular challenges and are potentially economically viable, should be particularly encouraged. At the same time, there is a need to simplify the implementation of support for small farms to minimise the administrative burden. To address those needs, it is appropriate to amend Article 75 of Regulation (EU) 2021/2115 to include the business development of small farms among the interventions that Member States are able to support, and to provide for a lump sum support of EUR 75 000 for that intervention. For reasons of consistency, Member States should use the same definition of small farms for investments pursuant to Article 73(4), point (b), of that Regulation and for business development pursuant to Article 75 of that Regulation.

(31) Risk management interventions are very useful in making farmers more resilient and should, therefore, be encouraged. However, experience has shown that current rules are too rigid for that type of intervention to be used to its full potential. In particular, it appears that the current formula for the calculation of losses is not adapted to the specific situation of certain beneficiaries, such as young farmers, to areas with permanent crops or to other justified cases for which the calculation formula of losses is not appropriate. To increase the use and uptake of risk management tools under Article 76 of Regulation (EU) 2021/2115, Member States should have more flexibility for calculating the losses for such beneficiaries or crops, enabling them to take into account their specific situations.

(32) In order to efficiently support farmers whose production was damaged by natural disasters, adverse climatic events or other catastrophic events, such as epizootic outbreaks and outbreaks of quarantine pests, Member States should be able to provide crisis payments through rural development interventions. Such types of support should offer Member States sufficient flexibility in planning the interventions. When calculating the loss of production to be compensated, the Member States should be able to use indexes and take into account recent price developments in order for the calculation to reflect the actual market value. In order to ensure sound financial management of the Union funds, Member States should ensure that the total compensation received by the farmer, in combination with other forms of Union or national support including additional national financing, and financing from private insurance or other risk management schemes, does not lead to overcompensation or double funding.

(33) Article 79(1) of Regulation (EU) 2021/2115 lays down the rules concerning the laying down, by managing authorities, of selection criteria for interventions relating to certain types of intervention. The list of types of intervention for which Member States are to use the selection criteria should be amended to take into account the amendments to the types of intervention referred to in Article 75 of that Regulation.

(34) Article 80 of Regulation (EU) 2021/2015 lays down the rules and principles for implementing financial instruments in the CAP. Article 80(2) of that Regulation ensures consistency with Regulation (EU) 2021/1060 of the European Parliament and of the Council[9] concerning financial instruments. To further strengthen synergies in the implementation and control between CAP financial instruments and the other financial instruments governed by Regulation (EU) 2021/1060, Article 80 of Regulation (EU) 2021/2115 should be amended to ensure that the requirements regarding the audit trail for financial instruments are the same in Regulation (EU) 2021/2115 and in Regulation (EU) 2021/1060.

(35) Article 80(3) of Regulation (EU) 2021/2115 sets out the maximum applicable gross grant equivalent ceiling when financial instruments support activities falling within the scope of Article 42 of the Treaty on the Functioning of the European Union (TFEU). To ensure alignment with the newly introduced changes in the general state aid regime under Article 3(2) of Commission Regulation (EU) 2023/2831[10], the ceiling needs to be increased accordingly. Furthermore, the reference period should be changed from fiscal years to years to align with Article 3(2) of Regulation (EU) 2023/2831. As regards support for working capital for activities outside the scope of Article 42 TFEU, general state aid rules should continue to apply.

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[9] Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159, ELI: http://data.europa.eu/eli/reg/2021/1060/oj).

[10] Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (OJ L, 2023/2831, 15.12.2023, ELI: http://data.europa.eu/eli/reg/2023/2831/oj).

(36) Article 80(5) of Regulation (EU) 2021/2115 defines the eligibility of expenditure when support is provided through financial instruments. To ensure clarity and equal treatment under all financial instruments governed by Regulation (EU) 2021/1060, Article 80(5) of Regulation (EU) 2021/2115 should be amended to set out the eligibility rules with regard to value-added tax (VAT).

(37) Article 81 of Regulation (EU) 2021/2115 lays down the rules and conditions for transfers by Member States of EAFRD allocations to InvestEU Programme established by Regulation (EU) 2021/523 of the European Parliament and of the Council[11]. To ensure the greatest possible uptake of newly introduced possibilities under Article 10a(4) of Regulation (EU) 2021/523, Article 81 of Regulation (EU) 2021/2115 should be amended.

(38) Article 83 of Regulation (EU) 2021/2115 lays down the rules for calculating and applying simplified cost options. To simplify and boost the implementation of investments and other rural development interventions and to increase the use of simplified cost options, it should be possible to use the calculation methods established under Regulation (EU) 2021/1060 without the need to provide further justifications.

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[11] Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30, ELI: http://data.europa.eu/eli/reg/2021/523/oj).

(39) Article 86(2) and (3) of Regulation (EU) 2021/2115 lays down rules on the eligibility of expenditure resulting from amendments of CAP Strategic Plans for contribution from the EAGF and the EAFRD, respectively. To simplify the rules on eligibility of expenditure, to improve synergies between the EAGF and the EAFRD and to increase the flexibility for the Member States to determine the date of effect of the EAGF-related amendments of CAP Strategic Plans, it is appropriate to allow the expenditure resulting from an approved strategic amendment of a CAP Strategic Plan for EAGF contribution to be eligible from the date of effect of the amendment set by the Member State concerned in accordance with Article 119(8) of that Regulation, but not earlier than from the date of submission to the Commission of the request for amendment. For other amendments of CAP Strategic Plans related to the EAGF, the expenditure should be eligible for contribution from the EAGF from the date of notification of the amendment to the Commission, as laid down in Article 119(9) of Regulation (EU) 2021/2115, as amended by this Regulation.

(40) For the purpose of ensuring adequate financing for the new type of intervention for crisis payments to farmers following natural disasters, adverse climatic events or catastrophic events, Member States should be able to reserve a certain share of EAFRD funding for that type of intervention. However, with a view of ensuring that sufficient financing remains available to cover the other CAP priorities, that share should be limited to a maximum annual amount available per Member State corresponding to 3 % of the combined total of the direct payments and the EAFRD funding per year.

(41) Due to its special nature, the new type of intervention for crisis payments to farmers following natural disasters, adverse climatic events or catastrophic events should be exempt from the obligation to contribute to the result indicators listed in Annex I to Regulation (EU) 2021/2115.

(42) It is appropriate to allow Member States with outermost regions to transfer a part of the amount of the pre-allocated envelope for rural development dedicated to outermost regions in favour of financing measures through the Programmes of Options Specifically Relating to Remoteness and Insularity (the 'POSEI programmes'). Such flexibility should increase the maximum financial allocations set out in Regulation (EU) No 228/2013 of the European Parliament and of the Council[12] for POSEI programmes for the amount transferred to these programmes from rural development envelope.

[12] Regulation (EU) No 228/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in the outermost regions of the Union and repealing Council Regulation (EC) No 247/2006 (OJ L 78, 20.3.2013, p. 23, ELI: http://data.europa.eu/eli/reg/2013/228/oj).

(43) Article 119(4) of Regulation (EU) 2021/2115 provides for approval by the Commission of requests for amendments of CAP Strategic Plans submitted by Member States. Article 119(9) of that Regulation enables Member States to make and apply modifications to the elements of their CAP Strategic Plans pertaining to interventions referred to in Title III, Chapter IV, of that Regulation. Those modifications are included in the next request for amendment of the CAP Strategic Plans to be approved by the Commission. Experience has shown that, even where they do not change the strategic orientation of the CAP Strategic Plans, the amendments often contain numerous technical elements that render them complex and onerous for Member States, and result in delays in the approval procedures. This interferes with the timely and effective adaptation of CAP Strategic Plans to the changing economic realities and to the needs of farmers and other beneficiaries in Member States and negatively impacts the implementation of those CAP Strategic Plans. To simplify and improve the efficiency of amendment procedures, in particular regarding elements of the CAP Strategic Plans that are not of strategic nature, approval by the Commission should be required only for strategic amendments of CAP Strategic Plans. For that purpose, strategic amendments should be defined in Regulation (EU) 2021/2115 as amendments of important elements of the CAP Strategic Plans that significantly impact the strategy and intervention logic of those plans, including transfers of financial allocations between the EAFRD and the EAGF, maximum and minimum financial allocations, and changes to target and financial plans. Member States should be able to make and apply all other amendments to their CAP Strategic Plans upon notifying them to the Commission. Those amendments should not be subject to the Commission approval.

(44) To ensure compatibility of the CAP Strategic Plans with the Union CAP legal framework, the Commission should have the power to object to notified amendments where it considers that those amendments are not compatible with Regulation (EU) 2021/2115 or Regulation (EU) 2021/2116 or the delegated and implementing acts adopted pursuant to them. To ensure legal certainty for farmers and other beneficiaries, the Member States should upon receipt of a Commission objection to a notified amendment not apply that amendment and remove such amendment from the amended CAP Strategic Plan submitted to the Commission. Expenditure related to such amendments should also not be eligible for a contribution from the EAFG or the EAFRD. The experience shows that Member States may notify complex and numerous amendments to their CAP Strategic Plans. The Commission should therefore have a reasonable period of time to assess the notified amendments and, where necessary, to object to them. Member States should have the possibility to submit amendments to which Commission made objections for approval as a part of a request for strategic amendment referred to in Article 119(2) of Regulation (EU) 2021/2115, as amended by this Regulation. That should ensure that those amendments only take legal effect if they comply with Regulation (EU) 2021/2115 and Regulation (EU) 2021/2116, as well as delegated and implementing acts adopted pursuant to them.

(45) Article 119(8), third subparagraph, of Regulation (EU) 2021/2115 provides that Member States are to determine a date of effect for amendments of CAP Strategic Plans related to the EAGF. Such date should be later than the date of approval of the request for amendment by the Commission. To increase the flexibility for the Member States in setting the dates of effect for EAGF-related strategic amendments of CAP Strategic Plans and to increase synergies between the rules applicable to EAGF-related strategic amendments of CAP Strategic Plans and EAFRD-related amendments of CAP Strategic Plans, it should be possible for Member States to set the date of effect of strategic amendments of CAP Strategic Plans between the date of the submission to the Commission of the request for strategic amendment referred to in Article 119(2) of Regulation (EU) 2021/2115, as amended by this Regulation, and the date of approval of such request by the Commission.

(46) Article 120 of Regulation (EU) 2021/2115 ensures that the CAP Strategic Plans are updated to reflect amendments made to the legislative acts listed in Annex XIII to that Regulation concerning the environment and climate to which the CAP Strategic Plans should contribute and with which they should be consistent. For that purpose, Member States are to assess whether their CAP Strategic Plans should be amended, and, where necessary, should submit a request for amendment, where any of the legislative acts is modified. In order to avoid unnecessary administrative processes in the late phase of implementation of CAP Strategic Plans, Article 120 of Regulation (EU) 2021/2115 should be deleted.

(47) Article 122 of Regulation (EU) 2021/2115 should be amended to reflect the amendments of Article 119 of that Regulation, introduced by this Regulation.

(48) Article 124(4) of Regulation (EU) 2021/2115 should be amended to enable the monitoring committee to give its opinion on the date of effect of all EAGF-related amendments in order to ensure that farmers and beneficiaries have sufficient time to take the proposed amendments into account.

(49) Article 134 of Regulation (EU) 2021/2115 sets out requirements on the content of and procedure applicable to annual performance reports, which are a basis for annual performance clearance referred to in Article 54 of Regulation (EU) 2021/2116. In view of this Regulation's deletion from Regulation (EU) 2021/2116 of the annual performance clearance procedure, those requirements should be modified. Such modification should include deletion of information required solely for the purposes of that procedure, such as information on realised unit amounts and justifications to be provided by Member States where the realised unit amounts exceed the corresponding planned unit amounts set out in the CAP Strategic Plans.

(50) Article 134(7) of Regulation (EU) 2021/2115 needs to be clarified to strengthen the link between the annual performance report and the biennial performance review referred to in Article 135 of that Regulation, as regards the inclusion in the annual performance report of justifications for shortfalls from milestones for the purposes of biennial performance review.

(51) Pursuant to Article 134(13) of Regulation (EU) 2021/2115, the Commission may make observations on an admissible annual performance report within one month from its submission. Experience has shown that the assessment of the admissibility of the annual performance report pursuant to Article 134(3) of that Regulation and a comprehensive assessment of the submitted annual performance report itself cannot be carried out in parallel with one another. It is, therefore, necessary to amend the date from which the time limit for sending observations, referred to in Article 134(13) of that Regulation, is calculated, to the date on which the annual performance report becomes admissible, in accordance with Article 134(3) of that Regulation.

(52) Pursuant to Article 159 of Regulation (EU) 2021/2115, by 31 December 2025, the Commission is to review the list of legislative acts in Annex XIII to that Regulation and, where appropriate, make legislative proposals to add additional legislative acts to that Annex. In view of the deletion of Article 120 of that Regulation, Article 159 of that Regulation should also be deleted by this Regulation to ensure the coherence of CAP Strategic Plans and to avoid disrupting the implementation of CAP Strategic Plans by national authorities, farmers and other beneficiaries.

(53) Annex I to Regulation (EU) 2021/2115 sets out impact indicators, result indicators and output indicators pursuant to Article 7 of that Regulation. The table ‘Annual performance clearance – OUTPUT – Types of intervention and their output indicators’ in Annex I to that Regulation should be replaced to introduce output indicators linked with the newly introduced type of intervention and the amended types of intervention and to take into account the deletion by this Regulation of the annual performance clearance provided for in Article 54 of Regulation (EU) 2021/2116.

(54) Annex II to Regulation (EU) 2021/2115 lists the relevant paragraphs of Annex 2 to the WTO Agreement on Agriculture for each type of intervention of that Regulation. The newly introduced type of intervention for crisis payments to farmers following natural disasters, adverse climatic events or catastrophic events should therefore be included in that Annex II.

(55) GAEC standard 1, listed in Annex III to Regulation (EU) 2021/2115, aims to maintain permanent grasslands in order to preserve carbon stock based on a ratio of permanent grassland in relation to agricultural area at national, regional, subregional, group-of-holdings or holding level in comparison to the reference year 2018, with a maximum decrease of 5 % compared to the reference year. Structural changes to farms that might occur during the programming period 2023-2027, in particular in the livestock sector, could be accompanied by rapid changes in land use at the farm level, in particular to mitigate the impacts of climate change on feed and fodder availability. Such structural changes might, however, only show up in the available data after a delay. Such evolution of structural changes to farms could lead to variations in the annual ratio of permanent grasslands compared to the reference year 2018. In view of these variations and with a view to facilitating the implementation of GAEC standard 1, the maximum percentage of the decrease of the ratio of permanent grassland compared to the reference year 2018 should be increased to 10 % in order to enable the Member States to take into account the developments during the programming period 2023-2027 and needs of farms, in particular in the livestock sector.

(56) GAEC standard 4, listed in Annex III to Regulation (EU) 2021/2115, aims to protect river courses against pollution and run-off by the establishment of buffer strips along water courses. Experience has shown that, for the purposes of this GAEC standard, Member States should have the possibility to align the definition of water course with the definition of water course established by Member States in national legislation, including national legislation implementing Union law, which is part of SMR listed in Annex III to that Regulation. The definition of water course used by the Member States for the purposes of GAEC standard 4 should, however, be in line with the main objective of that GAEC standard, in particular the objective of reducing the risk of excluding smaller water courses that could carry pollution downstream from the scope of that GAEC standard.

(57) Article 21(1) setting out rules on monthly payments, and Article 32(8) of Regulation (EU) 2021/2116 setting out rules on interim payments, should be amended to take into account the deletion by this Regulation of the annual performance clearance provided for in Article 54 of that Regulation. Moreover, Article 21(2) of Regulation (EU) 2021/2116 should be also amended in order to ensure that, following the amendments introduced by this Regulation in Article 86(2) and Article 119(8) of Regulation (EU) 2021/2115, expenditure that becomes eligible for EAGF contribution from a date of effect preceding the approval of the amendment by the Commission but following the date of submission to the Commission of the request for amendment, is declared to the Commission only after the approval of the amendment by the Commission in accordance with Article 119(10) of Regulation (EU) 2021/2115. To this end, it should be possible to declare expenditure that cannot be declared in the month concerned due to a pending approval of an amendment in the subsequent months of the same financial year or, at the latest, in the annual accounts of that financial year to be sent to the Commission by 15 February of the year following that financial year. When determining the date of effect of an amendment and in order to ensure that any expenditure resulting from the amendment already paid to beneficiaries can be still declared within the respective financial year, Member States should take into account the time limits for the approval procedure laid down in Article 119 of Regulation (EU) 2021/2115.

(58) Article 40 of Regulation (EU) 2021/2116 on suspension of payments in relation to the annual performance clearance needs to be amended to take into account the deletion by this Regulation of the annual performance clearance provided for in Article 54 of that Regulation.

(59) Article 44(2) of Regulation (EU) 2021/2116 provides that Member States may pay advances of up to 50 % for interventions in the form of direct payments and for the measures referred to in Chapter IV of Regulation (EU) No 228/2013 of the European Parliament and of the Council[13] and in Chapter IV of Regulation (EU) No 229/2013 of the European Parliament and of the Council[14] and advances of up to 75 % for area-based and animal-based rural development interventions under Regulation (EU) 2021/2115. Article 44(6) of Regulation (EU) 2021/2116 provides that at the request of a Member State, in the event of an emergency, the Commission is to adopt, where appropriate, implementing acts derogating from Article 44(2) of that Regulation to the extent and for such period as is strictly necessary. For each of the years in the current programming period, that means the years2023, 2024 and 2025, Member States have requested derogations from Article 44(2) of Regulation (EU) 2021/2116 to allow for a higher rate of advance payments. The reasons for those derogations have been broad, including military conflict in Europe and the Middle East, adverse weather conditions and exceptional climatic events, and unforeseen rises in input prices and inflation for farmers, coupled with relatively low prices of agricultural commodities. As those additional pressures are unlikely to be resolved in the year 2026 or 2027, it is appropriate, for reasons of simplification, to change permanently the maximum rates for advance payments in Regulation (EU) 2021/2116, so as to allow the higher rate to be paid for the remainder of the current programming period.

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[13] Regulation (EU) No 228/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in the outermost regions of the Union and repealing Council Regulation (EC) No 247/2006 (OJ L 78, 20.3.2013, p. 23, ELI: http://data.europa.eu/eli/reg/2013/228/oj).

[14] Regulation (EU) No 229/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in favour of the smaller Aegean islands and repealing Council Regulation (EC) No 1405/2006 (OJ L 78, 20.3.2013, p. 41, ELI: http://data.europa.eu/eli/reg/2013/229/oj).

(60) Article 53 of Regulation (EU) 2021/2116 provides that based on the information referred to in Article 9(3), first subparagraph, points (a) and (d), of that Regulation, the Commission is to adopt implementing acts containing its decision on the clearance of the accounts of the accredited paying agencies for the expenditure referred to in Article 5(2) and Article 6 of that Regulation. Article 53 of Regulation (EU) 2021/2116 should be amended to take into account the deletion by this Regulation of the annual performance clearance provided for in Article 54 of Regulation (EU) 2021/2116.

(61) Article 54 of Regulation (EU) 2021/2116 provides that where the expenditure referred to in Article 5(2) and Article 6 of that Regulation and corresponding to the interventions referred to in Title III of Regulation (EU) 2021/2115 does not have a corresponding output as reported in the annual performance report referred to in Article 9(3) and Article 10 of Regulation (EU) 2021/2116 and in Article 134 of Regulation (EU) 2021/2115, the Commission is to adopt implementing acts prior to 15 October of the year following the relevant budgetary year determining the amounts to be reduced from Union financing. The experience gained from the first year of implementation of the annual performance clearance exercise, and from the preparation of the second-year exercise shows that Member States bear a disproportionate administrative burden in the preparation of, and provision of the necessary information for, the annual performance report as well as during the annual performance clearance. To alleviate the administrative burden on Member States, the annual performance clearance provided for in Article 54 of Regulation (EU) 2021/2116 should be deleted. The requirement that expenditure effected by paying agencies is to be matched by a corresponding output, laid down in Article 37(1), point (b)(i), of that Regulation, is covered by the conformity procedure referred to in Article 55 of that Regulation.

(62) The requirement that expenditure is to be effected in accordance with the applicable governance systems, laid down in Article 37(1), point (b)(ii), of Regulation (EU) 2021/2116, is controlled by the paying agencies, and afterwards verified by certification bodies on an annual basis, and by the Commission in the form of reviews of the certification body's opinions and reports and as a part of follows up on the findings, as well as during conformity procedures referred to in Article 55 of that Regulation. Those procedures provide the necessary assurance that realised outputs are achieved in compliance with Union law. Together with the biennial performance review referred to in Article 135 of Regulation (EU) 2021/2115, those procedures also ensure that Member States achieve the milestones and targets referred to in Article 109(1), point (a), of that Regulation, set by them as a part of their performance systems in the CAP Strategic Plans. Article 54 of Regulation (EU) 2021/2116 should therefore be deleted.

(63) Further alignment of CAP financial instruments and the financial instruments of other policies under shared management needs to be achieved in the context of irregularities and financial corrections, when bodies implementing financial instruments demonstrate the fulfilment of a set of cumulative conditions. Therefore, Article 57 of Regulation (EU) 2021/2116 should be amended to ensure consistency with Article 103(6) of Regulation (EU) 2021/1060.

(64) Farmers have repeatedly complained of the pressure caused by having to undergo multiple checks throughout the year. Member States already have the possibility to group several checks into a single field visit. In order to reduce the number of field visits per farm and thereby alleviate the administrative burden on beneficiaries, where possible, Member States should not select a beneficiary that has already been selected for an on-the-spot check for that year, except when the circumstances require a further check to ensure the protection of the financial interests of the Union. In addition, that reduction should not reduce the level of checks. For that purpose, Article 60(1) of Regulation (EU) 2021/2116 should be amended accordingly.

(65) Article 67(1) of Regulation (EU) 2021/2116 should be amended in order to delete the reference to annual performance clearance referred to in Article 54 of that Regulation.

(66) The experience gained shows that the quality assessments of the identification system for agricultural parcels (LPIS), the geo-spatial application system (GSA) and the area monitoring system (AMS) should be merged. Since those systems are intrinsically linked, assessing the quality of one system without considering the impact on the others is challenging. Moreover, by merging the quality assessments of those systems Member States administrations would benefit from a reduced workload related to the inspection procedures and the reporting obligations. Additionally, when needed, Member States would have the advantage of proposing a single remedial action encompassing those three systems, thereby increasing their efficiency. For that purpose, a new article should be inserted in Regulation (EU) 2021/2116 and the relevant references should be amended accordingly.

(67) Based on the first years of implementation, it appears redundant to carry out on-the-spot checks on interventions that are monitored by Copernicus Sentinels satellite data or other data with at least equivalent value, entailing an unjustified burden for the Member States and farmers. Therefore, for those eligibility conditions, Member States should not be obliged to carry out on-the-spot checks, including those executed remotely through the use of technology. To that end, Article 72 of Regulation (EU) 2021/2116 should be amended accordingly.

(68) Experience gained in the application of the conditionality control system, including through conformity procedures, has shown that certain conditions are unnecessarily rigid and place an undue burden on Member States, without necessarily enhancing the protection of Union funds. To streamline the control system and reduce the administrative burden while maintaining its effectiveness in verifying compliance with conditionality requirements, Member States should be granted greater flexibility in designing their control systems. To that end, the requirement for a yearly review of the control system should be deleted and the factors to be considered in the risk analysis should be left to the discretion of Member States.

(69) Regulation (EU) 2024/1468 amended Articles 83 and 84 of Regulation (EU) 2021/2116 to lessen the burden on small farmers and national administrations related to conditionality controls and penalties. Specifically, it exempts farmers with a maximum size of holding not exceeding 10 hectares of agricultural area declared in accordance with Article 69(1) of Regulation (EU) 2021/2116 from conditionality controls and from the application of administrative penalties for non-compliance with conditionality requirements. However, the geo-spatial application referred to in Article 69(1) of Regulation (EU) 2021/2116 includes areas other than the agricultural area and there are technical constraints to calculating the agricultural areas, since some of the elements and landscape features might be omitted from the measurements or might vary in size over time. Therefore, the exemptions should be based on the area eligible for the payments and the support relevant for the conditionality.

(70) Furthermore, small beneficiaries other than farmers, such as land managers, may not benefit from the exemptions from conditionality controls and penalties. However, the administrative burden linked to the controls and the application of penalties for those conditionality requirements provided for in Regulation (EU) 2021/2116 could also be disproportionately high for those beneficiaries. Likewise, since the area managed by those beneficiaries is limited and penalties are in general low for small beneficiaries, the application of penalties could also lead to disproportionate burden for Member States' administrations. Therefore, small beneficiaries other than farmers should also be exempt from conditionality controls and from the application of administrative penalties for conditionality requirements. Nevertheless, it is important for the CAP to continue to contribute to the environmental objectives set out in Article 6(1), points (d), (e) and (f), of Regulation (EU) 2021/2115 through conditionality requirements and to ensure the stability of those requirements as the common baseline for Member States and beneficiaries. The conditionality requirements should therefore continue to apply to all beneficiaries listed in Article 83(1) of Regulation (EU) 2021/2116.

(71) The administrative burden linked to the controls for GAEC standard 7 requirements provided for in Regulation (EU) 2021/2116 can be disproportionately high for smaller farmers and national administrations. Therefore, the burden for smaller farmers and national administrations linked to the controls provided for in Regulation (EU) 2021/2116 should be eased in respect of GAEC standard 7. Farmers with a maximum size of holding not exceeding 30 hectares of agricultural area declared should be exempt from controls of GAEC standard 7 requirements.

(72) Since the agricultural area under GAEC standard 7 requirements managed by smaller farmers is limited, and the application of penalties could lead to disproportionate burden for Member States' administrations, smaller farmers exempt from conditionality controls in respect of GAEC standard 7 should also be exempt from the application of administrative penalties for non-compliance with GAEC standard 7 requirements.

(73) Articles 102 and 103 of Regulation (EU) 2021/2116 laying down rules concerning exercise of the delegation of power to adopt delegated acts and the committee procedure applicable to implementing acts should be amended to take account of amendments of other provisions of Regulation (EU) 2021/2116, in particular the deletion of Article 54 thereof, introduced by this Regulation.

(74) To ensure coherence among the various provisions of Regulation (EU) 2021/2116, that Regulation should be amended to delete references to annual performance clearance procedure, in particular references to Article 54 of that Regulation.

(75) Regulations (EU) 2021/2115 and (EU) 2021/2116 should therefore be amended accordingly.

(76) Transitional provisions should be laid down in connection with amendments to Article 119 of Regulation (EU) 2021/2115, introduced by this Regulation, to ensure that requests for amendment and notifications of modifications of CAP Strategic Plans submitted by Member States to the Commission before the entry into force of this Regulation are approved using the procedures applicable at the time of submission of those requests for amendment or notifications.

(77) In order to take into account the deletion, by this Regulation, of the annual performance clearance provided for in Article 54 of Regulation (EU) 2021/2116, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of amending Commission Delegated Regulation (EU) 2022/127[15] accordingly. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making[16]. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

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15 Commission Delegated Regulation (EU) 2022/127 of 7 December 2021 supplementing Regulation (EU) 2021/2116 of the European Parliament and of the Council with rules on paying agencies and other bodies, financial management, clearance of accounts, securities and use of euro (OJ L 20, 31.1.2022, p. 95, ELI: http://data.europa.eu/eli/reg_del/2022/127/oj).

16 OJ L 123, 12.5.2016, p. 1, ELI: http://data.europa.eu/eli/agree_interinstit/2016/512/oj).

(78) In order to ensure uniform conditions for the implementation of this Regulation in view of the deletion of the annual performance clearance provided for in Article 54 of Regulation (EU) 2021/2116, implementing powers should be conferred on the Commission to update Commission Implementing Regulation (EU) 2022/128[17] accordingly. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council[18].

(79) In order to ensure a smooth implementation of the measures introduced by this Regulation and in order to achieve a necessary degree of coherence between, on the one hand, the reduction of the administrative burden for Member States' authorities involved in the preparation of the annual performance report for the agricultural financial year 2025 and, on the other hand, the deletion of the annual performance clearance from the agricultural financial year 2025, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*. The relevant provisions on the annual performance report and the performance clearance should apply in respect of the agricultural financial year 2025 and all subsequent agricultural financial years and should not have any impact on earlier agricultural financial years.

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17 Commission Implementing Regulation (EU) 2022/128 of 21 December 2021 laying down rules for the application of Regulation (EU) 2021/2116 of the European Parliament and of the Council on paying agencies and other bodies, financial management, clearance of accounts, checks, securities and transparency (OJ L 20, 31.1.2022, p. 131, ELI: http://data.europa.eu/eli/reg_impl/2022/128/oj).

18 Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 133, ELI: http://data.europa.eu/eli/reg/2011/182/oj).

(80) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States, but can rather, by reason of the links between this Regulation and the other CAP instruments, and by reason of the multiannual guarantee of Union financing and the way this Regulation is inextricably linked with the achievement of key Union's priorities, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

(81) The European Data Protection Supervisor was consulted in accordance with Article 42(1) of Regulation (EU) 2018/1725 of the European Parliament and the Council[19] and delivered an opinion on 10 July 2025,

HAVE ADOPTED THIS REGULATION:

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[19] Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39, ELI: http://data.europa.eu/eli/reg/2018/1725/oj).

*Article 1*

*Amendments to Regulation (EU) 2021/2115*

Regulation (EU) 2021/2115 is amended as follows:

(1) in Article 4(3), point (c), the first subparagraph is replaced by the following:

‘“permanent grassland and permanent pasture” (together referred to as “permanent grassland”) shall be land that is used to grow grasses or other herbaceous forage naturally (self-seeded) or through cultivation (sown) and that has not been included in the crop rotation of the holding for five years or more or, where Member States so decide, for seven years or more and, where Member States so decide, that has not been ploughed up, or tilled, or reseeded with different types of grass or other herbaceous forage, for five years or more or for seven years or more; it may include other species, such as shrubs or trees, which can be grazed and, where Member States so decide, other species such as shrubs or trees which produce animal feed, provided that the grasses and other herbaceous forage remain predominant.

Member States may decide that land that was classified as arable land on 1 January 2026 remains classified as arable land and is not reclassified as permanent grassland even if the period referred to in the first subparagraph has expired and the land has not been ploughed up, or tilled, or reseeded with different types of grass or other herbaceous forage.’;

(2) in Article 10, the second paragraph is replaced by the following:

‘In particular, the basic income support for sustainability, the complementary redistributive income support for sustainability, the complementary income support for young farmers, and the schemes for the climate, the environment and animal welfare, and the crisis payments to farmers following natural disasters, adverse climatic events or catastrophic events shall qualify under the criteria of the paragraphs of Annex 2 to the WTO Agreement on Agriculture listed in Annex II to this Regulation for those interventions. For other interventions, the paragraphs of Annex 2 to the WTO Agreement on Agriculture listed in Annex II to this Regulation are indicative and those interventions may instead comply with a paragraph of Annex 2 to the WTO Agreement on Agriculture not listed in Annex II to this Regulation if that is specified and explained in the CAP Strategic Plan.’;

(3) Article 11 is amended as follows:

(a) paragraph 4 is replaced by the following:

‘4. If a Member State intends to increase its planned outputs referred to in paragraph 1 of this Article set out in its CAP Strategic Plan approved by the Commission, it shall notify the Commission of its revised planned outputs in accordance with Article 119(9) before 1 January of the year preceding the claim year concerned.’;

(b) in paragraph 5, the third subparagraph is replaced by the following:

'Each Member State concerned shall submit a notification in accordance with Article 119(9) with the reduction coefficient referred to in the second subparagraph of this paragraph by 31 March of the year preceding the claim year concerned.';

(4) in Article 12, the following paragraph is inserted:

'1a. By way of derogation from paragraph 1 of this Article, the system of conditionality shall not apply to beneficiaries of payments referred to in Article 28.';

(5) Article 13 is amended as follows:

(a) in paragraph 1, the following subparagraphs are added:

'Farmers certified in accordance with Regulation (EU) 2018/848 of the European Parliament and of the Council* shall be deemed to comply with GAEC standards 1, 3, 4, 5, 6 and 7 listed in Annex III to this Regulation in relation to their organic production units, as defined in Article 3, point (10), of Regulation (EU) 2018/848, and their in-conversion production units, as defined in Article 3, point (11), of that Regulation.

Member States may, taking into consideration the administrative burden of checks, decide that only farmers certified in accordance with Regulation (EU) 2018/848 whose entire holding consists of organic production units, as defined in Article 3, point (10), of Regulation (EU) 2018/848, or of in-conversion production units, as defined in Article 3, point (11), of that Regulation, or of both such production units, are deemed to comply with GAEC standards 1, 3, 4, 5, 6 and 7 listed in Annex III to this Regulation.

In setting their standards, Member States may, where relevant, set the elements referred to in Article 109(2), point (a)(i), of this Regulation so that they are consistent with mandatory requirements established by national law and do not go beyond them, provided that those existing national mandatory requirements comply with the GAEC standards listed in Annex III to this Regulation.

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* Regulation (EU) 2018/848 of the European Parliament and of the Council of 30 May 2018 on organic production and labelling of organic products and repealing Council Regulation (EC) No 834/2007 (OJ L 150, 14.6.2018, p. 1, ELI: http://data.europa.eu/eli/reg/2018/848/oj).';

(b) paragraph 2a is replaced by the following:

‘2a. When implementing the minimum standards set in accordance with paragraphs 1 and 2, Member States may grant temporary derogations from the requirements of those minimum standards where weather conditions, plant diseases or pest infestations prevent farmers and other beneficiaries from complying with those requirements in a given year. Such temporary derogations shall be limited in their scope to farmers and other beneficiaries or areas affected by such weather conditions, plant diseases or pest infestations, and shall be applied only for as long as they are strictly necessary.’;

(6) Article 19is replaced by the following:

‘*Article 19*
*Contribution to risk management tools*

By way of derogation from Article 44(1) of Regulation (EU) 2021/2116, a Member State may decide to assign up to 3 % of the direct payments to be paid to a farmer as farmers’ contribution to risk management tools.

Member States that decide to make use of this provision shall apply it to all farmers receiving direct payments in a given year. Alternatively, such Member States may decide to apply it to the farmers for whom a risk management tool exists in a given year if this corresponds better to the risk management tool in place.’;

(7) Article 28 is replaced by the following:

‘*Article 28*

*Payments for small farmers*

1. Member States may grant a payment to small farmers, as determined by the Member States, by way of a lump sum or of amounts per hectare replacing direct payments under this Section and Section 3 of this Chapter. Member States shall design the corresponding intervention in the CAP Strategic Plan as optional for farmers.

2. By way of derogation from paragraph 1, Member States may decide in the CAP Strategic Plans that the payment to small farmers referred to in that paragraph does not replace direct payments made to support eco-schemes established in accordance with Article 31.

3. The annual payment for each farmer under paragraph 1 shall not exceed EUR 3 000.

4. Member States may decide to set different lump sums or amounts per hectare linked to different area thresholds.’;

(8) Article 31 is amended as follows:

(a) paragraph 5 is amended as follows:

(i) the second subparagraph is replaced by the following:

‘For commitments referred to in the first subparagraph, point (b), where national law imposes requirements which go beyond the corresponding mandatory minimum requirements laid down in Union law, support may be granted for commitments contributing to compliance with those requirements.’;

(ii) the following subparagraph is added:

‘By way of derogation from the first subparagraph, Member States may decide to exclude from the requirement laid down in the first subparagraph, point (a), GAEC standards 2 and 9 established under Chapter I, Section 2, of this Title.’;

(b) paragraph 7 is amended as follows:

(i) the second subparagraph is replaced by the following:

‘By way of derogation from the first subparagraph, payments granted in accordance with point (b) of that subparagraph for animal welfare commitments, commitments combating antimicrobial resistance, commitments for agricultural practices beneficial for the climate and commitments to convert to or maintain organic farming practices and methods laid down in Regulation (EU) 2018/848 may also take the form of an annual payment for the livestock units.’;

(ii) the following subparagraph is added:

‘By way of derogation from the first subparagraph, payments granted in accordance with point (b) of that subparagraph may, where appropriate, take the form of an annual payment for beehives. For the purposes of this derogation, the definition of “beehive” set out in the delegated act referred to in Article 56, point (b), shall apply.’;

(9) Article 48 is replaced by the following:

‘*Article 48*
*Planning and reporting at operational programme level*

Article 7(1), point (a), Article 102, Article 111, points (g) and (h), Article 112(3), point (b), and Article 134 shall apply for the types of intervention in the sectors referred to in Article 42, points (a), (d), (e) and (f), at the level of operational programmes instead of at the level of intervention. The planning and reporting for those types of intervention shall also be carried out at the level of operational programmes.’;

(10) in Article 49, the first paragraph is replaced by the following:

‘In the fruit and vegetables sector referred to in Article 42, point (a), Member States shall pursue one or more of the objectives set out in Article 46. The objectives set out in Article 46, points (d) to (i) and (k), shall cover the products whether in a fresh or processed form, while the objectives set out in the other points of that Article shall cover only products in a fresh form.’;

(11) in Article 52(2), the second subparagraph is replaced by the following:

‘Those limits may be increased by 0,5 percentage points, where the operational programme comprises one or more interventions linked to any of the objectives referred to in Article 46, point (d), (e), (f), (h), (i) or (j), provided that the amount in excess of the relevant percentage set out in the first subparagraph of this paragraph is used solely to finance expenditure resulting from the implementation of those interventions. In the case of associations of producer organisations, including transnational associations of producer organisations, those interventions may be implemented by the association on behalf of its members.’;

(12) Article 69 is amended as follows:

(a) point (e) is replaced by the following:

‘(e) setting-up of young farmers and new farmers, rural business start-ups and the business development of small farms;’;

(b) the following point is added:

‘(i) crisis payments to farmers following natural disasters, adverse climatic events or catastrophic events.’;

(13) Article 70 is amended as follows:

(a) paragraph 3 is amended as follows:

(i) the second subparagraph is replaced by the following:

‘For commitments referred to in the first subparagraph, point (b), where national law imposes requirements which go beyond the corresponding mandatory minimum requirements laid down in Union law, support may be granted for commitments contributing to compliance with those requirements.’;

(ii) the following subparagraph is added:

‘By way of derogation from the first subparagraph, Member States may decide to exclude from the requirement laid down in the first subparagraph, point (a), GAEC standards 2 and 9 established under Chapter I, Section 2, of this Title.’;

(b) paragraph 8 is replaced by the following:

‘8. Where support under this Article is granted to agri-environment-climate commitments or commitments to convert to or maintain organic farming practices and methods as laid down in Regulation (EU) 2018/848, Member States shall establish a payment per hectare, or where appropriate, per beehive, as defined in the delegated act referred to in Article 56, point (b), of this Regulation. For other commitments, Member States may apply units other than hectares. In duly justified cases, Member States may grant support under this Article as a lump sum.

By way of derogation from the first subparagraph of this paragraph, support for agri-environment-climate commitments beneficial for the climate and commitments to convert to or maintain organic farming practices and methods as laid down in Regulation (EU) 2018/848 may take the form of a payment for the livestock units.';

(c) the following paragraph is added:

'11. Where a Member State has taken the decision referred to in Article 4(3), point (c), second subparagraph, it shall ensure that such decision does not affect ongoing multiannual commitments undertaken under this Article.';

(14) in Article 72(5), the following subparagraph is added:

'By way of derogation from the first subparagraph of this paragraph, Member States may decide to include in the calculation additional costs and income foregone in relation to disadvantages resulting from compliance with GAEC standard 2 established under Chapter I, Section 2, of this Title.';

(15) Article 73 is amended as follows:

(a) in paragraph 3, first subparagraph, point (d), the following point is added:

'(v) rearing of bovine, sheep or goat pure-bred animals of high genetic value for breeding to improve the quality and productivity of livestock herds or to preserve rare or local breeds;';

(b) paragraph 5 is replaced by the following:

‘5. Where Union law results in the imposition of new requirements on farmers, support for investments to comply with those requirements may be granted for a maximum of 36 months from the date on which they become mandatory for the holding.

For young farmers setting up for the first time in an agricultural holding as head of the holding support for investments to comply with the requirements of Union law may be granted for a maximum of 36 months from the date of setting up, or until the actions defined in the business plan referred to in Article 75(3) are completed.’;

(16) Article 75 is amended as follows:

(a) the title is replaced by the following:

‘Setting-up of young farmers and new farmers, rural business start-ups, and the business development of small farms’;

(b) paragraph 1 is replaced by the following:

‘1. Member States may grant support for the setting-up of young farmers and the start-up of rural businesses, including the setting-up of new farmers, and for the business development of small farms under the conditions set out in this Article and as further specified in their CAP Strategic Plans with a view to contributing to the achievement of one or more of the specific objectives set out in Article 6(1) and (2).’;

(c) in paragraph 2, the following point is added:

‘(d) the business development of small farms, as determined by Member States pursuant to Article 73(4), second subparagraph, point (b).’;

(d) paragraph 4 is replaced by the following:

‘4. Member States shall grant support in the form of lump sums or financial instruments or a combination of both. Support shall be limited to:

(a) a maximum amount of aid of EUR 100 000 for the activities referred to in paragraph 2, points (a), (b) and (c);

(b) a maximum amount of aid of EUR 75 000 for the activities referred to in paragraph 2, point (d).

Support may be differentiated in accordance with objective criteria.’;

(17) in Article 76(5), the first subparagraph is replaced by the following:

‘Member States shall ensure that support is granted only for covering losses which exceed a threshold of at least 20 % of the average annual production or income of the farmer in the preceding three-year period, or a three-year average based on the preceding five-year period excluding the highest and lowest entry. Sectoral production risk management tools shall calculate the losses either at holding level, at the level of the holding’s activity in the sector concerned or in relation to the specific area insured.

Where the calculation methods referred to in the first subparagraph are not appropriate, Member States may assess the losses on the basis of the average annual production or income of the farmer over a period that does not exceed eight years, excluding the highest and lowest entry.

Member States may apply an appropriate alternative assessment for calculating the losses for young farmers and new farmers.';

(18) in Article 77(8), point (b) is replaced by the following:

'(b) setting-up of producer groups, producer organisations or interbranch organisations to 10 % of the annual marketed production of the group or organisation, with a maximum of EUR 500 000 over the programming period ending on 31 December 2027; that support shall be degressive and limited to the first five years following recognition.';

(19) in Title III, Chapter IV, Section 1, the following Article is added:

'*Article 78a*
*Crisis payments to farmers following natural disasters, adverse climatic events or catastrophic events*

1. Member States may provide crisis payments to active farmers that are affected by natural disasters, adverse climatic events or catastrophic events. Those payments shall aim at ensuring continuity of the agricultural activity of those farmers and shall be subject to the conditions set out in this Article and as further specified by the Member States in their CAP Strategic Plans.

2. Support under this Article shall be subject to the formal recognition by the competent authority of the Member State that a natural disaster, adverse climatic event or catastrophic event, as defined by the Member State, has occurred and that those events, or measures adopted in accordance with Regulation (EU) 2016/2031 to eradicate or contain a plant disease or pest, or measures adopted to prevent or eradicate animal diseases listed in the Annex to Commission Implementing Regulation (EU) 2018/1882* or measures adopted regarding an emerging disease in accordance with Article 6(3) and Article 259 of Regulation (EU) 2016/429 have directly caused damage resulting in the destruction of at least 30 % of the average annual production of the farmer in the preceding three-year period or a three-year average based on the preceding five-year period, excluding the highest and the lowest entry. The losses shall be calculated either at holding level, at the level of the holding's activity in the sector concerned or in relation to the specific area concerned.

3. Member States shall ensure that support under this Article targets farmers who are most affected by natural disasters, adverse climatic events or catastrophic events, by determining eligibility conditions on the basis of available evidence.

4. Member States shall establish the applicable support rates for compensating the loss of production. Those rates shall be higher for farmers who are covered by an insurance scheme or another risk management tool. Indexes may be used for calculating the loss of production.

5. When granting support under this Article, Member States shall ensure that overcompensation as a result of the combination of intervention under this Article with other national or Union support instruments or private insurance schemes is avoided.

6. By way of derogation from Article 111, first paragraph, points (h) and (i) of that paragraph shall not apply to support under this type of intervention.

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* Commission Implementing Regulation (EU) 2018/1882 of 3 December 2018 on the application of certain disease prevention and control rules to categories of listed diseases and establishing a list of species and groups of species posing a considerable risk for the spread of those listed diseases (OJ L 308, 4.12.2018, p. 21, ELI: http://data.europa.eu/eli/reg_impl/2018/1882/oj).';

(20) in Article 79(1), the first subparagraph is replaced by the following:

'After consulting the monitoring committee referred to in Article 124 ("the monitoring committee"), the national managing authority, the regional managing authorities where relevant, or the designated intermediate bodies shall set out selection criteria for interventions under the following types of intervention: investments, setting-up of young farmers and new farmers, rural business start-ups and business development of small farms, cooperation, knowledge exchange and dissemination of information. Those selection criteria shall aim to ensure the equal treatment of applicants, the better use of financial resources and the targeting of the support in accordance with the purpose of the interventions.';

(21) Article 80 is amended as follows:

(a) in paragraph 2, the first subparagraph is replaced by the following:

‘Where support is granted in the form of financial instruments, the definitions of “financial instrument”, “financial product”, “final recipient”, “holding fund”, “specific fund”, “leverage effect”, “multiplier ratio”, “management costs” and “management fees” in Article 2 of Regulation (EU) 2021/1060 and the provisions of Title V, Chapter II, Section II of that Regulation and of point II of Annex XIII thereto shall apply.’;

(b) in paragraph 3, the second subparagraph is replaced by the following:

‘For activities falling within the scope of Article 42 TFEU, the total amount of support for working capital provided to a final recipient shall not exceed a gross grant equivalent of EUR 300 000 over any period of three years.’;

(c) in paragraph 5, the following subparagraph is added:

‘Value-added tax (VAT) shall be eligible expenditure as regards investments made by final recipients in the context of financial instruments. Where those investments are supported by financial instruments combined with programme support in the form of a grant as referred to in Article 58(5) of Regulation (EU) 2021/1060, the VAT shall not be eligible expenditure for the part of the investment cost which corresponds to the programme support in the form of a grant, unless the VAT for the investment cost is non-recoverable under national VAT legislation.’;

(22) Article 81 is amended as follows:

(a) in paragraph 1, the first subparagraph is replaced by the following:

‘Member States may allocate, in the proposal for a CAP Strategic Plan referred to in Article 118 or in the request for amendment of a CAP Strategic Plan referred to in Article 119, an amount of up to 3 % of the initial EAFRD allocation to the CAP Strategic Plan to be contributed to InvestEU and delivered through the EU guarantee or the InvestEU financial instrument referred to in Article 10a of Regulation (EU) 2021/523 and the InvestEU Advisory Hub. The CAP Strategic Plan shall contain a justification for the use of InvestEU and its contribution to the achievement of one or more of the specific objectives set out in Article 6(1) and (2) of this Regulation and chosen under the CAP Strategic Plan.’;

(b) paragraph 3 is replaced by the following:

‘3. The amount referred to in paragraph 1 of this Article shall be used for the provisioning of the part of the EU guarantee or for the funding provided under the InvestEU financial instrument under the Member State compartment and for the InvestEU Advisory Hub, upon conclusion of the contribution agreement referred to in Article 10(3) or Article 10a(3) of Regulation (EU) 2021/523. The budgetary commitments of the Union in respect of each contribution agreement may be made by the Commission in annual instalments during the period between 1 January 2023 and 31 December 2027.’;

(c) in paragraph 4, the first subparagraph is replaced by the following:

‘Where a contribution agreement as referred to in Article 10(2) or Article 10a(2) of Regulation (EU) 2021/523 for the amount referred to in paragraph 1 of this Article allocated in the CAP Strategic Plan has not been concluded following the adoption of the Commission implementing decision approving that CAP Strategic Plan in accordance with Article 118 of this Regulation, the corresponding amount shall be reallocated in the CAP Strategic Plan following the approval of a request for amendment by the Member State submitted in accordance with Article 119 of this Regulation.’;

(d) paragraphs 5, 6 and 7 are replaced by the following:

‘5. Where a guarantee agreement as referred to in Article 10(4), second subparagraph, or in Article 10a(4), second subparagraph, of Regulation (EU) 2021/523 has not been concluded within 12 months from the approval of the contribution agreement, the contribution agreement shall be terminated or prolonged by mutual agreement.

Where the participation of a Member State in InvestEU is discontinued, the amounts concerned paid into the common provisioning fund as provisioning or allocated under the InvestEU financial instrument shall be recovered as internal assigned revenue pursuant to Article 21(5) of the Financial Regulation and the Member State shall submit a request for amendment of its CAP Strategic Plan to use the amounts recovered and the amounts allocated to future calendar years in accordance with paragraph 2 of this Article.

The termination or amendment of the contribution agreement shall be concluded simultaneously with the adoption of a Commission implementing decision approving the relevant amendment of the CAP Strategic Plan and at the latest on 31 December 2026.

6. Where a guarantee agreement as referred to in Article 10(4), third subparagraph, or in Article 10a(4), third subparagraph, of Regulation (EU) 2021/523 has not been duly implemented within the period agreed in the contribution agreement, but not exceeding four years from the signature of the guarantee agreement, the contribution agreement shall be amended. The Member State may request that amounts contributed to the EU guarantee or to the InvestEU financial instrument under paragraph 1 of this Article and committed in the guarantee agreement but not covering underlying loans, equity investments or other risk-bearing instruments are treated in accordance with paragraph 5 of this Article.

7. Resources generated by or attributable to the amounts contributed to the EU guarantee in accordance with this Article shall be made available to the Member State in accordance with Article 10(5), point (a), of Regulation (EU) 2021/523 and shall be used for support under the same objective or objectives referred to in paragraph 1 of this Article in the form of financial instruments or budgetary guarantees. Resources generated by or attributable to the amounts contributed to the InvestEU financial instrument in accordance with this Article shall be made available to the Member State in accordance with the contribution agreement and shall be used for support under the same objective or objectives in the form of financial instruments or budgetary guarantees.';

(23) in Article 83(2), the following point is inserted:

'(ba) in accordance with the calculation methods established pursuant to Article 54, Article 55 and Article 56(1) and (3) of Regulation (EU) 2021/1060;';

(24) in Article 86, paragraphs 2 and 3 are replaced by the following:

'2. Expenditure that becomes eligible as a result of an amendment of a CAP Strategic Plan shall be eligible for a contribution from the EAGF from the date of effect of the amendment set by the Member State concerned in accordance with Article 119(8), but not earlier than from the date of submission to the Commission of the request for amendment or from the date of submission to the Commission of notification referred to in Article 119(9).

3. Expenditure that becomes eligible as a result of an amendment of a CAP Strategic Plan shall be eligible for a contribution from the EAFRD from the date of submission to the Commission of the request for amendment, or from the date of notification referred to in Article 119(9).

By way of derogation from the first subparagraph of this paragraph and from paragraph 4, second subparagraph, of this Article the CAP Strategic Plan may provide that, in cases of emergency measures due to natural disasters, catastrophic events or adverse climatic events or a significant and sudden change in the socio-economic conditions of the Member State or region, the eligibility of EAFRD-financed expenditure relating to amendments to the CAP Strategic Plan may start from the date on which the event occurred.';

(25) the following article is inserted:

'*Article 96a*
*Maximum financial allocations for crisis payments to farmers following natural disasters, adverse climatic events or catastrophic events*

1. The maximum amount for each Member State that may be reserved for crisis payments to farmers following natural disasters, adverse climatic events or catastrophic events referred to in Article 78a shall be limited to the annual amounts set out in Annex XV.

2. The total EAFRD expenditure for the crisis payments referred to in Article 78a shall not exceed the sum of the indicative financial allocations for this type of intervention for financial years 2026 and 2027, as established by Member States in their financial plans in accordance with Article 112(2), point (a), and approved by the Commission in accordance with Article 119. That financial ceiling shall constitute a financial ceiling set by Union law.';

(26) in Article 103, the following paragraph is added:

'6. Notwithstanding Article 6(1) and Article 30(2) and (3) of Regulation (EU) No 228/2013, Member States with outermost regions within the meaning of Article 349 TFEU may decide, in a request for strategic amendment of a CAP Strategic Plan referred to in Article 119 of this Regulation, to transfer up to 25 % of the amount in their CAP Strategic Plans planned for their outermost regions, which is part of the amount allocated to them for rural development financial year 2027 under Annex XI to this Regulation, to their POSEI programmes established under Regulation (EU) No 228/2013 in order to reinforce them. Such request for strategic amendment shall contain a justification for such transfer and its contribution to the achievement of the specific objectives set out in Article 6(1) and (2) of this Regulation.

If a Member State makes a transfer in accordance with the first subparagraph of this paragraph, the corresponding maximum annual sums provided for in Article 30(2) and (3) of Regulation (EU) No 228/2013 for financial year 2027 shall be deemed to be increased by the specific amount transferred once the amendment of the CAP Strategic Plan has been approved by the Commission.';

(27) in Article 111, the second paragraph is replaced by the following:

'Point (e) of the first paragraph shall not apply to the type of intervention in the apiculture sector referred to in Article 55(1), points (a) and (c) to (g), interventions under the type of intervention in the wine sector referred to in Article 58(1), points (h) to (k), the information and promotion actions for quality schemes under the type of intervention for cooperation referred to in Article 77, and interventions under the type of intervention for crisis payments to farmers following natural disasters, adverse climatic events or catastrophic events referred to in Article 78a.';

(28) Article 119 is replaced by the following:

'*Article 119*
*Amendments of the CAP Strategic Plans*

1. Member States may amend their CAP Strategic Plans. They shall do so by submitting requests for strategic amendment pursuant to paragraph 2 or by notifying the amendment pursuant to paragraph 9.

2. Requests for strategic amendments of their CAP Strategic Plans shall be submitted to the Commission. The following amendments of the CAP Strategic Plans are strategic amendments:

   (a) amendments introducing new interventions or deleting interventions from the CAP Strategic Plans;

(b) amendments that lead to changes of milestones or targets under the result indicators which are marked with “PR” in Annex I;

(c) amendments related to Article 17(5), Article 88(7), Articles 92 to 98 or Article 103(1), (5) and (6);

(d) amendments of the target and financial plans in the CAP Strategic Plan referred to in Article 112, including amendments to the contribution from EAFRD to InvestEU referred to in Article 81, amendments to the EAFRD total contribution to each type of intervention for the entire period covered by the CAP Strategic Plan or amendments related to the EAFRD contribution rates referred to in Article 91.

Requests for strategic amendments shall be duly justified and shall, in particular, set out the expected impact of the changes to the CAP Strategic Plan on achieving the specific objectives set out in Article 6(1) and (2). They shall be accompanied by the amended CAP Strategic Plan including the updated annexes as appropriate.

3. The Commission shall assess the consistency of strategic amendments with this Regulation and Regulation (EU) 2021/2116, as well as the delegated and implementing acts adopted pursuant to them, and the effective contribution of strategic amendments to achieving the specific objectives.

4. The Commission shall approve the requested strategic amendment provided that the necessary information has been submitted by a Member State concerned and the strategic amendment is compatible with this Regulation and Regulation (EU) 2021/2116, as well as the delegated and implementing acts adopted pursuant to them.

5. The Commission shall make observations within 30 working days from the submission of the request for strategic amendment. The Member States shall provide the Commission with all necessary additional information.

6. The Commission shall approve a request for strategic amendment no later than three months after its submission by the Member State.

7. A request for strategic amendment may be submitted twice per calendar year, subject to possible exceptions provided for in this Regulation or to be determined by the Commission in accordance with Article 122. In addition, three further requests for strategic amendment may be submitted during the duration of the CAP Strategic Plan period. This paragraph shall not apply to requests for amendments to submit the missing elements of the CAP Strategic Plan in accordance with Article 118(5).

   A request for strategic amendment related to Article 17(5), Article 88(7) or Article 103(5) or (6) shall not count for the limitation laid down in the first subparagraph of this paragraph.

8. A strategic amendment related to Article 17(5), Article 88(7) or Article 103(1) in relation to the EAGF shall take effect from 1 January of the calendar year following the year of approval of the request for that strategic amendment by the Commission and following the corresponding amendment of the allocations in accordance with Article 87(2).

A strategic amendment related to Article 103(1) or (6) in relation to the EAFRD shall take effect after the approval of the request for that strategic amendment by the Commission and following the corresponding amendment of the allocations in accordance with Article 89(4).

A strategic amendment related to the EAGF, other than the amendments referred to in the first subparagraph of this paragraph, shall take effect from a date to be determined by the Member State but not earlier than from the date of submission to the Commission of the request for that amendment. Member States may set a different date or dates of effect for different elements of the strategic amendment. Where the strategic amendment could place the farmers concerned in a less favourable position than that which they enjoyed prior to that amendment, Member States shall take into account, when determining the date of effect of the amendment, the need of farmers and other beneficiaries to have sufficient time to take that amendment into account. The planned date of effect for strategic amendment related to the EAGF shall be indicated by the Member State in the request for strategic amendment and shall be subject to approval by the Commission in accordance with paragraph 10 of this Article.

9. Member States may, at any time, make and apply amendments to their CAP Strategic Plans other than strategic amendments. They shall notify those other amendments to the Commission by the time they start applying them and add them to the amended CAP Strategic Plan submitted together with the next request for strategic amendment in accordance with paragraph 2.

Where amendments are introduced in relation to GAEC standards 1 and 4, Member States shall ensure and provide a specific justification that such amendments do not put at risk environmental and climate objectives linked to the conservation of permanent grassland or the protection of watercourses from pollution, as appropriate.

Where the Commission does not object to notified amendments within 30 working days from the date of submission of the notification, the amendments shall have legal effects from the date of submission of the notification. The Commission shall object to a notified amendment if it finds that the amendment is not compatible with this Regulation or Regulation (EU) 2021/2116, or the delegated and implementing acts adopted pursuant to them.

The notified amendments to which Commission made objections shall not have legal effects and Member State shall delete them from the amended CAP Strategic Plan submitted pursuant to the first subparagraph of this paragraph. The expenditure resulting from those amendments shall not be eligible for a contribution from the EAFRD or the EAGF. The Member State may submit those amendments to the Commission for approval in a request for strategic amendment, referred to in paragraph 2 of this Article. The rules concerning approvals of strategic amendments referred to in paragraphs 2 to 8 and 10 and 11 of this Article shall apply *mutatis mutandis* to approval of amendments to which the Commission objected in accordance with the second subparagraph of this paragraph. Article 121 shall apply *mutatis mutandis* to Commission actions pursuant to this paragraph.

10. Each strategic amendment shall be approved by the Commission by means of an implementing decision without applying the committee procedure referred to in Article 153.

11. Without prejudice to Article 86, strategic amendments shall only have legal effects after their approval by the Commission.

12. Corrections of clerical or obvious errors or of a purely editorial nature that do not affect the implementation of the policy and the intervention shall not be considered to be a request for amendment or notification under this Article. Member States shall inform the Commission of such corrections.';

(29) Article 120 is deleted;

(30) in Article 122, point (a) is replaced by the following:

‘(a) procedures and time limits for the submission of requests for strategic amendment of CAP Strategic Plans and notifications of amendments of CAP Strategic Plans;’;

(31) in Article 124(4), point (d) is replaced by the following:

‘(d) any proposal by the managing authority for amendment of a CAP Strategic Plan and, as regards a proposal for amendment of a CAP Strategic Plan related to the EAGF, the date of effect of the amendment proposed by the managing authority in accordance with Article 119(8).’;

(32) Article 134 is amended as follows:

(a) paragraph 3 is replaced by the following:

‘3. In order to be admissible, the annual performance report shall contain all the information required in paragraphs 4, 5, 7 and 10. The Commission shall inform the Member States concerned within 15 working days from the submission of the annual performance report if it is not admissible, failing which it shall be deemed admissible.’;

(b) paragraph 5 is replaced by the following:

‘5. The quantitative information referred to in paragraph 4 shall include:

(a) the realised outputs achieved by the end of the previous financial year;

(b) the gross expenditure at the end of the financial year, relevant to the outputs referred to in point (a) of this subparagraph, before application of any penalties or other reductions, and for the EAFRD, taking into account reallocation of cancelled or recovered funds pursuant to Article 57 of Regulation (EU) 2021/2116;

(c) the ratio between gross expenditure referred to in point (b) of this subparagraph and the relevant realised outputs referred to in point (a) of this subparagraph (“realised unit amount”);

(d) results and distance to corresponding milestones set in accordance with Article 109(1), point (a).

The information referred to in the first subparagraph, points (a), (b) and (c), of this paragraph, shall be broken down per unit amount as set out in the CAP Strategic Plan in accordance with Article 111, first paragraph, point (h). For output indicators which are marked in Annex I as used only for monitoring, only the information referred to in the first subparagraph, point (a), of this paragraph shall be included.’;

(c) paragraph 6 is deleted;

(d) in paragraph 7, point (b) is replaced by the following:

‘(b) any issues which affect the performance of the CAP Strategic Plan, in particular as regards deviations from milestones, providing the justifications referred to in Article 135, or where appropriate, giving reasons, and where relevant, describing the measures taken.’;

(e) paragraphs 8 and 9 are deleted;

(f) in paragraph 10, the second subparagraph is deleted;

(g) paragraph 13 is replaced by the following:

’13. The Commission may make observations on the admissible annual performance reports, within one month from the day on which the Commission informs the Member States of their admissibility. Where the Commission does not provide observations within that deadline, the reports shall be deemed to be accepted. Article 121 shall apply *mutatis mutandis*.’;

(33) in Article 155(3), the introductory part is replaced by the following:

‘Expenditure relating to legal commitments to beneficiaries incurred under the multiannual measures referred to in Articles 22, 28, 29, 33 and 34 of Regulation (EU) No 1305/2013 or the measure referred to in Article 31 of that Regulation may be eligible for an EAFRD contribution in the CAP Strategic Plan period, subject to the following conditions:’;

(34) Article 159 is deleted;

(35) Annexes I, II and III are amended in accordance with Annex I to this Regulation;

(36) the text set out in Annex II to this Regulation is added as Annex XV.

*Article 2*

*Amendments to Regulation (EU) 2021/2116*

Regulation (EU) 2021/2116 is amended as follows:

(1) in Article 9(3), first subparagraph, point (b) is replaced by the following:

‘(b) the annual performance report referred to in Article 134 of Regulation (EU) 2021/2115 showing that the expenditure was effected in accordance with Article 37 of this Regulation;’;

(2) in Article 10(1), point (b) is replaced by the following:

‘(b) to supply the Commission with the annual performance report referred to in Article 134 of Regulation (EU) 2021/2115;’;

(3) in Article 12(2), first subparagraph, point (c) is replaced by the following:

‘(c) the performance reporting on output indicators and the performance reporting on result indicators for the multiannual performance monitoring referred to in Article 128 of Regulation (EU) 2021/2115, demonstrating that Article 37 of this Regulation has been complied with, is correct;’;

(4) Article 21 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. Without prejudice to Articles 53 and 55, monthly payments shall be made by the Commission for expenditure effected by accredited paying agencies during the reference month.’;

(b) in paragraph 2, the following subparagraph is added:

‘However, expenditure referred to in Article 86(2) of Regulation (EU) 2021/2115 which cannot be declared to the Commission in the month concerned due to the pending approval by the Commission of an amendment to the CAP Strategic Plan in accordance with Article 119(10) of that Regulation may be declared in the subsequent months of the same financial year or, or at the latest, in the annual accounts of that financial year to be sent to the Commission in accordance with Article 90(1), point (c)(iii), of this Regulation.’;

(5) in Article 32, paragraph 8 is replaced by the following:

‘8. Without prejudice to Articles 53 and 55, the Commission shall make interim payments within 45 days of registering a declaration of expenditure which meets the requirements laid down in paragraph 6 of this Article.’;

(6) Article 40 is amended as follows:

(a) paragraph 2 is deleted;

(b) paragraph 4 is replaced by the following:

‘4. The implementing acts referred to in paragraph 1 of this Article shall be adopted in accordance with the advisory procedure referred to in Article 103(2).

Before adopting the implementing acts referred to in paragraph 1 of this Article the Commission shall inform the Member State concerned of its intention and shall give the Member State the opportunity to submit its comments within a period which shall not be less than 30 days.’;

(7) in Article 44(2), the second subparagraph is replaced by the following:

‘Notwithstanding the first subparagraph, Member States may:

(a) prior to 1 December, but not before 16 October, pay advances of up to 70 % for interventions in the form of direct payments and for the measures referred to in Chapter IV of Regulation (EU) No 228/2013 and in Chapter IV of Regulation (EU) No 229/2013;

(b) prior to 1 December pay advances of up to 85 % for the support granted under interventions for rural development referred to in Article 65(2) of this Regulation.’;

(8) in Article 45(1), point (a) is replaced by the following:

‘(a) as regards expenditure under both the EAGF and the EAFRD, sums under Articles 38 and 55 of this Regulation and Article 54 of Regulation (EU) No 1306/2013 applicable in accordance with Article 104 of this Regulation and, as regards expenditure under the EAGF, sums under Articles 53 and 56 of this Regulation which are to be paid into the Union budget, including interest thereon;’;

(9) in Article 53(1), the second subparagraph is replaced by the following:

‘Those implementing acts shall cover the completeness, accuracy and veracity of the annual accounts submitted and shall be without prejudice to the content of the implementing acts subsequently adopted pursuant to Article 55.’;

(10) Article 54 is deleted;

(11) in Article 57, the following paragraph is added:

‘3. The bodies implementing financial instruments shall reimburse to Member States programme contributions affected by irregularities, together with interest and any other gains generated by those contributions.

By way of derogation from paragraph 1, the bodies implementing financial instruments shall not reimburse to Member States the amounts referred to in the first subparagraph of this paragraph provided that those bodies demonstrate, for a given irregularity, that all the following conditions are fulfilled:

(a) the irregularity occurred at the level of final recipients or, in the case of a holding fund, at the level of bodies implementing specific funds or final recipients;

(b) the bodies implementing financial instruments carried out their obligations, in relation to the programme contributions affected by the irregularity, in accordance with applicable law and acted with the degree of professional care, transparency and diligence expected from a professional body experienced in implementing financial instruments; and

(c) the amounts affected by the irregularity could not be recovered even though the bodies implementing financial instruments pursued all applicable contractual and legal measures with due diligence.';

(12) in Article 60(1), the following subparagraph is added:

‘Where a beneficiary has been selected for an on-the-spot check on an aid application, on a payment claim or on the compliance with the rules on conditionality pursuant to Article 83, Member States shall, as far as possible and taking account of the associated risks, not select that beneficiary for a subsequent check and control sample for that year, except when circumstances require a further check in order to ensure the effective protection of the financial interests of the Union. This provision shall not reduce the level of checks.’;

(13) in Article 67(1), the first subparagraph is replaced by the following:

‘Member States shall record and keep any data and documentation on the annual outputs reported in the context of the reported progress towards targets set out in the CAP Strategic Plan and monitored in accordance with Article 128 of Regulation (EU) 2021/2115.’;

(14) in Article 68, paragraph 3 is deleted;

(15) Article 69 is amended as follows:

(a) paragraph 6 is deleted;

(b) the following paragraph is added:

‘7. Member States shall make it possible for the beneficiaries to opt out of the decision referred to in Article 4(3), point (c), second subparagraph, of Regulation (EU) 2021/2115. Member States shall ensure that the beneficiaries wishing to opt out do so at the latest in the claim year in which that decision is implemented.

Where a Member State has taken the decision referred to in Article 4(3), point (c), second subparagraph, of Regulation (EU) 2021/2115, it shall ensure that beneficiaries who have already submitted the application referred to in paragraph 1 of this Article have a possibility to amend or withdraw, totally or partially, their application. If Member States fail to ensure that beneficiaries have that possibility, they shall not impose any penalty on the beneficiaries as a result of that decision.’;

(16) in Article 70, paragraph 2 is deleted;

(17) the following Article is inserted:

‘*Article 70a*

*Quality assessment of the identification system for agricultural parcels, of the geo-spatial application system and of the area monitoring system*

Member States shall annually assess the quality of the elements referred to in Articles 68, 69 and 70 in accordance with the methodology established at Union level. Where the assessment reveals deficiencies in the systems, the Member State concerned shall adopt appropriate remedial actions or, failing that, the Commission shall request that that Member State establish an action plan in accordance with Article 42.

Following the assessment referred to in the first paragraph, Member States shall submit to the Commission an assessment report and, where appropriate, the remedial actions and the timetable for their implementation by 15 February following the calendar year concerned.’;

(18) Article 72 is replaced by the following:

‘*Article 72*
*Control and penalty system*

Member States shall set up a control and penalty system referred to in Article 66(1), point (e). Member States, through the paying agencies or the bodies delegated by them, shall annually carry out administrative checks on the aid application and payment claims to verify legality and regularity in accordance with Article 59(1), point (a). Those checks shall be supplemented by on-the-spot checks, which may be executed remotely through the use of technology.

However, Member States may choose not to carry out on-the-spot checks where the eligibility conditions of interventions are monitored under the area monitoring system referred to in Article 70.’;

(19) in Article 74, point (a) is replaced by the following:

‘(a) rules on the quality assessment referred to in Article 70a;’;

(20) Article 75 is replaced by the following:

‘*Article 75*

*Implementing powers relating to Articles 68 to 70a*

The Commission may adopt implementing acts laying down rules on:

(a) the form and content, and the arrangements for transmitting or making available to the Commission, of:

(i) the assessment reports referred to in Article 70a;

(ii) the remedial actions referred to in Article 70a;

(b) basic features of, and rules on, the aid application system under Article 69 and the area monitoring system referred to in Article 70, including the parameters of the gradual increase of the number of interventions under the area monitoring system.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 103(3).’;

(21) Article 83 is amended as follows:

(a) the following paragraph is inserted:

‘1a. By way of derogation from paragraph 1 of this Article, the control system for conditionality shall not apply to beneficiaries receiving payments referred to in Article 28 of Regulation (EU) 2021/2115.’;

(b) paragraph 2 is replaced by the following:

‘2. The beneficiaries listed in paragraph 1 of this Article shall be exempt from controls under the system set up in accordance with that paragraph where the area eligible for the payments and the support referred to in that paragraph declared in the geo-spatial application referred to in Article 69(1) does not exceed 10 hectares.’;

(c) the following paragraph is inserted:

‘2a. Farmers with a maximum size of holding not exceeding 30 hectares of agricultural area declared in accordance with Article 69(1) of this Regulation shall be exempt from controls of GAEC standard 7 requirements, as defined in Annex III to Regulation (EU) 2021/2115, under a system set up in accordance with paragraph 1 of this Article.’;

(d) paragraph 3 is replaced by the following:

‘3. Member States may make use of their existing control systems and administration to ensure compliance with the rules on conditionality.

Those systems shall be compatible with the control systems referred to in paragraph 1.’;

(e) paragraph 4 is deleted;

(f) paragraph 6 is amended as follows:

(i) the introductory part is replaced by the following:

‘6. In order to comply with their control obligations laid down in paragraphs 1 and 3, Member States:’;

(ii) point (d) is replaced by the following:

‘(d) shall establish the control sample for the on-the-spot checks referred to in point (a) of this paragraph to be carried out each year on the basis of an annual risk analysis that includes a random component and covers at least 1 % of the beneficiaries listed in paragraph 1 of this Article; where, pursuant to Article 60(1), third subparagraph, they do not select a beneficiary for a check or control sample, they shall ensure that the minimum control rate is respected;’;

(22) Article 84 is amended as follows:

(a) the following paragraph is inserted:

‘1a. By way of derogation from paragraph 1 of this Article, the system of administrative penalties for conditionality shall not apply to beneficiaries receiving payments referred to in Article 28 of Regulation (EU) 2021/2115.’;

(b) paragraph 4 is replaced by the following:

‘4. The beneficiaries listed in Article 83(1) shall be exempt from the penalties referred to in paragraph 1 of this Article where the area eligible for the payments and the support referred to in Article 83(1) declared in the geo-spatial application referred to in Article 69(1) does not exceed 10 hectares.’;

(c) the following paragraph is added:

‘5. Farmers with a maximum size of holding not exceeding 30 hectares of agricultural area declared in accordance with Article 69(1) of this Regulation shall be exempt from the penalties of GAEC standard 7 requirements, as defined in Annex III to Regulation (EU) 2021/2115, as referred to in paragraphs 1, 2 and 3 of this Article and in Article 85 of this Regulation.’;

(23) Article 102 is amended as follows:

(a) paragraphs 2 and 3 are replaced by the following:

‘2. The power to adopt delegated acts referred to in Article 11(1), Article 17(5), Article 23(2), Article 38(2), Article 40(3), Article 41(3), Article 44(4) and (5), Article 47(1), Article 52(1), Article 55(6), Article 60(3), Article 64(3), Article 74, Article 76(2), Article 85(7), Article 89(2), Article 94(5) and (6), Article 95(2) and Article 105 shall be conferred on the Commission for a period of seven years from 7 December 2021. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the seven-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.

3. The delegation of power referred to in Article 11(1), Article 17(5), Article 23(2), Article 38(2), Article 40(3), Article 41(3), Article 44(4) and (5), Article 47(1), Article 52(1), Article 55(6), Article 60(3), Article 64(3), Article 74, Article 76(2), Article 85(7), Article 89(2), Article 94(5) and (6), Article 95(2) and Article 105 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.’;

(b) paragraph 6 is replaced by the following:

‘6. A delegated act adopted pursuant to Article 11(1), Article 17(5), Article 23(2), Article 38(2), Article 40(3), Article 41(3), Article 44(4) and (5), Article 47(1), Article 52(1), Article 55(6), Article 60(3), Article 64(3), Article 74, Article 76(2), Article 85(7), Article 89(2), Article 94(5) and (6), Article 95(2) and Article 105 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and to the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.’;

(24) in Article 103(1), the second subparagraph is replaced by the following:

‘For the purposes of Articles 11, 12, 17, 18, 23, 26, 32, 39 to 44, 47, 51 to 53, 55, 58, 59, 60, 64, 75, 82, 92, 95 and 100, as regards matters relating to interventions in the form of direct payments, interventions in certain sectors, interventions for rural development and the common organisation of markets, the Commission shall be assisted by the Committee on the Agricultural Funds, the Common Agricultural Policy Committee established by Regulation (EU) 2021/2115 and the Committee for the Common Organisation of the Agricultural Markets established by Regulation (EU) No 1308/2013, respectively.’.

*Article 3*

*Transitional provisions and measures*

1. Approvals of requests for amendment of CAP Strategic Plans submitted to the Commission before the entry in force of this Regulation shall be governed by Article 119 of Regulation (EU) 2021/2115 applicable at the time of the submission of those requests.

2. Modifications of CAP Strategic Plans notified to the Commission pursuant to Article 119(9) of Regulation (EU) 2021/2115 but not approved by the Commission before the entry into force of this Regulation shall be included in the next request for strategic amendment of the CAP Strategic Plan submitted pursuant to Article 119(2) of Regulation (EU) 2021/2115, as amended by this Regulation.

3. The Commission is empowered to adopt delegated acts in accordance with Article 102 of Regulation (EU) 2021/2116 amending Delegated Regulation (EU) 2022/127 to reflect the deletion, by this Regulation, of Article 54 of Regulation (EU) 2021/2116.

4. The Commission shall adopt implementing acts updating Implementing Regulation (EU) 2022/128 to reflect the deletion, by this Regulation, of Article 54 of Regulation (EU) 2021/2116. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 103(3) of Regulation (EU) 2021/2116.

*Article 4*

*Entry into force and application*

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

Article 1, point (32), and Article 2, points (1), (2), (3), (4)(a), (5), (6), (8), (9), (10), (13), (23) and (24), shall apply in respect of agricultural financial year 2025 and all subsequent agricultural financial years.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at …,

| | |
|---|---|
| *For the European Parliament* | *For the Council* |
| *The President* | *The President* |

# ANNEX I

(1) in Annex I to Regulation (EU) 2021/2115, the table 'Annual performance clearance – OUTPUT – Types of intervention and their output indicators' is replaced by the following:

'Monitoring – OUTPUT

Types of intervention and their output indicators*

| Types of intervention | Output indicators |
|---|---|
| Cooperation (Article 77) | O.1 Number of European Innovation Partnership (EIP) operational group projects |
| Knowledge exchange and dissemination of information (Article 78) | O.2 Number of advice actions or units to provide innovation support for preparing or implementing European Innovation Partnership (EIP) operational group projects |
| Horizontal indicator | O.3 Number of CAP support beneficiaries |
| Basic income support (Article 21) | O.4 Number of hectares benefitting from basic income support |
| Payment for small farmers (Article 28) | O.5 Number of beneficiaries or hectares benefitting from payments for small farmers |
| Complementary income support for young farmers (Article 30) | O.6 Number of hectares benefitting from complementary income support for young farmers |
| Redistributive income support (Article 29) | O.7 Number of hectares benefitting from redistributive income support |
| Eco-schemes (Article 31) | O.8 Number of hectares or of livestock units or beehives benefitting from eco-schemes |
| Risk management tools (Article 76) | O.9 Number of units covered by supported CAP risk management tools |

| Types of intervention | Output indicators |
|---|---|
| Crisis payments for farmers following natural disasters, adverse climatic events or catastrophic events (Article 78a) | O.9a Number of farmers benefitting from crisis payments following natural disasters, adverse climatic events or catastrophic events |
| Coupled income support (Article 32) | O.10 Number of hectares benefitting from coupled income support |
| | O.11 Number of heads benefitting from coupled income support |
| Natural or other area-specific constraints (Article 71) | O.12 Number of hectares benefitting from support for areas facing natural or other specific constraints, including a breakdown per type of area |
| Area-specific disadvantages resulting from certain mandatory requirements (Article 72) | O.13 Number of hectares benefitting from support under Natura 2000 or Directive 2000/60/EC |
| Environmental, climate-related and other management commitments (Article 70) | O.14 Number of hectares (excluding forestry) or number of other units covered by environmental or climate-related commitments going beyond mandatory requirements |
| | O.15 Number of hectares (forestry) or number of other units covered by environmental or climate-related commitments going beyond mandatory requirements |
| | O.16 Number of hectares or number of other units under maintenance commitments for afforestation and agroforestry |
| | O.17 Number of hectares or number of other units benefitting from support for organic farming |
| | O.18 Number of livestock units (LU) benefitting from support for animal welfare, health or increased biosecurity measures |
| | O.19 Number of operations or units supporting genetic resources |

| Types of intervention | Output indicators |
|---|---|
| Investments (Articles 73 and 74) | O.20 Number of supported on-farm productive investment operations or units |
| | O.21 Number of supported on-farm non-productive investment operations or units |
| | O.22 Number of supported infrastructure investment operations or units |
| | O.23 Number of supported off-farm non-productive investment operations or units |
| | O.24 Number of supported off-farm productive investment operations or units |
| Setting-up of young farmers, new farmers, rural business start-ups and business development of small farms (Article 75) | O.25 Number of young farmers receiving setting-up support |
| | O.26 Number of new farmers receiving setting-up support (other than young farmers reported under O.25) |
| | O.27 Number of rural businesses receiving support for start-ups |
| | O.27a Number of small farms receiving support for business development |
| Cooperation (Article 77) | O.28 Number of supported producer groups and producer organisations |
| | O.29 Number of beneficiaries receiving support to participate in official quality schemes |
| | O.30 Number of supported operations or units for generational renewal (excluding setting-up support) |
| | O.31 Number of supported local development strategies (LEADER) or preparatory actions |
| | O.32 Number of supported other cooperation operations or units (excluding EIP reported under O.1) |

| Types of intervention | Output indicators |
|---|---|
| Knowledge exchange and dissemination of information (Article 78) | O.33 Number of supported training, advice and awareness actions or units |
| Horizontal indicator | O.34 Number of hectares under environmental practices (summary indicator on physical area covered by conditionality, eco-schemes, agri- and forest-environment-climate management commitments) |
| Types of intervention in certain sectors (Article 47) | O.35 Number of supported operational programmes |
| Types of intervention in the wine sector (Article 58) | O.36 Number of actions or units supported in the wine sector |
| Types of intervention in the apiculture sector (Article 55) | O.37 Number of actions or units for beekeeping preservation or improvement |

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* Data declared annually for their notified expenditure.';

(2) in Annex II to Regulation (EU) 2021/2115, in the Table 'WTO DOMESTIC SUPPORT PURSUANT TO ARTICLE 10', the following entry is added:

| | | |
|---|---|---|
| 'Crisis payments to farmers following natural disasters, adverse climatic events or catastrophic events | Article 78a | 8' |

(3) Annex III to Regulation (EU) 2021/2115 is amended as follows:

(a) the entry ‘GAEC 1’ is replaced by the following:

| | | |
|---|---|---|
| ‘GAEC 1 | Maintenance of permanent grassland based on a ratio of permanent grassland in relation to agricultural area at national, regional, subregional, group-of-holdings or holding level in comparison to the reference year 2018<br>Maximum decrease of 10 % compared to the reference year. | General safeguard against conversion to other agricultural uses to preserve carbon stock’ |

(b) the entry ‘GAEC 4’ is replaced by the following:

| | | |
|---|---|---|
| ‘GAEC 4 | Establishment of buffer strips along water courses* | Protection of water courses against pollution and run-off |

* The buffer strips along water courses under this GAEC standard shall, as a general rule, and in compliance with Union law, respect the minimum width of 3 metres without using pesticides and fertilisers.
In areas with significant dewatering and irrigation ditches, Member States may adjust, if duly justified for those areas, the minimum width in accordance with specific local circumstances.
Member States may use for the purposes of this GAEC standard the definition of water courses laid down in national legislation, provided that that definition is in line with the main objective of this GAEC standard.’;

(c) in the footnote to the entry ‘GAEC 7’, the last sentence is deleted.

**ANNEX II**

‘ANNEX XV

Maximum amount per Member State

that can be reserved for crisis payments to farmers referred to in Article 96a(1)

| Member State | Financial year 2026 | Financial year 2027 |
|---|---|---|
| Belgium | 17 331 805 | 17 331 805 |
| Bulgaria | 33 153 681 | 33 412 568 |
| Czechia | 33 122 850 | 33 122 850 |
| Denmark | 28 149 040 | 28 149 040 |
| Germany | 180 241 656 | 180 241 656 |
| Estonia | 8 705 240 | 8 791 062 |
| Ireland | 44 937 679 | 44 937 679 |
| Greece | 73 458 409 | 73 458 409 |
| Spain | 177 305 135 | 177 524 124 |
| France | 261 562 218 | 261 394 218 |
| Croatia | 20 162 329 | 20 162 329 |
| Italy | 149 173 516 | 149 173 516 |
| Cyprus | 2 142 542 | 2 142 542 |
| Latvia | 14 276 793 | 14 429 368 |
| Lithuania | 23 989 755 | 24 246 239 |
| Luxembourg | 1 351 754 | 1 351 754 |
| Hungary | 49 801 629 | 49 801 629 |
| Malta | 737 356 | 737 356 |

| Member State | Financial year 2026 | Financial year 2027 |
|---|---|---|
| Netherlands | 23 719 521 | 23 719 521 |
| Austria | 35 928 198 | 35 928 198 |
| Poland | 134 243 576 | 135 179 090 |
| Portugal | 35 146 807 | 35 410 328 |
| Romania | 89 072 611 | 89 899 353 |
| Slovenia | 7 251 007 | 7 251 007 |
| Slovakia | 20 090 491 | 20 146 020 |
| Finland | 26 326 118 | 26 380 675 |
| Sweden | 26 954 340 | 26 961 185’. |