

European Agricultural Fund for Rural Development (EAFRD): specific measures to provide exceptional temporary support under EAFRD in response to the COVID-19 outbreak

2020/0075(COD) - 30/04/2020 - Legislative proposal

PURPOSE: to provide exceptional temporary support to farmers and rural businesses under the European Agricultural Fund for Rural Development (EAFRD) in response to the COVID-19 pandemic.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure on an equal footing with the Council.

BACKGROUND: the consequences of the crisis caused by the COVID-19 pandemic for farmers and rural businesses are unprecedented. Mandatory closures of shops, outdoor markets, restaurants and other similar establishments have led to economic disruption to the agricultural sector and rural communities and led to liquidity and cash-flow problems for farmers and small rural businesses active in processing, marketing and/or development of agricultural products.

As a consequence, certain small businesses and farmers are in urgent need of emergency support in order to maintain their activities. The support will need to be in the form of a temporary aid, for a very targeted purpose in unprecedented circumstances.

CONTENT: the proposal includes limited and targeted amendments to [Regulation \(EU\) No 1305/2013](#) providing exceptional and temporary support to farmers and SMEs active in processing, marketing and/or development of agricultural products, which are particularly affected by the COVID-19 crisis.

Exceptional temporary support

Support under this measure shall consist of temporary emergency aid to farmers and SMEs particularly affected by the COVID-19 crisis to ensure the continuity of their activities. It shall consist of a one-off lump sum payment to farmers and SMEs active in processing, marketing and/or development of agricultural products. Payments by the Commission shall be made in accordance with budget appropriations and subject to available funding. The maximum amount of support shall not exceed EUR 5 000 per farmer and EUR 50 000 per SME.

With a view to ensuring the most efficient use of resources available under existing rural development programmes, Member States shall be required to substantiate the targeting of the support to those most affected, based on objective and non-discriminatory criteria.

When granting support, Member States shall take into account the support granted under other national or Union support instruments or private schemes to respond to the impact of the COVID-19 crisis. The EAFRD support provided shall be limited to a maximum of 1% of the total EAFRD contribution to the rural development programme.

Budgetary implications

This new proposal does not imply any changes in the Multiannual Financial Framework (MFF) annual ceilings for commitments and payments as per Annex I to Regulation (EU) No 1311/2013. The total annual breakdown of commitment appropriations under European Agricultural Fund for Rural Development (EAFRD) remains unchanged.

Overall, this measure does not imply the need for extra payment appropriations. The 2021 payment appropriations needed to finance this measure will be offset by lower payment needs in subsequent years.