

Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009

TITLE III

BASIC PAYMENT SCHEME, SINGLE AREA PAYMENT SCHEME AND RELATED PAYMENTS

CHAPTER 3

Payment for agricultural practices beneficial for the climate and the environment

Article 43

General rules

1 Farmers entitled to a payment under the basic payment scheme or the single area payment scheme shall observe, on all their eligible hectares within the meaning of Article 32(2) to (5), the agricultural practices beneficial for the climate and the environment referred to in paragraph 2 of this Article or the equivalent practices referred to in paragraph 3 of this Article.

2 The agricultural practices beneficial for the climate and the environment shall be the following:

- a crop diversification;
- b maintaining existing permanent grassland; and
- c having ecological focus area on the agricultural area.

3 The equivalent practices shall be those which include similar practices that yield an equivalent or higher level of benefit for the climate and the environment compared to one or several of the practices referred to in paragraph 2. Those equivalent practices and the practice or practices referred to in paragraph 2 to which they are equivalent are listed in Annex IX and shall be covered by any of the following:

- a commitments undertaken in accordance with either Article 39(2) of Regulation (EC) No 1698/2005 or Article 28(2) of Regulation (EU) No 1305/2013;
- b national or regional environmental certification schemes, including those for the certification of compliance with national environmental legislation, going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013, which aim to meet objectives relating to soil and water quality, biodiversity, landscape preservation, and climate change mitigation and adaptation. Those certification schemes may include the practices listed in Annex IX to this Regulation, the practices referred to in paragraph 2 of this Article, or a combination of those practices.

4 The equivalent practices referred to in paragraph 3 shall not be the subject of double funding.

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5 Member States may decide, including, where appropriate, at regional level, to restrict the choice of the farmers to use the options referred to in points (a) and (b) of paragraph 3.

6 Member States may decide, including, where appropriate, at regional level, that farmers shall carry out all of their relevant obligations under paragraph 1 in accordance with national or regional environmental certification schemes referred to in point (b) of paragraph 3.

7 Subject to the decisions of Member States referred to in paragraphs 5 and 6, a farmer may observe one or more of the practices referred to in point (a) of paragraph 3 only if these fully replace the related practice or practices referred to in paragraph 2. A farmer may use certification schemes referred to in point (b) of paragraph 3 only if these cover the entire obligation referred to in paragraph 1.

8 Member States shall notify the Commission of their decisions referred to in paragraphs 5 and 6 and of the specific commitments or certification schemes which they intend to apply as equivalent practices within the meaning of paragraph 3.

The Commission shall assess whether the practices included in the specific commitments or certification schemes are covered by the list in Annex IX, and if it considers this not to be the case, notify Member States accordingly by means of implementing acts adopted without applying the procedure referred to in Article 71(2) or (3). Where the Commission notifies a Member State that those practices are not covered by the list in Annex IX, that Member State shall not recognise as equivalent practices within the meaning of paragraph 3 of this Article the specific commitments or certification schemes covered by the Commission notification.

9 Without prejudice to paragraphs 10 and 11 of this Article, to the application of financial discipline and of linear reductions in accordance with Article 7 of this Regulation and to the application of Article 63 of Regulation (EU) No 1306/2013, Member States shall grant the payment referred to in this Chapter to farmers who observe the practices referred to in paragraph 1 of this Article that are relevant for them, and to the extent that those farmers comply with Articles 44, 45 and 46 of this Regulation.

This payment shall take the form of an annual payment per eligible hectare declared in accordance with Article 33(1) or Article 36(2), the amount of which shall be calculated annually by dividing the amount resulting from the application of Article 47 by the total number of eligible hectares declared in accordance with Article 33(1) or Article 36(2) in the Member State or the region concerned.

By way of derogation from the second subparagraph, Member States deciding to apply Article 25(2) may decide to grant the payment referred to in this paragraph as a percentage of the total value of the payment entitlements that the farmer has activated in accordance with Article 33(1) for each relevant year.

For each year and each Member State or region, that percentage shall be calculated by dividing the amount resulting from the application of Article 47 by the total value of all payment entitlements activated in accordance with Article 33(1) in that Member State or region.

10 Farmers whose holdings are fully or partly situated in areas covered by Directives 92/43/EEC, 2000/60/EC, or 2009/147/EC shall be entitled to the payment referred to in this Chapter provided that they observe the practices referred to in this Chapter to the extent that those practices are compatible in the holding concerned with the objectives of those Directives.

11 Farmers complying with the requirements laid down in Article 29(1) of Regulation (EC) No 834/2007 as regards organic farming shall be entitled ipso facto to the payment referred to in this Chapter.

The first subparagraph shall apply only to the units of a holding that are used for organic production in accordance with Article 11 of Regulation (EC) No 834/2007.

12 The Commission shall be empowered to adopt delegated acts in accordance with Article 70:

- a adding equivalent practices to the list set out in Annex IX;
- b establishing appropriate requirements applicable to the national or regional certification schemes referred to in point (b) of paragraph 3 of this Article, including the level of assurance to be provided by those schemes;
- c establishing detailed rules for the calculation of the amount referred to in Article 28(6) of Regulation (EU) No 1305/2013 for the practices referred to in points 3 and 4 of Section I and point 7 of Section III of Annex IX to this Regulation, and any further equivalent practices added to that Annex pursuant to point (a) of this paragraph for which a specific calculation is needed in order to avoid double funding.

13 The Commission shall adopt implementing acts establishing rules on the procedure for the notifications, including on timetables for their submission, and the Commission assessment referred to in paragraph 8. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 71(2).

Article 44

Crop diversification

1 Where the arable land of the farmer covers between 10 and 30 hectares and is not entirely cultivated with crops under water for a significant part of the year or for a significant part of the crop cycle, there shall be at least two different crops on that arable land. The main crop shall not cover more than 75 % of that arable land.

Where the arable land of the farmer covers more than 30 hectares and is not entirely cultivated with crops under water for a significant part of the year or for a significant part of the crop cycle, there shall be at least three different crops on that arable land. The main crop shall not cover more than 75 % of that arable land and the two main crops together shall not cover more than 95 % of that arable land.

2 Without prejudice to the number of crops required pursuant to paragraph 1, the maximum thresholds set out therein shall not apply to holdings where grasses or other herbaceous forage or land lying fallow cover more than 75 % of the arable land. In such cases, the main crop on the remaining arable area shall not cover more than 75 % of that remaining arable land, except where this remaining area is covered by grasses or other herbaceous forage or land lying fallow.

3 Paragraphs 1 and 2 shall not apply to holdings:

- a where more than 75 % of the arable land is used for the production of grasses or other herbaceous forage, is land lying fallow, or is subject to a combination of these uses, provided that the arable area not covered by these uses does not exceed 30 hectares;
- b where more than 75 % of the eligible agricultural area is permanent grassland, is used for the production of grasses or other herbaceous forage or for the cultivation of crops under water for a significant part of the year or for a significant part of the crop cycle,

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- or is subject to a combination of these uses, provided that the arable area not covered by these uses does not exceed 30 hectares;
- c where more than 50 % of the areas of arable land declared were not declared by the farmer in his aid application of the previous year and, where based on a comparison of the geo-spatial aid applications, all arable land is being cultivated with a different crop compared to that of the previous calendar year;
 - d that are situated in areas north of 62nd parallel or certain adjacent areas. Where the arable land of such holdings covers more than 10 hectares, there shall be at least two crops on the arable land, and none of these crops shall cover more than 75 % of the arable land, unless the main crop is grasses or other herbaceous forage, or land lying fallow.
- 4 For the purposes of this Article, a "crop" means any of the following:
- a a culture of any of the different genera defined in the botanical classification of crops;
 - b a culture of any of the species in the case of *Brassicaceae*, *Solanaceae*, and *Cucurbitaceae*;
 - c land lying fallow;
 - d grasses or other herbaceous forage.

Winter crop and spring crop shall be considered to be distinct crops even if they belong to the same genus.

- 5 The Commission shall be empowered to adopt delegated acts in accordance with Article 70:
- a recognising other types of genera and species than those referred to in paragraph 4 of this Article; and
 - b laying down the rules concerning the application of the precise calculation of shares of different crops.

Article 45

Permanent grassland

1 Member States shall designate permanent grasslands which are environmentally sensitive in areas covered by Directives 92/43/EEC or 2009/147/EC, including in peat and wetlands situated in these areas, and which need strict protection in order to meet the objectives of those Directives.

Member States may, in order to ensure the protection of environmentally valuable permanent grasslands, decide to designate further sensitive areas situated outside areas covered by Directives 92/43/EEC or 2009/147/EC, including permanent grasslands on carbon-rich soils.

Farmers shall not convert or plough permanent grassland situated in areas designated by Member States under the first subparagraph and, where applicable, the second subparagraph.

2 Member States shall ensure that the ratio of areas of permanent grassland to the total agricultural area declared by the farmers in accordance with point (a) of the first subparagraph of Article 72(1) of Regulation (EU) No 1306/2013 does not decrease by more than 5 % compared to a reference ratio to be established by Member States in 2015 by dividing areas of permanent grassland referred to in point (a) of the second subparagraph of this paragraph by the total agricultural area referred to in point (b) of that subparagraph.

For the purposes of establishing the reference ratio referred to in the first subparagraph:

- a "areas of permanent grassland" means the land under permanent pasture declared in 2012, or 2013 in the case of Croatia, in accordance with Regulation (EC) No 73/2009 by the farmers subject to the obligations under this Chapter, as well as the areas of permanent grassland declared in 2015 in accordance with point (a) of the first subparagraph of Article 72(1) of Regulation (EU) No 1306/2013 by the farmers subject to the obligations under this Chapter that have not been declared as land under permanent pasture in 2012 or, in the case of Croatia, 2013;
- b "total agricultural area" means the agricultural area declared in 2015 in accordance with point (a) of the first subparagraph of Article 72(1) of Regulation (EU) No 1306/2013 by farmers subject to the obligations under this Chapter.

The reference ratio of permanent grassland shall be recalculated in cases where farmers subject to the obligations under this Chapter have an obligation to reconvert an area into permanent grassland in 2015 or in 2016 in accordance with Article 93 of Regulation (EU) No 1306/2013. In such cases, these areas shall be added to the areas of permanent grassland referred to in point (a) of the second subparagraph of this paragraph.

The ratio of permanent grassland shall be established each year on the basis of the areas declared by the farmers subject to the obligations under this Chapter for that year in accordance with point (a) of the first subparagraph of Article 72(1) of Regulation (EU) No 1306/2013.

The obligation under this paragraph shall apply at national, regional or the appropriate sub-regional level. Member States may decide to apply an obligation to maintain permanent grassland at holding level in order to ensure that the ratio of permanent grassland does not decrease by more than 5 %. Member States shall notify the Commission of any such decision by 1 August 2014.

Member States shall notify the reference ratio and the ratio referred to in this paragraph to the Commission.

3 Where it is established that the ratio referred to in paragraph 2 has decreased by more than 5 % at regional or sub-regional level or, where applicable, at national level, the Member State concerned shall impose obligations at holding level to reconvert land into permanent grassland for those farmers who have land at their disposal which was converted from land under permanent pasture or from permanent grassland into land for other uses during a period in the past.

However, where the amount of areas of permanent grassland in absolute terms established in accordance with point (a) of the second subparagraph of paragraph 2 is maintained within certain limits, the obligation set out in the first subparagraph of paragraph 2 shall be considered to have been complied with.

4 Paragraph 3 shall not apply where the decrease below the threshold is the result of afforestation that is compatible with the environment and does not include plantations of short rotation coppice, Christmas trees or fast growing trees for energy production.

5 In order to ensure that the ratio of permanent grassland is maintained, the Commission shall be empowered to adopt delegated acts in accordance with Article 70 laying down detailed rules on maintenance of permanent grassland, including rules on reconversion in the case of non-respect of the obligation in paragraph 1 of this Article, rules applying to Member States for setting up obligations at holding level for maintaining permanent grassland as referred to in paragraphs 2 and 3 and any adjustment of the reference ratio referred to in paragraph 2 that may become necessary.

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6 The Commission shall be empowered to adopt delegated acts in accordance with Article 70:

- a laying down the framework for the designation of further sensitive areas referred to in the second subparagraph of paragraph 1 of this Article;
- b establishing detailed methods for the determination of the ratio of permanent grassland and of the total agricultural area that has to be maintained pursuant to paragraph 2 of this Article;
- c defining the period in the past referred to in the first subparagraph of paragraph 3 of this Article.

7 The Commission shall adopt implementing acts fixing the limits referred to in the second subparagraph of paragraph 3 of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 71(2).

Article 46

Ecological focus area

1 Where the arable land of a holding covers more than 15 hectares, the farmer shall ensure that, from 1 January 2015, an area corresponding to at least 5 % of the arable land of the holding that the farmer declared in accordance with point (a) of the first subparagraph of Article 72(1) of Regulation (EU) No 1306/2013 and, if they are considered to be ecological focus area by the Member State in accordance with paragraph 2 of this Article, including the areas mentioned in points (c), (d), (g) and (h) of that paragraph is ecological focus area.

The percentage referred to in the first subparagraph of this paragraph shall be increased from 5 % to 7 % subject to a legislative act of the European Parliament and of the Council in accordance with Article 43(2) TFEU.

By 31 March 2017, the Commission shall present an evaluation report on the implementation of the first subparagraph of this paragraph accompanied, where appropriate, by a proposal for a legislative act as referred to in the second subparagraph.

2 By 1 August 2014, Member States shall decide that one or more of the following are to be considered to be ecological focus area:

- a land lying fallow;
- b terraces;
- c landscape features, including such features adjacent to the arable land of the holding which, by way of derogation from Article 43(1) of this Regulation, may include landscape features that are not included in the eligible area in accordance with point (c) of Article 76(2) of Regulation (EU) No 1306/2013;
- d buffer strips, including buffer strips covered by permanent grassland, provided that these are distinct from adjacent eligible agricultural area;
- e hectares of agro-forestry that receive, or have received, support under Article 44 of Regulation (EC) No 1698/2005 and/or Article 23 of Regulation (EU) No 1305/2013;
- f strips of eligible hectares along forest edges;
- g areas with short rotation coppice with no use of mineral fertiliser and/or plant protection products;
- h afforested areas referred to in point (b)(ii) of Article 32(2) of this Regulation;
- i areas with catch crops, or green cover established by the planting and germination of seeds, subject to the application of weighting factors referred to in paragraph 3 of this Article;

- j areas with nitrogen-fixing crops.

With the exception of the areas of the holding referred to in points (g) and (h) of the first subparagraph of this paragraph, the ecological focus area shall be located on the arable land of the holding. In the case of areas mentioned in points (c) and (d) of the first subparagraph of this paragraph, the ecological focus area may also be adjacent to the arable land of the holding the farmer declared in accordance with point (a) of the first subparagraph of Article 72(1) of Regulation (EU) No 1306/2013.

3 In order to simplify administration and to take account of the characteristics of the types of ecological focus area listed in the first subparagraph of paragraph 2, as well as to facilitate their measurement, Member States may, when calculating the total hectares represented by the ecological focus area of the holding, make use of the conversion and/or weighting factors set out in Annex X. If a Member State decides to consider to be ecological focus area the area under point (i) of the first subparagraph of paragraph 2 or any other area that is subject to a weighting of less than 1, the use of the weighting factors set out in Annex X shall be mandatory.

4 Paragraph 1 shall not apply to holdings:

- a where more than 75 % of the arable land is used for the production of grasses or other herbaceous forage, is land lying fallow, is used for cultivation of leguminous crops, or is subject to a combination of those uses, provided that the arable area not covered by those uses does not exceed 30 hectares;
- b where more than 75 % of the eligible agricultural area is permanent grassland, is used for the production of grasses or other herbaceous forage or for the cultivation of crops under water either for a significant part of the year or for a significant part of the crop cycle, or is subject to a combination of those uses, provided that the arable area not covered by these uses does not exceed 30 hectares.

5 Member States may decide to implement up to half of the percentage points of the ecological focus area referred to in paragraph 1 at regional level in order to obtain adjacent ecological focus areas. Member States shall designate the areas and the obligations of participating farmers or groups of farmers. The aim of the designation of areas and obligations shall be to underpin the implementation of Union policies on the environment, climate and biodiversity.

6 Member States may decide to allow farmers whose holdings are in close proximity to fulfil the obligation referred to in paragraph 1 collectively ("collective implementation"), provided that the ecological focus areas concerned are contiguous. In order to underpin the implementation of Union policies on the environment, climate and biodiversity, Member States may designate the areas on which collective implementation is possible and may impose further obligations upon farmers or groups of farmers participating in such collective implementation.

Each farmer participating in collective implementation shall ensure that at least 50 % of the area subject to the obligation in paragraph 1 is located on the land of his holding and is in accordance with the second subparagraph of paragraph 2. The number of farmers participating in such collective implementation shall not exceed ten.

7 Member States with more than 50 % of their total land surface area covered by forest may decide that paragraph 1 of this Article shall not apply to holdings situated in areas designated by those Member States as areas facing natural constraints in accordance with point (a) or (b) of Article 32(1) of Regulation (EU) No 1305/2013, provided that more than 50 % of the land surface area of the unit referred to in the second subparagraph of this paragraph is covered by forest and the ratio of forest land to agricultural land is higher than 3:1.

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The area covered by forest and the ratio of forest land to agricultural land shall be assessed on an area level equivalent to the LAU2 level or on the level of another clearly delineated unit which covers a single clear contiguous geographical area having similar agricultural conditions.

8 Member States shall notify the Commission of the decisions referred to in paragraph 2 by 1 August 2014, and of any decisions referred to in paragraphs 3, 5, 6 or 7 by 1 August of the year preceding their application.

9 The Commission shall be empowered to adopt delegated acts in accordance with Article 70:

- a laying down further criteria for the types of areas referred to in paragraph 2 of this Article to qualify as ecological focus area;
- b adding other types of areas than those referred to in paragraph 2 that can be taken into account for the purpose of respecting the percentage referred to in paragraph 1;
- c adapting Annex X in order to establish the conversion and weighting factors referred to in paragraph 3 and in order to take into account the criteria and/or types of areas to be defined by the Commission under points (a) and (b) of this paragraph;
- d setting rules for the implementation referred to in paragraphs 5 and 6, including the minimum requirements on such implementation;
- e establishing the framework within which Member States are to define the criteria to be met by holdings in order to be considered to be in close proximity for the purposes of paragraph 6;
- f establishing the methods for determination of the percentage of total land surface area covered by forest and the ratio of forest land to agricultural land referred to in paragraph 7.

Article 47

Financial provisions

1 In order to finance the payment referred to in this Chapter, Member States shall use 30 % of the annual national ceiling set out in Annex II.

2 Member States shall apply the payment referred to in this Chapter at national level.

Member States applying Article 23 may decide to apply the payment at regional level. In such cases, they shall use in each region a share of the ceiling set pursuant to paragraph 3 of this Article. For each region, this share shall be calculated by dividing the respective regional ceiling set in accordance with Article 23(2) by the national ceiling set in accordance with Article 22(1), after applying the linear reduction provided for in paragraph 1 of Article 30 where paragraph 2 of that Article is not applied.

3 The Commission shall adopt implementing acts fixing the corresponding ceilings for the payment referred to in this Chapter on a yearly basis. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 71(2).