

Specific measures under the European Agricultural Fund for Rural Development (EAFRD) to provide additional assistance to Member States affected by natural disasters

2024/0274(COD) - 21/10/2024 - Legislative proposal

PURPOSE: to provide additional assistance and further flexibility to Member States affected by natural disasters to help them cope with the consequences of the devastating effects of the current natural disasters on the Union agri-food and forestry sector.

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

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

BACKGROUND: the recent natural disasters in Central and Eastern as well as in Southern Europe have had a devastating effect on the rural populations living and working in these regions. A considerable amount of agricultural and forestry production potential has been destroyed, with important losses of income.

In order to quickly address vulnerabilities of the European food system and rural communities resulting from these disasters, it is appropriate to rapidly provide **exceptional effective support through the European Agricultural Fund for Rural Development (EAFRD)** implemented under rural development programmes and provide for more flexibility for the existing measures.

In order to provide additional assistance and further flexibility to Member States affected by natural disasters, the Commission proposes a new measure and more flexibility in relation to the non-regression threshold provided for in Regulation (EU) 2020/2220 of the European Parliament and of the Council for a budgetary reinforcement of investments in restoration of agricultural potential as well as for funding the new measure.

CONTENT: the proposal is limited to a targeted amendment of Regulation (EU) 2020/2220. It complements all other measures aimed at addressing the current situation taken by the Union, in particular those measures aimed at providing liquidity.

In order to provide additional assistance and further flexibility as regards the non-regression threshold to Member States affected by natural disasters it is proposed to amend Regulation (EU) 2020/2220 to:

- introduce a new measure to allow Member States to **provide liquidity support to farmers, forest holders and SMEs active in processing of agricultural and forestry products** affected by natural disasters occurring as of 1 January 2024. The support is paid in form of a lump sum. The new measure can be co-financed up to 100% with EAFRD and the maximum share of Union contribution is 10% of the total EAFRD contribution to the rural development programme for the years 2021-2022. The support should be provided only to those beneficiaries which were affected by a destruction of at least 30% of the relevant production potential;

- provide **limited flexibility** regarding the non-regression clause when reallocating funds to the new measure or to measures for restoring production potential;
- give Member States the possibility to simplify procedures by considering the whole area to be gravely affected by a natural disaster when applying for “force majeure”;
- allow Member States to select for support operations that have been physically completed or fully implemented before the application for funding when linked to restoration or liquidity payments.

Budgetary implications

The proposal concerns the EAFRD rural development programmes for the 2014-2022 period and does not modify existing budgetary commitments. It remains within the limits of the overall allocation for the period 2014-2022 and is therefore budgetary neutral.

The total annual breakdown of commitment appropriations under EAFRD remains unchanged. Payments to beneficiaries will be made before 31 December 2025, and hence will be financed under the 2025, 2026 and 2027 budget.

The payment appropriations needed to finance this measure are to be accommodated within the appropriations for the EAFRD included in the Commission’s forthcoming Draft Budget 2025 and will be offset by a corresponding decrease in payment needs in subsequent years.