

## TITLE IV FINANCIAL PROVISIONS

### Article 77

#### *EAGF and EAFRD expenditure*

1. The EAGF shall finance the types of interventions under this Regulation:
  - (a) related to direct payments as listed under Article 14 of this Regulation;
  - (b) related to sectorial interventions referred to in Chapter 3 of Title III.
2. The EAFRD shall finance the type of interventions referred to in Chapter 4 of Title III.

### Article 78

#### *Financial allocations for direct payments types of interventions*

1. Without prejudice to Article 15 [HZR], the total amount of direct payments which may be granted in a Member State pursuant to Chapter 2 and 3 of Title III in respect of a calendar year shall not exceed the financial allocation of that Member State set out in Annex IV.

Without prejudice to Article 15 [HZR], the maximum amount which may be granted in a Member State before the application of Article 15 pursuant to Chapter 2, Section 2, Sub-section 2 of Title III of this Regulation in respect of a calendar year shall not exceed the financial allocation of that Member State set out in Annex VI.

For the purpose of Article 83 (4) and (6), Annex VII shall set out the financial allocation of a Member State referred to in the first subparagraph after deduction of the amounts set out in Annex VI and before any transfers according to Article 15.

2. The Commission is empowered to adopt delegated acts in accordance with Article 129 amending the Member States' allocations set out in Annex IV and VII to take account of the developments relating to the total maximum amount of direct payments that may be granted, including the transfers referred to in Articles 86 and 15 or any deductions needed to finance sectorial programmes referred to in Articles [...] [or increases from MS stopping apiculture, hops or olive oil].

By way of derogation from the previous sub-paragraph the adaptation of Annex VII shall not take into account any transfers in accordance with Article 15.

3. The sum of the indicative financial allocations per intervention referred to in Article 85 for the direct payment types of interventions referred to in Article 14 to be granted in a Member State in respect of a calendar year may exceed the allocation of that Member State set out in Annex IV by the estimated amount of reduction of payments taken up in the CAP Strategic Plan as referred to in Article 84-80?.

### Article 79

#### *Financial allocations for certain sectorial types of interventions*

1. The Union financial assistance for types of intervention in the wine sector consists of Member States' allocations provided for in Annex V.

2. The Union financial assistance for types of intervention in the apiculture sector consists of Member States' allocations provided for in Annex VIII.
3. The Union financial assistance for types of intervention in the hops sector in Germany shall be EUR [XXX] per year.
4. The Union financial assistance for types of interventions in the olive oil and table olives sector consists of the following Member States' allocations:
  - (a) EUR [XXX] per year for Greece;
  - (b) EUR [XXX] per year for France; and
  - (c) EUR [XXX] per year for Italy.
5. The Member States concerned may decide in their CAP Strategic Plans to transfer the financial allocations referred to in paragraphs 3 and 4 to their allocations for direct payments.
6. The Member States financial allocations transferred to allocations for direct payments as referred to in paragraph 5 shall no longer be available for the types of interventions referred to paragraphs 3 and 4.
7. Member States may decide in their CAP Strategic Plans to use up to 3% of the Member States' allocations for direct payments referred to in Annex IV, after deduction of the amounts available for cotton referred to in Annex VI, for types of intervention in other sectors referred to in Section 7 of Chapter 3 IV of Title III. The Member States' financial allocations transferred to allocations for direct payments pursuant to paragraph 5 shall no longer be available for the types of intervention referred to in paragraphs 2 to 4.
8. The amounts set out in the CAP Strategic Plan resulting from the application of paragraph 6 shall be binding upon the Member States concerned, in the first three years of the CAP Strategic Plan.
9. Member States may by 1 August [2023] review their decisions referred to in paragraph 7, within the maximum percentage of the allocations for direct payments referred to in that paragraph, to take account of the uptake of the sectorial types of intervention in other sectors. Member States shall notify the Commission of the outcome of this review by 1 August [2023].

#### *Article 80*

##### *Financial allocations for rural development types of interventions*

1. The total amount of Union support for rural development interventions under this Regulation for the period from 1 January [2021] to 31 December [2027] and its annual breakdown shall be fixed by the European Parliament and the Council, on a proposal from the Commission in accordance with the multiannual financial framework for the years [2021 to 2027] (the MFF proposal)<sup>36</sup>.
2. 0,25% of the resources referred to in paragraph 1 shall be devoted to finance the activities of technical assistance at the initiative of the Commission referred to in

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<sup>36</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions [...].



Article 7 of the H<sub>7</sub>R, including the European CAP Network referred to in Article 96 98(1) of this Regulation and the EIP referred to in Article 97 99 of this Regulation.

3. The Commission shall, by means of an implementing act, make an annual breakdown by Member States of the amounts referred to in paragraph 1, after deduction of the amount referred to in paragraph 2 (TA for the COM). In making the annual breakdown the Commission shall take into account:
  - (a) objective criteria linked to the general objectives referred to in Article 5;
  - and
  - (b) past performance.
4. The Commission is empowered to review the ceilings set out in the implementing act referred to in the previous paragraph to take account of the developments relating to the annual breakdown referred to in paragraph 1, including the transfers referred to in Articles 86 and 15, to make technical adjustments without changing the overall allocations, or to take account of any other change provided for by a legislative act after the adoption of this Regulation.

#### *Article 81* *EAFRD contribution*

The Commission implementing act approving a CAP Strategic Plan in accordance with Article 102 (6) shall set the maximum contribution from the EAFRD to the plan. The EAFRD contribution shall be calculated on the basis of the amount of eligible public expenditure.

#### *Article 82* *EAFRD contribution rates*

1. The CAP Strategic Plans shall establish a single EAFRD contribution rate applicable to all interventions. [Where applicable, a separate EAFRD contribution rate shall be established for less-developed regions, for outermost regions and for the smaller Aegean islands within the meaning of Regulation (EU) No 229/2013].
2. The maximum EAFRD contribution rate shall be:
  - (a) 75% of the eligible public expenditure in the less developed regions, in the outermost regions and in the smaller Aegean islands within the meaning of Regulation (EU) No 229/2013;
  - (b) 43% of the eligible public expenditure in the other regions.The minimum EAFRD contribution rate shall be [20] %.]
3. By way of derogation from paragraph 2, the maximum EAFRD contribution shall be:
  - (a) 80 % for non-productive investments referred to in Article 67, for the LEADER local development referred to in [Article] of Regulation (EU) CPR] and for payments for management commitments referred to in Article 65.
  - (b) 100% for operations receiving funding from funds transferred to the EAFRD in accordance with Articles 86 and 15.

### Article 83

#### Minimum and maximum financial allocations

1. At least 5 % of the total EAFRD contribution to the CAP Strategic Plan as amended in accordance with Article 80(4) shall be reserved for LEADER.
2. At least 30% of the total EAFRD contribution to the CAP Strategic Plan as amended in accordance with Article 80(4) shall be reserved for EAFRD financed interventions addressing the specific environmental and climate objectives referred to in points (d), (e) and (f) of Article 6 of this Regulation, with the exception of outermost regions.
3. Maximum 4 % of the total EAFRD contribution to the CAP Strategic Plan as amended in accordance with Article 80(4) may be used to finance the actions of technical assistance at the initiative of the Member States referred to in Article XXX.

[The EAFRD contribution may be increased up to [6%] for CAP Strategic plans where the total amount of Union support for rural development is up to [xxx]. ]

Member States may declare in each payment declaration as referred to in Article 30 [HZR] the expenditure for technical assistance amounting to the percentage laid down in sub-paragraphs 1 and 2 of the eligible expenditure included in the respective declaration of expenditure. Support for such actions shall be implemented by financing not linked to costs in accordance with [Article 45(a) of CPR].

4. At least 60 % of the of the amount set out in Annex VII shall be reserved for the type of intervention Basic Income Support referred to in Article 16 of this Regulation.
5. For each Member State the amount set out in Annex IX shall be reserved for contributing to the objective "Attract young farmers and facilitate business development". On the basis of the analysis of the situation in terms of strengths, weaknesses, opportunities and threats ("the SWOT analysis") and the identification of the needs that are to be addressed, the amount shall be used for the following types of interventions:
  - (a) The Complementary Income Support for Young Farmer as laid down in Article 27;
  - (b) The installation grants referred to in Article 68, by transferring funds to the EAFRD in application of Article 86 (1) b.
6. The sum of the indicative financial allocations for the coupled income support interventions referred to in Title III, Chapter 2, Section 2, Sub-section 1 shall be limited to a maximum of 13% of the amount set out in Annex VII.

The percentage referred to in the previous subparagraph, may be increased by a maximum of 2%, provided that the amount corresponding to the percentage exceeding the 13% referred to under the previous subparagraph is allocated to the support for protein crops under Title III Chapter 2, Section 2, Sub-section 1.

The amount included in the CAP Plan resulting from the application of previous subparagraphs shall be binding.

7. Without prejudice to Article 15 [HZR], the maximum amount which may be granted in a Member State before the application of [reduction of payment Article] pursuant to Title III Chapter 2, Section 2, Sub-section 1 in respect of a calendar year shall not exceed the amounts fixed in the CAP plan in accordance with paragraph 6.



*Article 84*  
*Variation of the unit amount*

1. For each intervention of the following types of intervention:
  - decoupled direct payments and coupled income support under Title III, Chapter 2, Section 1.
  - payments for management commitments under Article 65, and
  - payments for natural constraints or other region-specific constraints under Article 66.

and without prejudice to the application of Article 15, Member States shall set a maximum amount of support per unit or a percentage by which the actual average or uniform unit amount, calculated by dividing the total amount paid by the corresponding number of outputs for each intervention, may exceed the estimated average or uniform unit amount referred to in the CAP Strategic Plan.

2. Without prejudice to the application of Article 15, for each intervention under direct payments, the actual average or uniform unit amount, calculated by dividing the total amount paid by the corresponding number of outputs for each intervention, shall never be lower than the planned unit amount, unless the number of actual outputs exceeds the number of planned outputs as established in the CAP Strategic Plan. Where different unit amounts have been defined within an intervention, the present paragraph shall apply to each uniform unit amount of that intervention.

*Article 85*  
*Indicative financial allocations*

1. Member States shall, in their CAP Strategic Plan, lay down an indicative financial allocation for each intervention. For each intervention, the multiplication of the planned unit amount, without the application the % of variation referred to in Article 84, and the planned outputs, shall equal this indicative financial allocation.
2. Where different unit amounts are planned within an intervention, the sum of the multiplications of the planned unit amounts, without the application of the percentage of variation referred to in Article 84 and the corresponding planned outputs shall equal the indicative financial allocation referred to in paragraph 1.

*Article 86*  
*Flexibility between direct payments allocations and EAFRD allocations*

1. By [1 August 2020], as part of their CAP Strategic Plan proposal referred to in Article 102 (1), Member States may decide to transfer up to 10% of the Member State's allocation for direct payments set out in Annex IV after deduction of the allocations for cotton set in Annex VI for calendar years [2021 to 2026] to the Member State's allocation for EAFRD in financial years 2022 – 2027. By [1 August 2020], Member States may decide to transfer up to 10% of the Member State's allocation for EAFRD in financial years 2022 – 2027 to the Member State's allocation for direct payments set out in Annex IV for calendar years [2021 to 2026].

The percentage of transfer from Member State's allocation for direct payments to its allocation for EAFRD referred to in the first subparagraph may be increased by

- (a) up to 10 percentage points provided that Member States use the corresponding increase for EAFRD financed interventions addressing the specific environmental and climate objectives referred to in points X, X and X of Article 6 [reference to beneficiary EAFRD interventions].
  - (b) up to 2 percentage points provided that the Member States use the corresponding increase in accordance with Article 83 (5) b.
2. The decisions referred to in the paragraph 1 shall set out the percentage referred to in paragraph 1, which may vary by calendar year.
  3. Member States may, by 1 August of [2023], review their decisions referred to in paragraph 1 as part of a request for amendment of their CAP Strategic Plans, referred to in Article 103.

# TITLE V

## CAP STRATEGIC PLAN

### CHAPTER 1

#### GENERAL REQUIREMENTS

##### *Article 87*

##### *CAP Strategic Plans*

Member States shall establish CAP Strategic Plans in accordance with this Regulation [and, as regards EAFRD, in accordance with the Partnership Agreement referred to in Article [6] CPR] to implement the Union support financed by the EAGF and the EAFRD for the achievement of the specific objectives referred to in Article 6.

Based on the SWOT analysis referred to in Article 99(2) and an assessment of needs referred to in Article 92, Member State shall establish in the CAP Strategic Plans an intervention strategy as referred to in Article 93 in which quantitative targets and milestones shall be set to achieve the specific objectives referred to in Article 6. The targets shall be defined using a common set of result indicators referred to in Annex I.

To reach these targets Member States shall set out interventions based on the types of interventions laid down in Title III.

Each Plan shall cover the period from 1 January [2021] to 31 December [2027].

##### *Article 88*

##### *No-backsliding*

1. Member States shall aim to make, through their CAP Strategic Plans, a greater overall contribution to the achievement of the specific environmental and climate objectives laid down in points (d), (e) and (f) of Article 6 in comparison to the overall contribution made to the achievement of the objective laid down in Article 110(2)(b) of Regulation (EU) 1306/2013 through support under the EAGF and the EAFRD in the period 2014 to 2020.
2. Member States shall explain in their CAP Strategic Plans, on the basis of available information, how they propose to achieve the objective referred to in paragraph 1.

##### *Article 89*

##### *CAP Strategic Plan architecture*

Each Member State shall establish a single CAP Strategic Plan for its entire territory.

Where elements of the CAP Strategic Plan are established at regional level, the Member State shall ensure the coherence and the consistency with the elements of the CAP Strategic Plan established at national level.

##### *Article 90*

##### *Procedural requirements*

Member States shall draw up the CAP Strategic Plans based on transparent procedures, in accordance with their institutional and legal framework.



The body of the Member State responsible for drawing up the CAP Strategic Plan shall adequately consult environmental bodies on the environmental aspects of the Plan.

Member States shall draw up CAP Strategic Plans in cooperation with the partners referred to in Article 6

Member States and the Commission shall cooperate to ensure effective coordination in the implementation of CAP Strategic Plans, taking account of the principles of proportionality and shared management.

## **CHAPTER 2**

### **CONTENT OF THE CAP STRATEGIC PLAN**

#### *Article 91*

##### *Content for the CAP Strategic Plans*

1. Each CAP Strategic Plan shall contain the following sections:
  - (a) an assessment of needs;
  - (b) an intervention strategy;
  - (c) a description of elements common to several interventions;
  - (d) a description of the direct payments and rural development interventions specified in the strategy;
  - (e) a description of the sectoral programmes and their interventions;
  - (f) target and financial plans;
  - (g) a description of the governance and coordination structures, [including, as regards EAFRD, an assessment of the enabling conditions as referred to in Article [12 CPR]];
  - (h) a description of the elements that ensure modernisation of the CAP;
  - (i) a description of the elements related to simplification and reduced administrative burden for final beneficiaries.
2. Each CAP Strategic Plan shall contain the following annexes:
  - (a) Annex I on the ex-ante evaluation and the Strategic Environmental Assessment (SEA);
  - (b) Annex II on the SWOT analysis;
  - (c) Annex III on the consultation of the partners;
  - (d) Annex IV on the aid for cotton;
  - (e) Annex V on the additional national financing provided within the scope of the CAP Strategic Plan.
3. Detailed rules for the content of the sections and the annexes of the CAP Strategic Plans referred to in paragraphs 1 and 2 are laid down in the following Articles 92 to 99.



*Article 92*  
*Assessment of needs*

The assessment of needs referred to in Article 91(1)(a) shall include the following:

- (a) summary of the SWOT analysis as referred to under Article 99(2);
- (b) identification of needs for each CAP specific objective based on the evidence from the SWOT analysis. All the needs shall be described, regardless whether they will be addressed through the CAP Strategic Plan or not;
- (c) for the specific objective of supporting viable farm income and resilience as referred to in point (a) of Article 6, an assessment of needs in relation to risk management;
- (d) prioritisation and ranking of needs, including a sound justification of the choices made and if relevant, why certain identified needs are not addressed or partially addressed in the CAP Strategic Plan.

Member States shall use the most recent and most reliable data for this assessment.

Member States shall take into account in their analysis environmental planning tools.

*Article 93*  
*Intervention strategy*

The intervention strategy referred to in Article 91(1)(b) shall set out, for each specific objective referred to in Article 6 and addressed in the CAP Strategic Plan:

- (a) Targets for each relevant common and, where relevant, CAP Strategic Plan specific result indicators and related milestones;  

The value of these targets shall be justified in view of the needs assessment referred to in Article 91. As regards the specific objectives d), e), and f) of Article 6, targets shall be derived from the elements of explanation given in points (a) and (b) of paragraph 3 below.
- (b) Interventions, based on the types of intervention defined in Title III, except the type of intervention for cotton, laid down in Sub-section 2 of Section 2 of Chapter 2 Title III, shall be designed to address the specific situation in the area concerned, following a sound intervention logic, supported by the ex-ante evaluation referred to in Article 99(1), the SWOT analysis referred to in Article 99(2) and the needs assessment referred to in Article 92;
- (c) The strategy shall also show how the interventions allow reaching the targets and how they are mutually coherent and compatible.
- (d) the allocation of financial resources to the interventions of the CAP Strategic Plan is justified and adequate to achieve the targets set, and is consistent with the financial plan as referred to in Article 96.

The strategy shall also provide the following elements, showing the consistency of the strategy and the complementary of interventions across the specific objectives:

- (a) an overview of the environmental and climate architecture of the CAP Strategic Plan which describes the complementarity and baseline conditions between the conditionality and the different interventions addressing the specific environmental and climate objectives referred to in points d), e), and f) of Article 6;

- (b) an explanation of how the climate architecture of the CAP Strategic Plan is meant to contribute to already established long-term national targets deriving from EU legislation or international agreements such as those related to climate change, forests, biodiversity, and water;
- (c) in relation to the specific objective "attract young farmers and facilitate their business development" referred to in point (g) of Article 6, an overview of the CAP Strategic Plan relevant interventions and specific conditions such as those specified in Articles 22(4), 27, 68 and 70(7) shall be presented. Member States shall in particular refer to Article 83(5) when presenting the financial plan in relation to the types of interventions referred to in Articles 27 and 68. The overview shall also explain the interplay with national instruments with the view of improving the consistency between EU and national actions in this area.
- (d) an overview of the sectoral interventions, including coupled income support as referred to in Subsection 1 of Section 2 of Chapter 2 of Title III and sectorial interventions referred to in Chapter 3 of Title III, providing a justification for targeting the sectors concerned, the list of interventions per sector, their complementarity, as well as the possible specific additional targets related to the sectorial interventions referred to in Chapter 3 of Title III;
- (e) an explanation as to which interventions will contribute to ensure a coherent and integrated approach to risk management;
- (f) a description of the interplay between national and regional interventions, including the distribution of financial allocations per intervention and per fund.

#### *Article 94*

##### *Elements common to several interventions*

The description of elements common to several interventions referred to in Article 91(1)(c) shall include:

- (a) definitions to be set by Member States, in compliance with Article 4, as well as certain conditions applying to all or several direct payment interventions laid down in Article 16;
- (b) a description of the system of conditionality, which comprises the following:
  - (i) for each GAEC standard as referred to in Annex III; a description of the way the EU standard is implemented, including the following elements: summary of the on-farm practice, territorial scope, type of farmers concerned, and justification of the contribution to the main objective of the practice;
  - (ii) a description of the overall contribution to the specific environmental and climate objectives referred to in points d), e) and f) of Article 6;
- (c) A description of the use of 'technical assistance' as referred to in Articles 80(2), 83(3) and 108 and of the CAP network as referred to in Article 109;
- (d) Other implementation information such as:
  - (i) a short description of the establishment of the value of payment entitlements and of the functioning of the reserve where applicable;
  - (ii) the use of the estimated product of reduction of direct payments as referred to in Article 15.



*Article 95*  
*Interventions*

The description of each intervention specified in the strategy referred to in Article 91(1)(d) and (e) shall include:

- (a) the type of intervention it belongs to;
- (b) the territorial scope;
- (c) the specific design or requirements of that intervention that ensures an effective contribution to the specific objective(s). For environmental interventions, articulation with the conditionality requirements shall show that the practices do not overlap;
- (d) the eligibility conditions in compliance with the requirements set out in this Regulation and the HzR;
- (e) for each intervention which is based on the types of interventions listed in Annex I to this Regulation, how it respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 and in Annex E; and for each intervention which is not based on the types of interventions listed in Annex I to this Regulation, whether and if so how it respects relevant provisions of Article 6.5 or Annex 2 of the WTO Agreement on Agriculture;
- (f) the annual planned outputs for the intervention, and where relevant, a breakdown per uniform or average unit amount of support;
- (g) the annual planned unit amount of support and a justified maximum upper variation of that unit amount as referred to in Article 84 of this Regulation. Where applicable, the following information shall also be provided:
  - (i) the form and rate of support,
  - (ii) the calculation of the unit amount of support [and their certification as referred to in Article 75];
  - (iii) the different uniform unit amounts of support within that intervention, notably for groups of territories as defined in Article 18(2);
  - (iv) where Member States decide to differentiate the amount of the BISS per hectare in accordance with Article 18(2) of this Regulation for each group of territories;
- (h) the resulting annual financial allocation for the intervention, as referred to in Article 85. Where applicable, a breakdown on amounts planned for grants and amounts planned for financial instruments shall be provided;
- (i) an indication as to whether the intervention falls outside the scope of Article 42 TFEU and shall be subject to State aid assessment.

*Article 96*  
*Target and financial plans*

1. The target plan shall consist of a recapitulative table showing the targets as referred to in Article 93(a), indicating the break-down in annual milestones.
2. The financial plan referred to in Article 91(1)(f) shall comprise tables consistent with points (f) and (h) of Article 95, including:

- (a) the Member States allocations for direct payments type of interventions as referred to in Article 78(1), for interventions for wine referred to in Article 79(1) and for rural development type of interventions as referred to in Article 80(3);
- (b) the transfers of amounts between [DP and RD] in accordance with Article 86 and [any deductions of the Member States allocations for DP to make amounts available for interventions in other sectors] of this Regulation;
- (c) the Member State's allocations for the interventions for olive oil and hops, referred to in Articles 79(3) to (4), and if the corresponding programmes are not implemented, the decision to include the corresponding envelopes in the Member State's allocation for direct payments in accordance with Article 79(5).
- (d) a breakdown of the Member States allocations for [DP] after transfers as specified under points (b) and (c) based on indicative financial allocations per type of intervention and per intervention, specifying the planned outputs, the average or uniform unit amount [the maximum variation referred to in Article 84 [maximum deviation from unit amount]]. Where applicable, the breakdown shall include the amount of the reserve of payment entitlements.

The total estimated product of reduction of payments shall be specified.

- (e) Taking into account Article 85, these indicative financial allocations, and the related planned outputs and the corresponding average unit amounts or uniform unit amounts, shall be established before reduction of payments and taking into account the use of the product of reduction of payments as referred to under Article 15;
  - (f) *[relevant breakdown of the national allocations for sectorial interventions referred to Article 79, broken per intervention and with an indication of the planned outputs and the average unit amount;]*
  - (g) a breakdown of the Member States allocations for Rural development after transfers to and from direct payments as specified under point (a), per type of intervention and per intervention, including totals for the period, indicating also the applicable EAFRD contribution rate, broken down per intervention and per type of region where applicable. In case of transfer of funds from direct payments, the intervention(s) or part of intervention financed by the transfer shall be specified. This table shall also specify the planned outputs per intervention and the average or uniform unit amounts, as well as, where applicable, a breakdown on amounts planned for grants and amounts planned for financial instruments. The amounts for technical assistance shall also be specified.
  - (h) indications of the interventions contributing to the minimum spending requirements laid down in Article 83
3. The elements referred to in this Article shall be established per year. They shall respect the conditions set out in Title IV.

#### *Article 97*

##### *Governance and coordination structures*

The governance and coordination structures referred to in Article 91 shall comprise:



- (a) identification of all governance bodies referred to in Chapter II of Title II of the [HzR];
- (b) identification and role of delegated and intermediate bodies not referred to in the [HzR];
- (c) information on the control systems and penalties referred to in Title IV of the HzR, including:
  - (1) the integrated administration and control system referred to in Chapter II of Title IV of the HzR;
  - (2) the control and penalty system for conditionality referred to in Chapter IV of Title IV of the HzR;
  - (3) the competent control bodies responsible for the checks;
- (d) [as regards the EAFRD, an assessment of the enabling conditions as referred to in Article 12 CPR], including an assessment which of the enabling conditions established in accordance with [Annex x CPR] are applicable to the CAP Strategic Plan and which of them are fulfilled at the date of submission of the Plan;]
- (e) a description of the monitoring and reporting structure.

*Article 98*  
*Modernisation*

The description of the elements that ensure modernisation of the CAP referred to in Article 91(1)(h) shall highlight the elements of the CAP Strategic Plan that support the modernisation of the agricultural sector and the CAP and shall contain in particular:

- (a) an overview of how the CAP Strategic Plan will contribute to the cross-cutting general objective relating to knowledge and innovation referred to the second paragraph of Article 5, notably through:
  - (i) a description of the organisational set-up of the AKIS designed as the combined organisation and knowledge flows between persons, organisations and institutions who use and produce knowledge for agriculture and interrelated fields;
  - (ii) a description of how advisory services as referred to in Article 11, research and CAP networks will work together within the framework of the AKIS, and how advice and innovation support services are provided;
- (b) a description of the strategy for the development of digital technologies in agriculture and rural areas and for the use of these technologies to improve the effectiveness and efficiency of the CAP Strategic Plan interventions.

*Article 99*  
*Annexes*

1. Annex I to the CAP Strategic Plan referred to in Article 91(2)(a) shall include a summary of the main results of the ex-ante evaluation and the Strategic Environmental Assessment (SEA) as referred to in [Article 9 of S.I. No. 435 of 2004], and how they have been addressed or a justification of why they have not been taken into account, and a link to the complete ex ante evaluation report and SEA report:

[The ex ante evaluation of the CAP Strategic Plan shall appraise the rationale for the use of financial instruments financed by the EAFRD according to the requirements as laid down in Article [CPR].]

2. Annex II to the CAP Strategic Plan referred to in Article 91(2)(b) shall include a SWOT analysis of the current situation of the area covered by the CAP Strategic Plan.

The SWOT analysis shall be based on the current situation of the area covered by the CAP strategic plan and shall comprise, for each specific objective referred to in Article 6, a comprehensive overall description of the current situation of the area covered by the CAP Strategic Plan, based on common context indicators and other quantitative and qualitative up-to-date information such as studies, past evaluation reports, sectoral analysis, lessons learned from previous experiences.

In addition, that description shall notably highlight in relation to each general and specific objective referred to in Articles 5 and 6:

- (a) strengths identified in the CAP Strategic Plan area;
- (b) weaknesses identified in the CAP Strategic Plan area;
- (c) opportunities identified in the CAP Strategic Plan area;
- (d) threats identified in the CAP Strategic Plan area.
- (e) where relevant, an analysis of territorial aspects, highlighting those territories specifically targeted by interventions;
- (f) where relevant, an analysis of sectorial aspects, notably for those sectors subject to specific interventions and/or sectoral programmes.

For the general environmental and climate objective referred to in point (b) of Article 5, the SWOT analysis shall include a short description of national plans emanating from EU environmental/climate legislation such as the Management Plans and Prioritised Action Frameworks for Natura 2000, River Basin Management Plan, Air Quality and Air Pollution Programmes, Biodiversity Strategies, Energy-Climate Plans,

For the specific objective to attract young farmers referred to in Article 6(g), the SWOT shall include a short analysis of access to land, land mobility and land restructuring, access of finance and credits, and access to knowledge and advice.

For the general cross-cutting objective related to knowledge and innovation referred to in the second paragraph of Article 5, the SWOT analysis shall also provide relevant information about the functioning of the AKIS and related structures.

3. Annex III to the CAP Strategic Plan referred to in Article 91(2)(c) shall include the outcomes of the consultation of the partners and a brief description of how the consultation was carried out.
4. Annex IV to the CAP Strategic Plan referred to in Article 91(2)(d) shall provide a brief description of the aid for cotton and its complementarity with the CAP Strategic Plan interventions.
5. Annex V to the CAP Strategic Plan referred to in Article 91 (2)(e) shall contain the following:



- (a) a short description of additional national financing which is provided within the scope of the CAP Strategic Plan, including the amounts per measure and indication of compliance with the requirements under this Regulation;
- (b) an explanation of the complementarity with the CAP Strategic Plan interventions; and
- (c) an indication as to whether the additional national financing falls outside the scope of Article 42 TFEU and shall be subject to State aid assessment.

*Article 100*

*Delegated powers for the content of the CAP Strategic Plan*

The Commission is empowered to adopt delegated acts in accordance with Article 129 amending Chapter 2 on the content of the CAP Strategic Plan referred to in this Section.

*Article 101*

*Implementing powers for the content of the CAP Strategic Plan*

The Commission may adopt implementing acts laying down rules for the presentation of the elements described in Articles 81 to 89 in CAP Strategic Plans. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 130(3).

## **CHAPTER 3**

### **APPROVAL AND AMENDMENT OF THE CAP STRATEGIC PLAN**

*Article 102*

*Approval of the CAP Strategic Plan*

1. Each Member State shall submit to the Commission a proposal for a CAP Strategic Plan, containing the information referred to in Article 91 no later than [...].
2. The Commission shall assess the proposed CAP Strategic Plans on the basis of the completeness of the plans, the consistency and coherence with the general principles of Union law, with this Regulation and the provisions adopted pursuant to it and with the Horizontal Regulation, their effective contribution to specific objectives, the impact on the proper functioning of the internal market and distortion of competition, the level of administrative burden on beneficiaries and administration. The assessment shall address, in particular, the adequacy of the CAP plan strategy, the corresponding specific objectives, targets, interventions and the allocation of budgetary resources to meet the specific CAP Strategic Plan objectives through the proposed set of interventions on the basis of the SWOT analysis and the ex-ante evaluation.
3. Depending on the results of the assessment referred to in paragraph 2, the Commission may address observations to the Member States within three months of the date of submission of the CAP Strategic Plan.  
The Member State shall provide to the Commission all necessary additional information and, where appropriate, revise the proposed plan.
4. The Commission shall approve the proposed CAP Strategic Plan provided that the necessary information has been submitted and the Commission is satisfied that the

Plan is compatible with the general principles of Union law, the requirements set out in this Regulation and in the HzR.

5. The approval of each CAP Strategic Plan shall take place no later than six months following its submission by the Member State concerned.

The approval shall not cover the information provided in Article 97(c) and in Annexes I to IV to the CAP Strategic Plan referred to in Article 91(2).

In duly justified cases, the Member State may ask the Commission to approve a CAP Strategic Plan which does not contain all elements. In that case the Member State concerned shall indicate the parts of the CAP Strategic Plan that are missing with the budgetary allocations planned for the missing parts in order to show the overall consistency and coherence of the plan. The missing elements of the CAP Strategic Plan shall be submitted to the Commission as an amendment of the plan in accordance with Article 103.

6. Each CAP Strategic Plan shall be approved by the Commission by means of an implementing act without applying the Committee procedure referred to in Article 130.
7. The CAP Strategic Plans shall only have legal effects after their approval by the Commission.

#### *Article 103*

##### *Amendment of the CAP Strategic Plan*

1. Member States may submit to the Commission requests to amend their CAP Strategic Plans.
2. Requests for amendment of CAP Strategic Plans shall be duly justified and shall in particular set out the expected impact of the changes to the plan on achieving the specific objectives for the CAP Strategic Plans, referred to in Article 6. They shall be accompanied by the revised plan including the updated annexes as appropriate.
3. The Commission shall assess the consistency of the amendment with this Regulation and the provisions adopted pursuant to it as well as with the HzR and its effective contribution to the specific objectives.
4. The Commission shall approve the requested amendment to a CAP Strategic Plan provided that the necessary information has been submitted and the Commission is satisfied that the amended Plan is compatible with the general principles of Union law, the requirements set out in this Regulation, the provisions adopted pursuant to it and in the HzR.
5. The Commission may make observations within [30 working days] from the submission of the request for an amendment of the CAP Strategic Plan. The Member State shall provide to the Commission all necessary additional information.
6. The approval of a request for amendment of a CAP Strategic Plan shall take place no later than three months after its submission by the Member State provided that any observations made by the Commission have been adequately taken into account.
7. A request for amendment of the CAP Strategic Plan may be submitted no more than once per calendar year.

The following requests for amendment shall not count against the maximum number of amendments referred to in the first sub-paragraph:



- (a) a request for amendment solely submitted for the purpose of a transfer of funds between the EAFRD and the EAGF referred to in Article 86;
  - (b) a request for amendment referred to in the third subparagraph of Article 102(5); and
  - (c) a request for amendment referred to in Article 33(3).
8. Expenditure that becomes eligible as a result of an amendment to a CAP Strategic Plan shall only be eligible from the date of submission to the Commission of the request for amendment.
- By way of derogation from subparagraph 1, 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 CAP Strategic Plan may provide that eligibility of expenditure relating to Plan modifications may start from the date when the event occurred.
9. Corrections of a purely clerical or editorial nature or of obvious errors that do not affect the implementation of the policy and the intervention shall not be considered as a request for amendment. Member States shall inform the Commission of such corrections.

#### *Article 104*

##### *Calculation of time limits for Commission actions*

Where a time limit is set for an action by the Commission, that time limit shall start when all information complying with the requirements laid down in this regulation have been submitted.

This time limit shall not include the period which starts on the date following the date on which the Commission sends its observations or a request for revised documents to the Member State and lasts until the Member State responds to the Commission.

#### *Article 105*

##### *Implementing powers*

The Commission shall be empowered to adopt implementing acts, laying down rules on procedures and time limits for:

- (a) the approval of CAP Strategic Plans;
- (b) the submission and approval of requests for amendments to CAP Strategic Plans, including their entry into force [and the frequency with which they are to be submitted during the programming period.]

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 130(3).