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COMMISSION REGULATION (EC) No 817/2004

of 29 April 2004

laying down detailed rules for the application of Council Regulation (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)

(OJ L 231, 30.6.2004, p. 24)

Amended by:

	Official Journal		
	No	page	date
► M1 Commission Regulation (EC) No 1360/2005 of 18 August 2005	L 214	55	19.8.2005

**COMMISSION REGULATION (EC) No 817/2004****of 29 April 2004****laying down detailed rules for the application of Council Regulation (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations ⁽¹⁾, and in particular Articles 34, 45 and 50 thereof,

Whereas:

- (1) Regulation (EC) No 1257/1999 established a single legal framework for EAGGF support for rural development. In particular, Title II thereof specifies the measures eligible for support, their objectives and the criteria for eligibility. This legal framework applies to support for rural development throughout the Community.
- (2) To supplement this framework, Commission Regulation (EC) No 445/2002 of 26 February 2002 laying down detailed rules for the application of Council Regulation (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) ⁽²⁾ has been adopted, taking account of experience gained using the instruments applied under the various Council regulations repealed by Article 55(1) of Regulation (EC) No 1257/1999.
- (3) Commission Regulation (EC) No 445/2002 of 26 February 2002 has been substantially amended. In addition, when Regulation (EC) No 1257/1999 was amended, four new measures were introduced for which detailed rules are needed. Moreover, in view of the experience gained since the beginning of the programming period, certain provisions should be clarified, in particular those relating to the procedure for amending programming documents, to the financial management of programmes and to the controls. In the interests of clarity and rationality, therefore, a new regulation laying down detailed rules should be adopted and Regulation (EC) No 445/2002 should be repealed.
- (4) Those rules should follow the principles of subsidiarity and proportionality, and should therefore be restricted to what is necessary for the attainment of the aims being pursued.
- (5) With respect to the eligibility criteria, Regulation (EC) No 1257/1999 lays down three basic conditions for support for investments in agricultural holdings and processing plants and support for young farmers. The time at which those conditions must be fulfilled should be specified, including the duration of the period of grace that Member States may grant to certain beneficiaries in which to comply with minimum standards in cases where an investment is carried out with a view to meeting those standards.
- (6) Community support for investments in holdings and processing plants is subject to the condition that normal market outlets can be found for the products concerned. Detailed rules should be laid down for assessing such market outlets.
- (7) Support for vocational training should not cover normal agricultural and forestry education.

⁽¹⁾ OJ L 160, 26.6.1999, p. 80. Regulation as amended by Regulation (EC) No 583/2004 (OJ L 91, 30.3.2004, p. 1).

⁽²⁾ OJ L 74, 15.3.2002, p. 1. Regulation as last amended by Regulation (EC) No 963/2003 (OJ L 138, 5.6.2003, p. 32).

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- (8) As regards the conditions for early retirement support, specific problems arising where a holding is transferred by several transferees or by a tenant farmer should be solved.
- (9) Compensatory allowances payable in less-favoured areas for land used jointly by several farmers should be paid to each farmer concerned in proportion to the degree to which the farmer is entitled to its use.
- (10) The competences and resources required from the authorities and bodies selected for providing the farm advisory services should be specified.
- (11) As regards support for agri-environment and animal welfare, the minimum requirements to be met by farmers in connection with the various agri-environment and animal welfare commitments should ensure a balanced application of support that takes account of the objectives and will thus contribute to sustainable rural development.
- (12) As regards support for farmers participating in a food-quality scheme, the products concerned by this support and the types of fixed costs which may be taken into account for calculating the amount of assistance should be specified.
- (13) In order to ensure complementarity between the promotion measures set in Article 24d of Regulation (EC) No 1257/1999 and the regime concerning information and promotion actions established by Regulation (EC) No 2826/2000 of 19 December 2000 on information and promotion actions for agricultural products on the internal market ⁽¹⁾, detailed requirements for support for the promotion of quality products should be laid down, in particular as regards beneficiaries and eligible activities. In addition, in order to avoid the risk of double financing, information and promotion measures supported under Council Regulation (EC) No 2826/2000 should not be eligible for rural development support.
- (14) The selection criteria for investments to improve the processing and marketing of agricultural products should be fixed. Experience shows that these selection criteria should be based on broad principles rather than sectoral rules.
- (15) The outermost regions of the Community should be exempt, subject to certain conditions, from the second indent of Article 28 (1) of Regulation (EC) No 1257/1999, under which no assistance may be granted for investments intended for the processing or marketing of products from third countries.
- (16) The forests not eligible for support pursuant to Article 29(3) of Regulation (EC) No 1257/1999 should be defined in greater detail.
- (17) Detailed conditions should be laid down for support for the afforestation of agricultural land and payments for activities to maintain and improve the ecological stability of forests.
- (18) Pursuant to Article 33 of Regulation (EC) No 1257/1999, support is granted for other measures relating to farming activities and their conversion and to rural activities not covered by any other rural development measure. Given the wide variety of measures which could be covered by this Article, it should be left primarily to the Member States to lay down the conditions for support as part of their programming.
- (19) Rules common to several measures should be laid down to ensure, in particular, that common standards of good farming practice are applied where measures refer to that criterion, and to guarantee the flexibility needed for long-term commitments to

⁽¹⁾ OJ L 328, 23.12.2000, p. 2.

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take account of events which might affect those commitments without jeopardising the effective implementation of the various support measures.

- (20) A clear dividing line should be drawn between financing rural development support and financing support under the common market organisations. Any exceptions to the principle that measures covered by support schemes under common market organisations should not be eligible for rural development support should be proposed by Member States in their rural development programming, according to their specific needs and following a transparent procedure.
- (21) Rural development support payments should be made in full to the beneficiaries.
- (22) Commission Regulation (EC) No 1685/2000 ⁽¹⁾ lays down detailed rules for implementing Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds ⁽²⁾ as regards eligibility of expenditure under operations part-financed by the Structural Funds, and hence by the EAGGF Guidance Section. In the interests of consistency, Regulation (EC) No 1685/2000 should also apply to measures part-financed by the EAGGF Guarantee Section, except where otherwise provided in Regulation (EC) No 1257/1999, in Council Regulation (EC) No 1258/1999 of 17 May 1999 on the financing of the common agricultural policy ⁽³⁾ or in this Regulation.
- (23) Standard unit costs are frequently fixed for certain investments part-financed pursuant to the first, second and sixth indents of Article 30(1) and pursuant to Article 31 of Regulation (EC) No 1257/1999. In the interests of clarity and in order to simplify the management of those measures, beneficiaries should be exempt, from 2000, from the requirement to present invoices pursuant to Commission Regulation (EC) No 1685/2000. The conditions on which Member States may apply such standard costs should also be laid down in order to ensure efficient management.
- (24) Commission Decision 1999/659/EC of 8 September 1999 fixing an indicative allocation by Member States of the allocations under the European Agricultural Guidance and Guarantee Fund Guarantee Section for rural development measures for the period 2000 to 2006 ⁽⁴⁾ specifies the type of expenditure covered by the allocations made to the Member States. Moreover, under Commission Regulation (EC) No 2603/1999 of 9 December 1999 laying down rules for the transition to the rural development support provided for by Council Regulation (EC) No 1257/1999 ⁽⁵⁾, payments arising from certain commitments made before 1 January 2000 may be included in rural development programming for 2000 to 2006 subject to certain conditions. It is therefore necessary to specify what is included in the overall amount of Community support fixed for each rural development plan under the single programming document approved by the Commission.
- (25) In order to ensure more flexible financial management, Member States which have opted for regionalised rural development programming should have the option of having the total amount of Community support granted to each regional programme set out in a separate decision containing a consolidated table for the entire Member State.

⁽¹⁾ OJ L 193, 29.7.2000, p. 39. Regulation as amended by Regulation (EC) No 448/2004, (OJ L 72, 11.3.2004, p. 66).

⁽²⁾ OJ L 161, 26.6.1999, p. 1. Regulation as last amended by Regulation (EC) No 1105/2003 (OJ L 158, 27.6.2003, p. 3).

⁽³⁾ OJ L 160, 26.6.1999, p. 103.

⁽⁴⁾ OJ L 259, 6.10.1999, p. 27. Decision as amended by Decision 2000/426/EC (OJ L 165, 6.7.2000, p. 33).

⁽⁵⁾ OJ L 316, 10.12.1999, p. 26. Regulation as last amended by Regulation (EC) No 2055/2001 (OJ L 277, 20.10.2001, p. 12).

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- (26) Article 5 of Council Regulation (EC) No 1259/1999 of 17 May 1999 establishing common rules for direct support schemes under the common agricultural policy ⁽¹⁾ stipulates that the amounts accruing from penalties for infringement of environmental protection requirements or from modulation remain available to the Member States as additional Community support for certain rural development measures. Exactly what the Commission's approval covers in the case of such measures should be specified.
- (27) Detailed rules should be laid down for the presentation of rural development plans and their revision.
- (28) In order to facilitate the establishment of rural development plans and their examination and approval by the Commission, common rules should be laid down for the structure and content of these plans, based in particular on the requirements set out in Article 43 of Regulation (EC) No 1257/1999.
- (29) Requirements should be set for amendments to rural development programming documents so as to enable the Commission to examine them quickly and efficiently.
- (30) Only amendments involving important changes to rural development programming documents should be subject to the management committee procedure. Other amendments should be decided by the Member States and communicated to the Commission.
- (31) To ensure effective and regular monitoring, the Member States should make a consolidated and updated electronic version of their programming documents available to the Commission.
- (32) Detailed rules should be laid down on financial planning and contributions to the financing of measures financed by the EAGGF Guarantee Section pursuant to Article 35(1) and (2) of Regulation (EC) No 1257/1999.
- (33) In this connection, Member States should report regularly to the Commission on the state of financing of rural development measures.
- (34) Steps should be taken to ensure that appropriations earmarked for rural development support are efficiently used, in particular by providing for the Commission to grant an initial advance payment to paying agencies and for allocations to be adjusted according to needs and in the light of past performance. It should also be possible to grant advances to certain categories of beneficiaries, under certain conditions, in order to facilitate the implementation of investment measures.
- (35) The general rules on budgetary discipline, in particular those relating to incomplete or incorrect declarations by Member States, should apply in addition to the specific rules laid down in this Regulation.
- (36) The detailed financial administration of rural development measures should be governed by the regulations implementing Regulation (EC) No 1258/1999.
- (37) The procedures and requirements for monitoring and evaluation should be based on the principles applicable to other Community support measures, in particular those laid down by Regulation (EC) No 1260/1999.
- (38) The administrative rules should permit better administration, monitoring and control of rural development support. In the interests of simplicity, the integrated administration and control system foreseen in Title II, Chapter IV of Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy

⁽¹⁾ OJ L 160, 26.6.1999, p. 113. Regulation as last amended by Commission Regulation (EC) No 41/2004 (OJ L 6, 10.1.2004, p. 19).

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and establishing certain support schemes for farmers ⁽¹⁾ for which the detailed implementing rules are laid down by Commission Regulation (EC) No 2419/2001 ⁽²⁾ should be applied wherever possible.

- (39) Provision should be made for a system of penalties at both Community and Member State level.
- (40) Information on the situation regarding the implementation of former accompanying measures under Council Regulations (EEC) No 2078/92 ⁽³⁾, (EEC) No 2079/92 ⁽⁴⁾ and (EEC) No 2080/92 ⁽⁵⁾ should be included in the annual report provided for in Article 48 (2) of Regulation (EC) No 1257/1999 where such measures form part of the financial programming for 2000 to 2006. The expenditure arising under such measures should also be included in the information which Member States are required to supply by 30 September each year.
- (41) The measures provided for in this Regulation are in accordance with the opinion of the Committee on Agricultural Structures and Rural Development,

HAS ADOPTED THIS REGULATION:

CHAPTER I

RURAL DEVELOPMENT MEASURES*SECTION 1**Investments in agricultural holdings**Article 1*

The period of grace which the Member States may grant pursuant to Article 5(3) of Regulation (EC) No 1257/1999 in which to comply with newly introduced standards may not exceed 36 months from the date on which the standard becomes mandatory for the farmer. The end of the investment period referred to in Article 5(3) of Regulation (EC) No 1257/1999 shall fall within the period of grace as fixed in the first paragraph.

The period of grace as fixed in the first paragraph shall not apply to applications for support introduced before 7 May 2004.

Article 2

1. For the purposes of Article 6 of Regulation (EC) No 1257/1999, the existence of normal market outlets shall be assessed at the appropriate level in terms of:

- (a) the products concerned;
- (b) the types of investment;
- (c) existing and planned capacity.

2. Any restrictions on production or limitations on Community support under common market organisations shall be taken into account.

⁽¹⁾ OJ L 270, 21.10.2003, p. 1. Regulation as last amended by Commission Regulation (EC) No 583/2004 (OJ L 91, 30.3.2004, p. 1).

⁽²⁾ OJ L 327, 12.12.2001, p. 11. Regulation as amended by Regulation (EC) No 118/2004 (OJ L 17, 24.1.2004, p. 7).

⁽³⁾ OJ L 215, 30.7.1992, p. 85. Regulation repealed by Regulation (EC) No 1257/1999.

⁽⁴⁾ OJ L 215, 30.7.1992, p. 91. Regulation repealed by Regulation (EC) No 1257/1999.

⁽⁵⁾ OJ L 215, 30.7.1992, p. 96. Regulation repealed by Regulation (EC) No 1257/1999.

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3. Where a common market organisation places restrictions on production or limitations on Community support at the level of individual farmers, holdings or processing plants, no investment shall be supported which would increase production beyond those restrictions or limitations.

Article 3

Article 4(2) of this Regulation shall also apply to investments made by young farmers.

*SECTION 2****Setting-up of young farmers****Article 4*

1. The conditions for start-up assistance for young farmers laid down in Article 8(1) of Regulation (EC) No 1257/1999 must be met at the time when the individual decision to grant support is taken.

2. A period not exceeding five years may be allowed after starting up in order to meet the requirements relating to occupational skill and competence, economic viability and minimum standards regarding the environment, hygiene and animal welfare, if the young farmer needs a period of adaptation in which to start up or to restructure the holding.

Article 5

The individual decision to grant the aid provided for in Article 8 of Regulation (EC) No 1257/1999 shall be taken no later than 12 months after start-up as defined by the provisions in force in the Member States.

*SECTION 3****Training****Article 6*

Support for vocational training shall not include courses of instruction or training which form part of normal programmes or systems of agricultural and forestry education at secondary or higher levels.

*SECTION 4****Early retirement****Article 7*

Where a farm is transferred by several transferors, overall support shall be limited to the amount provided for one transferor.

Article 8

Non-commercial farming activity continued by the transferor in accordance with the first indent of Article 11(1) of Regulation (EC) No 1257/1999 shall not be eligible for support under the common agricultural policy.

Article 9

A tenant farmer may transfer the released land to the owner provided that the lease is terminated and the requirements relating to the transferee laid down in Article 11(2) of Regulation (EC) No 1257/1999 are complied with.

Article 10

Released land may be included in a re-parcelling operation or in a simple exchange of parcels.

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In such cases, the conditions applicable to released land shall be applied to areas agronomically equivalent to the released land.

Member States may make provision for released land to be taken in charge by a body which undertakes to reassign it at a later date to a transferee who satisfies the conditions laid down for early retirement.

*SECTION 5**Less-favoured areas and areas with environmental restrictions**Article 11*

Compensatory allowances for areas used jointly by several farmers for the purpose of grazing animals may be granted to each farmer concerned in proportion to that farmer's use, or right of use, of the land.

*SECTION 6**Meeting standards**Article 12*

The authorities and bodies selected to provide the farm advisory services referred to in Article 21d(2) of Regulation (EC) No 1257/1999 shall ensure the availability of appropriate resources in the form of qualified staff, administrative and technical facilities and advisory experience and reliability with respect to the statutory requirements referred to in Article 21d(1) of Regulation (EC) No 1257/1999.

*SECTION 7**Agri-environment and animal welfare**Article 13*

Any commitment to extensify livestock farming or manage livestock farming differently shall comply with at least the following conditions:

- (a) grassland management shall continue;
- (b) the livestock shall be distributed across the farm in such a way that the whole of the grazed area is maintained, thus avoiding both over-grazing and under-utilisation;
- (c) livestock density shall be defined taking into account all grazing livestock kept on the farm or, in the case of a commitment to limit nutrient leaching, all animals kept on the farm which are relevant to the commitment in question.

Article 14

1. Support may relate to the following commitments:

- (a) to rear farm animals of local breeds indigenous to the area and in danger of being lost to farming;
- (b) to preserve plant genetic resources naturally adapted to the local and regional conditions and under threat of genetic erosion.

2. The local breeds and plant genetic resources must play a role in maintaining the environment on the area to which the measure provided for in paragraph 1 applies.

The eligible species of farm animals and the criteria for determining the threshold of loss to farming of local breeds are defined in the table in Annex I to this Regulation.

Article 15

For the purposes of the second subparagraph of Article 24(1) of Regulation (EC) No 1257/1999, capital works shall be considered to be non-remunerative provided that they do not normally lead to any significant net increase in the value or profitability of the farm.

*Article 16*

Agri-environment commitments beyond the minimum period of five years referred to in Article 23(1) of Regulation (EC) No 1257/1999 shall not run for a longer period than is reasonably necessary for the achievement of their environmental effects. They shall normally be for no longer than 10 years, except in the case of specific commitments where a longer period is found to be indispensable.

Article 17

Various agri-environment and/or animal welfare commitments may be combined provided that they are complementary and compatible.

Where agri-environment measures are thus combined, the level of support shall take account of income forgone and specific additional costs arising from the combination.

Article 18

1. The reference level for calculating income forgone and additional costs resulting from the commitments given shall be the usual good farming practice in the area where the measure is applied.

The economic consequences of abandoning land or ceasing certain farming practices may be taken into account where this is justified by the agronomic or environmental circumstances.

2. Where commitments are normally expressed in units other than those used in Annex of Regulation (EC) No 1257/1999, Member States may calculate payments on the basis of these other units. In such cases, the Member States shall ensure that the maximum amounts per year eligible for Community support as set out in the Annex to Regulation (EC) No 1257/1999 are complied with. To this end the Member State may:

(a) set a limit on the number of units per hectare of the farm to which the agri-environment commitments applies;

or

(b) determine the overall maximum amount for each participating farm and ensure that the payments for each farm are compatible with this limit.

3. Payments may be based on limitations on the use of fertilisers, plant protection products or other inputs only if such limitations are technically and economically measurable.

Article 19

Member States shall determine the need to provide an incentive as provided for in the third indent of the first subparagraph of Article 24(1) of Regulation (EC) No 1257/1999 on the basis of objective criteria.

Incentives may not exceed 20 % of the income forgone and additional costs due to the commitment given, except in the case of specific commitments where a higher rate is deemed to be indispensable for effective implementation of the measure.

Article 20

A farmer who gives an agri-environment or animal welfare commitment relating to one part of a farm shall adhere to at least the standard of usual good farming practice throughout the farm.

Article 21

1. Member States may authorise one commitment to be converted into another during the period of its operation, on condition that:

(a) any such conversion is of unquestionable benefit to the environment or to animal welfare;

(b) the existing commitment is significantly reinforced;

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and

- (c) the approved programme includes the commitments concerned.

An agri-environment commitment may be converted into a commitment for afforestation of agricultural land under Article 31 of Regulation (EC) No 1257/1999 subject to the conditions set out in points (a) and (b) of the first subparagraph of this paragraph. The agri-environment commitment shall cease without reimbursement being required.

2. Member States may allow agri-environment or animal welfare commitments to be adjusted during the period for which they apply, provided that the approved programme includes scope for such adjustment and that the adjustment is duly justified having regard to the objectives of the commitment.

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3. Where agro-environmental commitments expire before the end of the programming period fixed in Article 42 of Regulation (EC) No 1257/1999, Member States may extend them provided that the last year of the commitment does not start later than 31 December 2006.

The Member States may authorise adaptations to the areas of the holding covered by the commitment to take into account a transfer of a part of the beneficiary's holding to another person during the extension period, provided that those adaptations do not reduce by more than 50 % the area covered by the commitment.

▼B*SECTION 8**Food quality*

Subsection 1

Participation in food quality schemes*Article 22*

1. Assistance foreseen in Article 24b of Regulation (EC) No 1257/1999 may be granted to farmers participating in a quality scheme only if the agricultural product or foodstuff has been officially recognised under the Regulations listed in paragraph 2 of that Article or a national quality scheme as provided for in paragraph 3 of that Article.

2. Where a support under Article 24b of Regulation No 1257/1999 for participation in a food quality scheme under Council Regulation (EEC) No 2092/91 ⁽¹⁾ for a specific product is included in the rural development programming document, the fixed cost resulting from the participation in this quality scheme shall no more be taken into account in calculating the amount of support in the framework of an agri-environment measure to support organic farming for the same product.

For the purposes of Article 24c of Regulation (EC) No 1257/1999, 'fixed costs' means the costs incurred for entering a quality scheme and the annual contribution for participating in such a scheme, including, where necessary, expenditure on checks required to verify compliance with the specifications of the scheme.

⁽¹⁾ OJ L 198, 22.7.1991, p. 1. Regulation as last amended by Commission Regulation (EC) No 746/2004 (OJ L 122, 26.4.2004, p. 10).



Subsection 2

Promotion of quality products*Article 23*

For the purposes of Article 24d(1) of Regulation (EC) No 1257/1999, ‘producer group’ means any organisation, of whatever legal form, which brings together operators actively participating in a quality scheme covered by Article 24b of Regulation (EC) No 1257/1999 for a specific agricultural product or foodstuff.

Professional and/or inter-professional organisations representing one or more sectors cannot qualify as ‘producer groups’ in the sense of the first paragraph..

Article 24

For the purposes of Article 24d(2) of Regulation (EC) No 1257/1999, the information, promotion and advertising activities eligible for support shall be activities designed to induce consumers to buy the agricultural products or foodstuffs covered by quality schemes included in the programming document under the measure ‘participation in food quality schemes’.

Such activities shall draw attention to the specific features or advantages of the products concerned, notably the quality, specific production methods, high animal welfare standards and respect for the environment linked to the quality scheme concerned, and may include the dissemination of scientific and technical knowledge about these products.

Such activities shall include, in particular, the organisation of, and/or participation in, fairs and exhibitions, similar public relations exercises and advertising via the different channels of communication or at the points of sale.

Article 25

1. Only information, promotion and advertising activities on the internal market shall be eligible for support pursuant to Article 24d of Regulation (EC) No 1257/1999.

2. Activities pursuant to Article 24 may not concern commercial brands. They may not incite consumers to buy a product due to its particular origin, except for products covered by the quality scheme introduced by Council Regulation (EC) No 2081/92 ⁽¹⁾ and those covered by Council Regulation (EC) No 1493/1999 of 17 May 1999 on the common organisation of the market in wine ⁽²⁾.

The origin of a product may nevertheless be indicated provided the mention of the origin is subordinate to the main message.

3. Where activities covered by Article 24 of this Regulation concern a product included in a quality scheme provided for in Article 24b(2)(a), (b) or (c) of Regulation (EC) No 1257/1999, the Community logo provided for under those schemes shall appear on information, promotion and/or advertising material.

4. Information and promotion activities supported pursuant to Regulation (EC) No 2826/2000 shall not qualify for support pursuant to Article 24d of Regulation (EC) No 1257/1999.

Article 26

The Member States shall ensure that all draft information, promotion, and advertising materials drawn up in the context of an activity benefiting from support in accordance with Article 24d of Regulation (EC)

⁽¹⁾ OJ L 208, 24.7.1992, p. 1. Regulation as last amended by Regulation (EC) No 806/2003 (OJ L 122, 16.5.2003, p. 1).

⁽²⁾ OJ L 179, 14.7.1999, p. 1. Regulation as last amended by Commission Regulation (EC) No 1795/2003 (OJ L 262, 14.10.2003, p. 13).

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No 1257/1999 comply with Community legislation. To that end, beneficiaries shall transmit all such draft materials to the competent authority of the Member State.

*SECTION 9**Improving the processing and marketing of agricultural products**Article 27*

Eligible expenditure may include:

- (a) the construction and acquisition of immovable property, with the exception of land purchase;
- (b) new machinery and equipment including computer software;
- (c) general costs, such as architects, engineers and consultants fees, feasibility studies, acquisition of patents and licences.

The costs referred to in point (c) of the first subparagraph shall be in addition to the costs referred to in (a) and (b) and shall be considered eligible expenditure up to a ceiling of 12 % of those costs. For the development of new technologies as referred to in Article 25(2), fourth indent, of Regulation (EC) No 1257/1999, the ceiling can be increased up to 25 %.

Article 28

1. For the purposes of the second subparagraph of Article 26(1) of Regulation (EC) No 1257/1999, 'small processing units' means undertakings with fewer than 10 employees and an annual turnover or annual balance sheet total not exceeding EUR 2 million.

2. The period of grace which the Member States may grant under the second subparagraph of Article 26(1) of Regulation (EC) No 1257/1999 in which to comply with newly introduced minimum standards, may not exceed 36 months from the date on which the standard becomes mandatory for the small processing unit.

The end of the investment period referred to in the second subparagraph of Article 26(1) of Regulation (EC) No 1257/1999 shall fall within the period of grace as fixed in the second paragraph above.

Article 29

1. For the purposes of Article 26(3) of Regulation (EC) No 1257/1999, the existence of normal market outlets shall be assessed at the appropriate level in relation to:

- (a) the products concerned;
- (b) the types of investment;
- (c) existing and planned capacity.

2. Any restrictions on production or limitations on Community support under common market organisations shall be taken into account.

Article 30

In the outermost regions, support may be granted for investment in the processing or marketing of products from third countries, provided that the processed products are intended for the market of the region in question.

For the purpose of compliance with the condition laid down in the first subparagraph, support shall be limited to processing capacity corresponding to regional needs, provided that such processing capacity does not exceed such needs.



SECTION 10

Forestry

Article 31

The forests excluded from forestry support under Article 29(3) of Regulation (EC) No 1257/1999 shall be:

- (a) forest or other wooded land owned by central or regional governments, or by government-owned corporations;
- (b) forest and other wooded land owned by the crown;
- (c) forests owned by legal persons at least 50 % of whose capital is held by one of the institutions referred to in points (a) and (b).

Article 32

Agricultural land eligible for support for afforestation pursuant to Article 31 of Regulation (EC) No 1257/1999 shall be specified by the Member State and shall include in particular arable land, grassland, permanent pastures and land used for perennial crops, where farming takes place on a regular basis

Article 33

1. For the purposes of the second indent of the second subparagraph of Article 31(1) of Regulation (EC) No 1257/1999, 'farmer' means a person who devotes an essential part of his or her working time to agricultural activities and derives from them a significant part of his or her income according to detailed criteria to be determined by the Member State.

2. For the purposes of the second subparagraph of Article 31(3) of Regulation (EC) No 1257/1999, 'fast-growing species cultivated in the short term' means species with a rotation time, namely the period between two harvest cuts on the same parcel, of less than 15 years.

Article 34

1. Support under Article 32 of Regulation (EC) No 1257/1999 may not be granted for areas for which support has been granted pursuant to Article 31 of that Regulation.

2. Payments for maintaining fire-breaks through agricultural measures under the second indent of Article 32(1) of Regulation (EC) No 1257/1999 may not be granted for areas benefiting from agri-environment support.

Such payments shall be consistent with any restrictions on production or limitations on Community support under common market organisations and shall take account of payments made under those common market organisations.

SECTION 11

Rules common to several measures

Article 35

1. For the purposes of the third indent of Article 14(2) and the first subparagraph of Article 23(2) of Regulation (EC) No 1257/1999, 'usual good farming practice', means the standard of farming which a reasonable farmer would follow in the region concerned.

The Member States shall define verifiable standards in their rural development plans. These standards shall at least entail compliance with general mandatory environmental requirements. Concerning the support for animal welfare according to Article 22, second subparagraph, point (f) of Regulation (EC) No 1257/1999, these standards comprise at least the mandatory requirements in this area.

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2. Where a Member States grants a period for the compliance with a new standard as referred to Article 1 of this Regulation or a period for the compliance of young farmers with the minimum standards referred to in Article 4, second subparagraph, of this Regulation, the farmers remains eligible for the compensatory allowances referred to in Chapter V of Regulation (EC) No 1257/1999 and/or for agri-environment or animal welfare support referred to in Chapter VI of that Regulation during this period provided the other conditions for granting these supports are met and provided that the farmer complies with the standards concerned at the end of the period.

*Article 36***▼M1**

Where all or part of a holding of the beneficiary is transferred to another person during the period for which a commitment given as a condition for the grant of assistance runs that other person may take over the commitment for the remainder of the period. If the commitment is not taken over, the beneficiary shall reimburse the assistance granted.

Member States, applying the principle of proportionality, may choose not to require such reimbursement in the following cases:

- (a) if a beneficiary who has already honoured a significant part of the commitment concerned definitively ceases agricultural activities and it is not feasible for a successor to take over the commitment;
- (b) if the transfer of a part of the holding of a beneficiary occurs during a period of extension of the commitment in accordance with Article 21(3) and if the transfer does not exceed 50 % of the area covered by the commitment before the extension.

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In the event of minor changes to the situation of a holding, Member States may take specific measures to ensure that application of the first subparagraph does not lead to inappropriate results in terms of the commitment entered into.

Article 37

1. When a beneficiary increases the area of the holding during the period for which a commitment given as a condition for the grant of assistance runs, Member States may provide for the commitment to be extended to cover the additional area for the remainder of the period of the commitment in accordance with paragraph 2, or for the original commitment to be replaced by a new one in accordance with paragraph 3.

Provision may also be made for such replacement in cases where the area covered by a commitment within a holding is extended.

2. The extension referred to in paragraph 1 may be granted only under the following conditions:

- (a) it is of unquestionable benefit to the measure concerned;
- (b) it is justified in terms of the nature of the commitment, the length of the remaining period and the size of the additional area;
- (c) it does not impede the effectiveness of checks to ensure compliance with the conditions for the grant of assistance.

The size of the additional area referred to in (b) must be significantly less than the original area or not more than two hectares.

3. The new commitment referred to in paragraph 1 shall cover the whole area concerned under terms at least as strict as those of the original commitment.

Article 38

Where a beneficiary is unable to continue to comply with commitments given because the holding is re-parcelled or is the subject of other similar public land-consolidation measures, Member States shall take the measures necessary to allow the commitments to be adapted to the new

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situation of the holding. If such adaptation proves impossible, the commitment shall expire and reimbursement shall not be required in respect of the period in which the commitment was effective.

Article 39

1. Without prejudice to the actual circumstances to be taken into consideration in individual cases, Member States may recognise, in particular, the following categories of *force majeure*:

- (a) death of the farmer;
- (b) long-term professional incapacity of the farmer;
- (c) expropriation of a large part of the holding if this could not have been anticipated on the day on which the commitment was given;
- (d) a severe natural disaster seriously affecting the agricultural land on the holding;
- (e) the accidental destruction of livestock buildings on the holding;
- (f) an epizootic disease affecting all or part of the farmer's livestock.

Member States shall notify the Commission of categories which they recognise as *force majeure*.

2. Cases of *force majeure* shall be notified in writing to the competent authority, together with relevant evidence to the satisfaction of that authority, within 10 working days of the date on which the farmer is in a position to do so. That deadline may be extended by 20 working days so long as that possibility is provided for in the programming document.

CHAPTER II

GENERAL RULES AND ADMINISTRATIVE AND FINANCIAL PROVISIONS

SECTION 1

General rules

Article 40

For the purposes of the second subparagraph of Article 37(3) of Regulation (EC) No 1257/1999, Articles 41, 42 and 43 of this Regulation shall apply.

Article 41

1. Environmental measures implemented under common market organisations, agricultural quality and health measures, and rural development measures other than agri-environment support shall not preclude agri-environment support for the same production, provided that such support is additional and consistent with the measures concerned and without prejudice to paragraph 3.

2. Where support is combined in accordance with paragraph 1, the level of assistance shall take account of income forgone and specific additional costs arising from the combination.

3. Agri-environment measures on land set aside under Article 6 of Council Regulation (EC) No 1251/1999 ⁽¹⁾ shall qualify for support only if the commitments go beyond the appropriate environmental measures referred to in Article 6(2) of that Regulation.

From 1 January 2005, new agri-environment measures on land set aside under Article 54 or Article 107 of Regulation (EC) No 1782/2003 shall qualify for support only if the commitments go beyond the basic requirements laid down in Article 3(1) of that Regulation.

⁽¹⁾ OJ L 160, 26.6.1999, p. 1. Regulation as last amended by Regulation (EC) No 1782/2003 (OJ L 270, 21.10.2003, p. 1).

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In the case of extensification of beef production, support shall take account of the extensification payment under Article 13 of Council Regulation (EC) No 1254/1999 ⁽¹⁾.

In the case of support for less-favoured areas and areas with environmental restrictions, agri-environment commitments shall take account of the conditions laid down for support in the areas concerned.

Article 42

Under no circumstances may the same commitment be the subject of payments simultaneously under agri-environment support and another Community aid scheme.

Article 43

The Member States must propose any exceptions under the first indent of the second subparagraph of Article 37(3) of Regulation (EC) No 1257/1999 in their rural development plans or programming documents presented for Objectives 1 and 2 as provided for in Article 18(1) and (2) or Article 19(1), (2) and (3) of Regulation (EC) No 1260/1999.

Article 44

Payments under rural development measures shall be made in full to the beneficiaries.

Article 45

Regulation (EC) No 1685/2000 shall apply to measures included in the programming referred to in Article 40(2) and (3) of Regulation (EC) No 1257/1999, except where otherwise provided in Regulations (EC) No 1257/1999 and (EC) No 1258/1999 and this Regulation.

Article 46

1. Member States applying standard unit costs for establishing the cost of certain forestry investments under the first, second and sixth indents of Article 30(1) and under Article 31 of Regulation (EC) No 1257/1999 may exempt beneficiaries from the requirement to present receipted invoices or accounting documents of equivalent probative value for the investments concerned as provided for in point 2 of Rule 1 of the Annex to Regulation (EC) No 1685/2000.

2. The costs referred to in paragraph 1 may be applied provided the following conditions are fulfilled:

- (a) the costs are calculated by the competent public authorities on the basis of objective criteria permitting determination of the cost of individual activities, taking account of specific local conditions and avoiding any overcompensation;
- (b) the part-financed investments are made between the date the aid application is submitted and the date final payment of that aid is made.

*SECTION 2****Programming****Article 47*

The rural development plans under Chapter II of Title III of Regulation (EC) No 1257/1999 shall be submitted in accordance with Annex II to this Regulation.

⁽¹⁾ OJ L 160, 26.6.1999, p. 21. Regulation as last amended by Regulation (EC) No 1782/2003



Article 48

1. The approval of programming documents referred to in Article 44 (2) of Regulation (EC) No 1257/1999 shall determine the overall amount of Community support. If Member States opt for regionalised rural development programming, that overall amount may be the subject of a separate decision containing a consolidated financial table for all the rural development programmes of the Member State concerned.

That amount referred to in the first subparagraph shall include:

- (a) expenditure on measures presented under the new rural development programming, including expenditure on evaluation under Article 49 (2) of Regulation (EC) No 1257/1999;
- (b) expenditure incurred under earlier accompanying measures covered by Council Regulations (EEC) No 2078/92 ⁽¹⁾, (EEC) No 2079/92 ⁽²⁾ and (EEC) No 2080/92 ⁽³⁾ and under the measures covered by the earlier Regulations repealed by the above Regulations;
- (c) expenditure incurred on measures under Article 4 of Regulation (EC) No 2603/1999.

2. Approval shall also cover the allocation and use of amounts remaining available to the Member States as additional Community support under Article 5 of Regulation (EC) No 1259/1999. If a separate decision as referred to in the first subparagraph of paragraph 1 is adopted, these amounts shall appear in the financial table annexed to this decision.

However, those amounts shall not be included in the overall amount of Community support referred to in paragraph 1.

3. Approval may cover State aid intended to provide additional financing to rural development measures only if the State aid is identified in accordance with point 16 of Annex II.

Article 49

Member States shall make rural development programming documents available to the public.

Article 50

Where rural development measures are submitted in the form of general framework regulations, rural development plans shall make appropriate reference to such regulations.

Articles 47, 48 and 49 shall also apply in the case referred to in the first paragraph.

Article 51

1. Amendments to rural development programming documents and rural development measures included in single programming documents under Objective 2 financed by the EAGGF Guarantee Section shall be duly substantiated, in particular giving the following information:

- (a) the reasons and any implementation problems justifying adjustment of the programming document;
- (b) the expected effects of the amendment;
- (c) the implications for financing and verification of commitments.

2. Acting in accordance with the procedures referred to in Articles 50 (2) and 48(3) of Regulation (EC) No 1260/1999, the Commission shall approve any amendments to rural development programming documents, financial table annexed to the decision referred to in the first subparagraph of Article 48(1) and rural development measures included in single programming documents under Objective 2 financed by the EAGGF Guarantee Section whenever they have a bearing on:

⁽¹⁾ OJ L 215, 30.7.1992, p. 85.

⁽²⁾ OJ L 215, 30.7.1992, p. 91.

⁽³⁾ OJ L 215, 30.7.1992, p. 96.

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- (a) priorities;
 - (b) the main features of the support measures as indicated in Annex II;
 - (c) the overall maximum amount of Community support and/or the overall minimum total eligible cost or eligible public expenditure fixed in the decision approving the programming document or in the decision referred to in the first subparagraph of Article 48(1);
 - (d) the distribution of the financial allocation made for the measures contained in the programming document, where it exceeds:
 - 15 % of the total eligible cost of the programme concerned for the entire programming period, if the Community contribution is based on the total eligible cost,
 - 20 % of the total eligible public expenditure for the programme concerned for the entire programming period, if the Community contribution is based on the eligible public expenditure,
 calculated on the basis of the last column (total) of the financial table annexed to the Commission Decision approving the programming document or annexed to the decision referred to in the first subparagraph of Article 48(1), as last amended.
3. The amendments referred to in paragraph 2 shall be submitted to the Commission in a single proposal per programme no more than once per calendar year.

The first subparagraph shall not apply:

- (a) where amendments are required as a result of a natural disaster or other exceptional occurrence with a major impact on the Member State's programming;
- (b) where an amendment of the financial table annexed to the decision referred to in Article 48(1) is necessary as a result of an amendment of a regional rural development programming document.

4. Amendments of a financial nature which are not covered by paragraph 2(d) and amendments to the Community contribution rate as referred to in the first indent of point 9(2) B of Annex II shall be communicated to the Commission together with the financial table amended in accordance with point 8 of Annex II. They shall enter into force on the date on which they are received by the Commission.

Amendments of a financial nature as referred to in the first subparagraph may not exceed the ceilings provided for in paragraph 2(d) when totalled over a calendar year.

5. Amendments other than those covered in paragraphs 2 and 4 shall be communicated to the Commission at least three months before their entry into force.

Such amendments may enter into force earlier if the Commission confirms to the Member State before the end of the three-month period that the notified amendments comply with Community legislation.

If the notified amendment does not comply with Community legislation, the Commission shall inform the Member State thereof and the three-month period provided for in the first subparagraph shall be suspended until the Commission receives a compliant amendment.

Article 52

Where Community legislation is amended, rural development programming documents and single programming documents under Objective 2 shall be revised in line with those amendments if necessary.

Article 51(3) shall not apply to such revisions.

Such amendments to rural development programming documents or single programming documents under Objective 2 which are limited to bringing the document into line with new Community legislation shall be sent to the Commission for information.



Article 53

Member States shall make available to the Commission a consolidated electronic version of their programming documents, updated following each amendment. They shall provide the Commission with the electronic address at which the consolidated versions of programming documents can be consulted and shall inform it each time they are updated.

Furthermore, Member States shall keep an electronic version of all the previous versions of their programming documents.

SECTION 3

Additional measures and community initiatives

Article 54

The scope of assistance from the EAGGF Guidance Section is extended to the whole Community in the case of measures under the rural development Community initiative and its financing extended to measures eligible under European Parliament and Council Regulations (EC) No 1783/1999 ⁽¹⁾ and (EC) No 1784/1999 ⁽²⁾.

SECTION 4

Financial provisions

Article 55

1. No later than 30 September each year, the Member States shall forward the following information to the Commission, for each rural development programming document and each single programming document under Objective 2 as regards rural development measures financed by the EAGGF Guarantee Section:

- (a) a statement of expenditure incurred in the current financial year and expenditure remaining to be disbursed by the end of that year and covered by Community support as defined in Article 48(1),
and
- (b) revised forecasts of such expenditure for subsequent financial years until the end of the programming period concerned, keeping within the allocation for each Member State.

This information shall be transmitted in table format using a computerised model supplied by the Commission.

2. Without prejudice to the general rules on budgetary discipline, where the information which Member States are required to transmit to the Commission under paragraph 1 is incomplete or the time limit has not been met, the Commission shall reduce advances on entry in the accounts of agricultural expenditure on a temporary and flat-rate basis.

Article 56

1. For the month during which the decision is adopted approving a rural development programming document or a single programming document under Objective 2 as regards rural development measures financed by the EAGGF Guarantee Section, the paying agencies may enter in the accounts as expenditure an advance not exceeding 12,5 % of the average annual EAGGF contribution provided for in the programming document, covering the expenditure referred to in Article 48(1).

This advance shall represent working capital which shall be recovered for each programming document:

- (a) once the aggregate sum of the expenditure paid out by the EAGGF and the amount of the advance is equal to the total EAGGF contribution provided for in the programming document,

⁽¹⁾ OJ L 213, 13.8.1999, p. 1.

⁽²⁾ OJ L 213, 13.8.1999, p. 5.

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or

- (b) at the end of the programming period, if the total amount of the EAGGF contribution is not reached.

However, Member States may decide to pay the advance back before the end of the programming period.

2. For countries whose currency is not the euro on the date of such entry, advances under paragraph 1 shall be entered in the accounts using the rate of exchange prevailing on the penultimate Commission working day of the month preceding that in which the paying agencies enter the advance in the accounts.

Article 57

1. For each Member State, expenditure declared for any given financial year shall be financed up to the limit of the amounts notified to the Commission under point (b) of the first subparagraph of Article 55(1) which are covered by the appropriations entered in the budget for the financial year concerned.

2. Where the total amount of the forecasts notified under point (b) of the first subparagraph of Article 55(1) exceeds the total appropriations entered in the budget for the financial year concerned, the maximum amount of expenditure to be financed for each Member State shall be limited using the formula used to establish the corresponding annual allocation as defined in Decision 1999/659/EC.

If, after this reduction, appropriations remain available because some Member States have made forecasts which are below their annual allocation, the surplus amount shall be distributed in proportion to the Member States respective annual allocations while ensuring that the amount forecast for each Member State as referred to in the first subparagraph is not exceeded. The Commission shall adapt the initial allocations per Member State fixed by Decision 1999/659/EC within two months of the adoption of the budget for the financial year concerned. Within six weeks following that adaptation the Member States shall communicate to the Commission, for each rural development programme and single programming document for Objective 2 as regard rural development measures financed by the EAGGF-Guarantee Section, a new financial table complying with the adjusted forecasts for the financial year concerned and the allocations fixed by Decision 1999/659/EC as modified.

For 2004, the communication of the new financial table referred to in the second subparagraph should be done within eight weeks following the entry into force of the present Regulation.

3. Where expenditure actually incurred by a Member State in any given financial year exceeds the amounts notified under point (b) of the first subparagraph of Article 55 (1) or the amounts resulting from the application of paragraph 2 of this Article, the overruns on expenditure in the current financial year shall be taken into account on a pro rata basis, up to the limit of the appropriations remaining available after reimbursing to the other Member States the expenditure incurred.

4. Where expenditure actually incurred by a Member State in a given financial year is less than 75 % of the amounts referred to in paragraph 1, the expenditure to be recognised for the following financial year shall be reduced by a third of the difference between this threshold, or the amounts resulting from the application of paragraph 2 if they are below it, and the actual expenditure incurred during the financial year concerned.

This reduction shall not be taken into account when establishing actual expenditure in the financial year following that in which the reduction was made.

Article 58

Articles 55, 56, and 57 of this Regulation shall not apply to expenditure incurred under Article 5 of Regulation (EC) No 1259/1999.



Article 59

The Community shall contribute to financing evaluations in the Member States under Article 49(2) of Regulation (EC) No 1257/1999 where such evaluations actually contribute to evaluation at Community level by virtue of their scope, particularly through their replies to common evaluation questions and their quality.

The Community contribution shall not exceed 50 % of a ceiling which, except in duly justified cases, shall be 1 % of the total cost of the rural development programme.

Article 60

1. Beneficiaries of investment support measures under Chapters I, VII, VIII and IX of Title II of Regulation (EC) No 1257/1999 may request the payment of an advance from the competent paying agencies if this option is included in the programming document. As regards public beneficiaries, this advance may be granted only to municipalities and associations thereof and to public law bodies.

2. The amount of the advance shall not exceed 20 % of the total cost of the investment, and its payment shall be subject to the establishment of a bank guarantee or an equivalent guarantee corresponding to 110 % of the amount of the advance.

However, in the case of the public beneficiaries referred to in paragraph 1, the paying agency may accept a written guarantee from their authority, in accordance with provisions applied in the Member States, covering an amount equal to the percentage specified in the first subparagraph, provided that the authority undertakes to pay the amount covered by its guarantee should entitlement to the advance paid not be established.

3. The guarantee shall be released once the competent agency notes that the amount of real expenditure resulting from the investment exceeds the amount of the advance.

4. Paying agencies shall declare to the EAGGF Guarantee Section the amount corresponding to the Community part-financing:

- (a) of the advance paid;
- (b) of the actual expenditure subsequently paid to beneficiaries, minus the amount of the advance already paid.

SECTION 5

Monitoring and evaluation

Article 61

1. The annual progress reports provided for in Article 48(2) of Regulation (EC) No 1257/1999 shall be submitted to the Commission by 30 June of each year and shall relate to the previous calendar year.

Progress reports shall contain the following information:

- (a) any change in the general conditions which is of relevance to the implementation of the measure, and in particular any major socio-economic trends or changes in national, regional or sectoral policies;
- (b) the progress of measures and priorities in relation to their operational and specific objectives, expressed using quantitative indicators;
- (c) action taken by the management authority and the Monitoring Committee, if provision has been made for such a committee, to ensure high quality and effective implementation, and in particular:
 - (i) monitoring measures, financial control and evaluation, including data collection procedures;
 - (ii) a summary of the major problems encountered in managing the measure and any steps taken;
- (d) measures taken to ensure compatibility with Community policies.

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2. The indicators referred to in point (b) of the second subparagraph of paragraph 1 shall follow, as far as possible, the common indicators defined in the guidelines drawn up by the Commission. Where additional indicators are needed to effectively monitor progress towards the objectives in the rural development programming documents, these shall be included.

Article 62

1. Evaluations shall be performed by independent evaluators in accordance with recognised practice.
2. Evaluations shall provide answers, in particular to common evaluation questions defined by the Commission in consultation with the Member States and shall, as a general rule, be accompanied by performance-related criteria and indicators.
3. The authority responsible for managing the rural development programming document shall assemble the appropriate resources for evaluations, making use of monitoring results and gathering additional information where necessary.

Article 63

1. *Ex ante* evaluation shall analyse the disparities, gaps and potentials of the current situation, assess the consistency of the proposed strategy with the situation and targets and consider the issues raised in the common evaluation questions. It shall assess the expected impact of the selected priorities for action and quantify their targets where possible. It shall also verify the proposed implementing arrangements and consistency with the common agricultural policy and other policies.
2. *Ex ante* evaluation shall be the responsibility of the authorities preparing the rural development plan and shall form part of it.

Article 64

1. Mid-term and *ex post* evaluation shall deal with the specific issues arising in the rural development programming document concerned and with common evaluation questions relevant at Community level. These shall relate to the living conditions and structure of the rural population, employment and income from farm and off-farm activities, agricultural structures, agricultural commodities, quality, competitiveness, forest resources and the environment.

If a common evaluation question is not considered relevant to a particular rural development programming document, this shall be substantiated.

2. Mid-term evaluation shall deal with the evaluation questions and shall examine in particular the initial achievements, their relevance to and consistency with the rural development programming document and the extent to which the targets have been attained. It shall also assess the use made of financial resources and the operation of monitoring and implementation.

Ex post evaluation shall answer the evaluation questions, paying particular attention to the use made of resources and the effectiveness and efficiency of assistance and its impact and shall draw conclusions concerning rural development policy, including its contribution to the common agricultural policy.

3. Mid-term and *ex post* evaluation shall be performed in consultation with the Commission under the responsibility of the authority in charge of managing rural development programming.

4. The quality of individual evaluations shall be assessed using recognised methods by the authority in charge of managing the rural development programming document, the Monitoring Committee, if any, and the Commission. The results of the evaluations shall be made available to the public.



Article 65

1. A mid-term evaluation report shall be transmitted to the Commission not later than 31 December 2003. The authority responsible for managing the rural development programming document shall inform the Commission on the follow-up to the recommendations in the evaluation report. The Commission shall prepare a Community-level summary upon receipt of the individual evaluation reports. Where necessary, an update of the mid-term evaluation shall be completed by 31 December 2005.
2. An *ex post* evaluation report shall be transmitted to the Commission not later than two years after the end of the programming period. Within three years of the end of the programming period and upon receipt of the individual evaluation reports the Commission shall prepare a Community-level summary.
3. The evaluation reports shall explain the methods used, including their implications for the quality of the data and the findings. Reports shall include a description of the context and contents of the programme, financial information and the answers — including the indicators used — to the common evaluation questions and the evaluation questions defined at national or regional level, as well as conclusions and recommendations. Their structure shall follow, as far as possible, a common structure for evaluation reports defined in guidelines drawn up by the Commission.

SECTION 6

Applications, checks and penalties

Article 66

1. Applications for rural development support for areas or animals which are lodged separately from aid applications under Article 6 of Regulation (EC) No 2419/2001 shall indicate all the areas and animals on the holding which are relevant for checking the applications under the measure in question, including those for which no support is requested.
2. Where a rural development support measure relates to areas, parcels shall be identified individually. During the period covered by a commitment, parcels receiving support may not be exchanged except in cases specifically provided for in the programming document.
3. Where an application for payment is included with an application for an area payment in the context of the integrated administration and control system, the Member State shall ensure that parcels covered by applications for rural development support are declared separately.
4. Animals and plots of land shall be identified in accordance with Articles 18 and 20 of Regulation (EEC) No 1782/2003.
5. Where support is multiannual, payments subsequent to that made in the year an application was submitted shall be made in response to an annual application for payment, except where the Member State has introduced an effective annual verification procedure as referred to in Article 66(1).

Article 67

1. Initial applications to join a scheme and subsequent applications for payment shall be checked in a manner which ensures effective verification of compliance with the conditions for granting support.

The Member States shall define suitable methods and means for verifying each support measure as well as the persons who shall be subject to checks.

Wherever appropriate, Member States shall make use of the integrated administration and control system introduced by Regulation (EC) No 1782/2003.

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2. Verification shall consist of administrative and on-the-spot checks.

Article 68

Administrative checks shall be exhaustive and shall include cross-checks wherever appropriate, *inter alia* with data from the integrated administration and control system. They shall relate to parcels and livestock covered by a support measure in order to avoid all unjustified payments of aid. Compliance with long-term commitments shall also be checked.

Article 69

On-the-spot checks shall be made in accordance with Title III of Regulation (EC) No 2419/2001. They shall cover at least 5 % of beneficiaries each year and all the different types of rural development measures set out in the programming documents. As regards the measure 'early retirement' referred to in Chapter IV of Regulation (EC) No 1257/1999 and the measure 'afforestation of agricultural land' referred to in Article 31 of that Regulation, this rate can be reduced down to 2,5 % from the sixth year of support for these measures onwards, without increasing the control rate for the other measures.

On-the-spot checks shall be spread over the year on the basis of an analysis of the risks presented by each rural development measure. For investment support measures under Chapters I, VII, VIII and IX of Title II of Regulation (EC) No 1257/1999, Member States may provide that on-the-spot checks concern only those projects in the process of completion.

Checks shall cover all the commitments and obligations of a beneficiary which can be checked at the time of the visit.

Article 70

Articles 30 and 31 and Article 32(1) of Regulation (EC) No 2419/2001 shall apply to area payments. Those provisions shall not apply to support under forestry measures other than afforestation of agricultural land.

Articles 36, 38 and 40 of that Regulation shall apply to support based on livestock.

Article 71

1. Article 44 of Regulation (EC) No 2419/2001 shall apply to support granted to all rural development measures.
2. In the event of undue payment, the beneficiary under a rural development measure shall be under an obligation to repay the amount concerned in accordance with Article 49 of Regulation (EC) No 2419/2001.

Article 72

1. Any beneficiary found to have made a false declaration as a result of serious negligence shall be excluded from all rural development measures under the relevant chapter of Regulation (EC) No 1257/1999 for the calendar year in question.

Where a false declaration was made intentionally, the beneficiary shall be excluded for the following year as well.

2. The penalties provided for in paragraph 1 shall apply without prejudice to additional penalties provided for under national rules.

Article 73

Member States shall lay down the rules on penalties applicable to infringements of the provisions of this Regulation and shall take all measures necessary to ensure that they are implemented. The penalties provided for must be effective, proportionate and dissuasive.



CHAPTER III

FINAL PROVISIONS

Article 74

1. Regulation (EC) No 445/2002 is hereby repealed.

Article 65(2) of Regulation (EC) No 445/2002 shall continue to apply.

2. References to the repealed Regulation shall be construed as references to this Regulation and shall be read in accordance with the correlation table in Annex III.

Article 75

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

Article 46 shall apply from 1 January 2000.

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



ANNEX I

(Article 14)

Eligible farm animal species	Thresholds under which a local breed is considered as being in danger of being lost to farming (number of breeding females (*))
Cattle	7 500
Sheep	10 000
Goat	10 000
Equidae	5 000
Pigs	15 000
Avian	25 000

(*) Number, calculated for all EU Member States, of breeding females of the same breed available for a pure-bred reproduction, included in a register recognised by the Member State (e.g. herd book or zoological book).



ANNEX II

RURAL DEVELOPMENT PLANS

1. **Title of rural development plan**
2. **Member State and administrative region (if relevant)**
- 3.1. *Geographical area covered by the plan*
Article 41 of Regulation (EC) No 1257/1999
- 3.2. *Regions classified as Objectives 1 and 2*
Article 40 of Regulation (EC) No 1257/1999
Identify:
 - Objective 1 regions and Objective 1 regions in transition. This applies only to the accompanying measures (early retirement, compensatory allowances, agri-environment and afforestation of agricultural land under Article 31 of Regulation (EC) No 1257/1999),
 - Objective 2 regions. This applies to:
 1. accompanying measures;
 2. other measures which do not form part of the Objective 2 programming.
4. **Planning at the relevant geographical level**
Article 41(2) of Regulation (EC) No 1257/1999
Where exceptionally more than one rural development plan will apply in the region, indicate:
 - all the relevant plans,
 - why it is not possible to integrate measures into a single plan,
 - the relationship between measures in the different plans and details as to how compatibility and consistency between plans will be ensured.
5. **Quantified description of the current situation**
First indent of Article 43(1) of Regulation (EC) No 1257/1995
 1. *Description of the current situation*
Describe the current situation of the geographical area using quantified data, highlighting strengths, disparities, gaps and potential for rural development. This description should concern both agriculture and forestry (including the type and extent of handicaps affecting farming in less-favoured areas), the rural economy, the demographic situation, human resources, employment and the state of the environment.
 2. *Impact from the previous programming period*
Describe the impact of EAGGF financial resources allocated to rural development during the previous programming period and under accompanying measures since 1992. Present the results of evaluations.
 3. *Other information*
Where relevant, also describe any supplementary measures in addition to Community rural development and accompanying measures which have had an impact on the programming area concerned.
6. **Description of the strategy proposed, its quantified objectives, the rural development priorities selected and the geographical area covered**
Second indent of Article 43(1) of Regulation (EC) No 1257/1999
 1. *Proposed strategy, quantified objectives and priorities selected*
In the light of the strengths, disparities, gaps and development potential identified in the area concerned, describe in particular:
 - the priorities for action,
 - the appropriate strategy to attain the objectives,
 - the operational objectives and expected impact, quantified where possible, also in terms of both monitoring and estimates that can be used for evaluation purposes,
 - the extent to which the strategy takes account of the specific features of the areas concerned,
 - how the integrated approach has been applied,

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- the extent to which the strategy provides for the involvement of women and men,
- the extent to which the strategy takes account of all relevant international Community and national obligations in the field of the environment, including those relating to sustainable development, in particular the quality and use of water, conservation of biodiversity including on-farm conservation of crop varieties, and global warming.

2. *Description and effects of other measures*

Where relevant, the description must also include any measures taken outside the rural development plan (other Community measures or national measures, such as compulsory rules, codes of practice and State-aided measures) and the extent to which these measures meet the needs identified.

3. *Areas covered by specific territorial measures*

Describe the geographical coverage of any measures as defined at point 8 which do not apply throughout the region indicated at point 3.

In particular, include:

- the list of less-favoured areas adopted for the area concerned,
- any amendments to the list of less-favoured areas, giving the reasons (Article 55(4) of Regulation (EC) No 1257/1999),
- areas with environmental restrictions, giving reasons.

4. *Timetable and uptake*

Proposed timetable for implementing the various measures, expected uptake and duration (see also point 8).

7. **Appraisal showing the expected economic, environmental and social impact**

Third indent of Article 43(1) of Regulation (EC) No 1257/1999

Detailed description in accordance with Article 43 of Regulation (EC) No 1257/1999.

8. **Indicative overall financial table (EAGGF financial year)**

Article 43(1), fourth indent, of Regulation (EC) No 1257/1999

Financial programming table: rural development programmes (EUR million)

	Year 1			... Year 7			TOTAL		
	Public expenditure ⁽¹⁾	EC contribution ⁽²⁾	Private sector contribution ⁽³⁾	Public expenditure ⁽¹⁾	EC contribution ⁽²⁾	Private sector contribution ⁽³⁾	Public expenditure ⁽¹⁾	EC contribution ⁽²⁾	Private sector contribution ⁽³⁾
Priority A Measure A1 (e.g. agri-environment and animal welfare) Of which measures approved under Regulation (EEC) No 2078/92 Measure A2... ...Measure A n									
Total A									
Priority B Measure B1 (e.g. early retirement) Of which measures approved under Regulation (EEC) No 2079/92 Measure B2... ...Measure B n									
Total B									
Priority N Measure N1 (e.g. afforestation) Of which measures approved under Regulation (EEC) No 2080/92 Measure N2... ...Measure N n									
Total N									
Other measures Evaluation Former measures from before 1992 Transitional measures ⁽⁴⁾									
Total other measures									
Total expenditure incurred (D)									
Total plan (P) ⁽⁵⁾									

▼ **B**

	Year 1			... Year 7			TOTAL		
	Public expenditure ⁽¹⁾	EC contribution ⁽²⁾	Private sector contribution ⁽³⁾	Public expenditure ⁽¹⁾	EC contribution ⁽²⁾	Private sector contribution ⁽³⁾	Public expenditure ⁽¹⁾	EC contribution ⁽²⁾	Private sector contribution ⁽³⁾
Under-utilisation (P-D)									
Over-utilisation (D-P)									

⁽¹⁾ Column for planned (public) expenditure, provided for guidance.

⁽²⁾ Column for the Community contribution planned for each measure. The Community contribution relating to expenditure to be paid is calculated using the rates and arrangements laid down in the programme for each measure. The Community contribution can be calculated in relation to eligible public expenditure (column 2/column 1) or total eligible cost [column 2/(column 1 + column 3)].

⁽³⁾ Column for planned (private-sector) expenditure, provided for guidance when such a contribution is foreseen for the measure.

⁽⁴⁾ Article 4(2) of Regulation (EC) No 2603/1999. The Member States must define the criteria, identifying clearly the expenditure to be included in programming.

⁽⁵⁾ Calculated on the basis of the financial table annexed to the Commission Decision approving the programming document as last amended.

APPLICATION OF APPROPRIATIONS RESULTING FROM MODULATION

	Year 1		Year 2		... Year 7		Total	
	Public expenditure	EC contribution	Public expenditure	EC contribution	Public expenditure	EC contribution	Public expenditure	EC contribution
Early retirement								
Agri-environment and animal welfare								
Afforestation								
Less-favoured areas								
Total modulation								

Note:

Where a measure is entered simultaneously under more than one priority, the Member State shall provide, for the purposes of financial management, an additional table consolidating all expenditure relating to the measure. This additional table should follow the structure of the table above and the order of the list below. Idem for Member States with a consolidated financial table.

The consolidated financial table referred to in Article 48(1) of this Regulation must follow the structure of the table above and the order of the list below.

— The different measures are defined as follows:

- (a) investment in farms;
- (b) start-up assistance for young farmers;
- (c) training;
- (d) early retirement;
- (e) less-favoured areas and areas with environmental restrictions;
- (f) agri-environment and animal welfare;
- (g) improving processing and marketing of agricultural products;
- (h) afforestation of agricultural land;
- (i) other forestry measures;
- (j) land improvement;
- (k) reparaelling;
- (l) setting up farm advisory services, farm relief services and farm management services;
- (m) marketing of quality agricultural products, including the setting-up of quality schemes;
- (n) basic services for the rural economy and population;
- (o) renovation and development of villages and protection and conservation of the rural heritage;
- (p) diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income;
- (q) agricultural water resources management;
- (r) development and improvement of infrastructure connected with the development of agriculture;
- (s) encouragement for tourist and craft activities;
- (t) protecting the environment in connection with agriculture, forestry and landscape management and improving animal welfare;
- (u) restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments;
- (v) financial engineering;
- (w) management of integrated rural development strategies by local partners;
- (x) implementing demanding standards;
- (y) use of farm advisory services;
- (z) participation in food quality schemes;
- (aa) promotion of quality products.

— Measures (j) to (w) may be defined as a single measure: (j) promoting the adaptation and development of rural areas.

— EAGGF Guarantee Section resources for measures to promote the adaptation and development of rural areas (Article 33 of Regulation (EC) No 1257/1999) in Objective 2 (rural) areas: EUR ... million (% of total for Article 33).

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9. **Description of the measures designed to implement the plans**

Fifth indent of Article 43(1) of Regulation (EC) No 1257/1999

For each point below, provide:

- a. the main features of support measures,
- b. other information.

1. *General requirements*

A. Main features of support measures:

- list of measures in the order presented in Regulation (EC) No 1257/1999,
- identify the specific article (and paragraph) which covers each rural development payment measure. Where two or more articles are cited, the payment measure must be divided into its constituent parts,
- overall objective of each measure.

B. Other information:

None.

2. *Requirements concerning all or several measures (1).*

A. Main features:

- exceptions referred to in the first indent of the second subparagraph of Article 37(3) of Regulation (EC) No 1257/1999.

B. Other information:

- Community contribution based on either the total cost or public expenditure,
- aid intensity and/or amount and differentiation applied (Chapters I to VIII),
- details of eligibility conditions,
- criteria to demonstrate economic viability (Chapters I, II, IV and VII),
- usual good farming practice (Chapters V and VI),
- minimum standards regarding environment, hygiene and animal welfare (Chapters I, II and VII),
- level of occupational skill and competence required (Chapters I, II and IV),
- sufficient assessment of the existence of normal market outlets for the products concerned (Chapters I and VII) in accordance with Articles 6 and 26 of Regulation (EC) No 1257/1999,
- description of all ongoing contracts (from the previous period), including in financial terms, and the procedures/rules which apply to these.

3. *Information required for specific measures*

In addition, the following specific information is required for measures under the individual chapters:

I. Investment in agricultural holdings

A. Main features:

- primary production sectors and types of investments.

B. Other information:

- maximum limits on total amount of investment eligible for support,
- types of support,
- designation of the standards for which a period of grace can be granted to the farmer in accordance with Article 5(3) of Regulation (EC) No 1257/1999, justification related to the specific problems involved in complying with these standards and maximum duration of the period per standard concerned.

II. Start-up assistance for young farmers

A. Main features:

None.

B. Other information:

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- length of time allowed for young farmers to fulfil the eligibility criteria within the five-year period authorised under Article 4(2) of this Regulation,
- age limit,
- conditions applying to young farmers not established as sole head of the holding or who start up as members of associations or cooperatives whose main purpose is to manage an agricultural holding,
- type of start-up support,
- designation of farm advisory services linked to the setting-up of young farmers in cases where the support granted is higher than provided for in the second subparagraph of Article 8(2)(b) of Regulation (EC) No 1257/1999.

III. Training

A. Main features:

None.

B. Other information:

- eligible measures and beneficiaries,
- assurance that no normal education system or programmes are proposed for financing.

IV. Early retirement

A. Main features:

None.

B. Other information:

- detailed description of conditions concerning transferor, transferee, worker and land released, in particular the use of land to be retained by the transferor for non-commercial purposes and the length of time allowed to improve viability,
- type of aid, including a description of the method used for calculating the maximum amount to be part-financed per holding and a justification for each type of beneficiary,
- description of national retirement and early-retirement schemes,
- details on the duration of the aid.

V. Less-favoured areas and areas with environmental restrictions

A. Main features:

— amount of aid:

1. for compensatory allowances under Article 13(a) of Regulation (EC) No 1257/1999: proposals to exceed the maximum amount which can be part-financed in accordance with the second subparagraph of Article 15(3) of Regulation (EC) No 1257/1999 must include the necessary justification. Specify how it will be assured that the upper limit for compensatory allowances is complied with in these cases and explain the administrative procedure by which compliance with the maximum amount that can be part-financed will be ensured; where the maximum payment as laid down in the Annex to Regulation (EC) No 1257/1999 is applied, indicate the objective circumstances justifying this application;
2. for compensatory allowances under Articles 13(b) and 16 of Regulation (EC) No 1257/1999: the initial detailed agronomic calculations showing: (a) income foregone and costs incurred as a result of the environmental restrictions, (b) agronomic assumptions used as reference point;
3. for compensatory allowances as referred to in Article 16 of Regulation (EC) No 1257/1999:
 - indicate, if necessary, the specific problems justifying a higher support than the maximum amount, as provided for in the first subparagraph of Article 16(3) of the above Regulation,

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- indicate, if necessary, the justification for initially higher support as provided for in the second subparagraph of Article 16(3) of the above Regulation.

B. Other information:

- details of eligibility conditions, in particular:
 1. definition of the minimum area;
 2. description of the appropriate conversion mechanism used in the case of common pastures;
 3. amount of aid for payments referred to in Article 13(a) of Regulation (EC) No 1257/1999: justification of differentiation of the amount of aid using the criteria set out in Article 15(2) of that Regulation;
 4. for compensatory allowances referred to in Article 13(b) and Article 16 of Regulation (EC) No 1257/1999: changes to the detailed agronomic calculations fixed in the programming document as approved;
- amendments to the lists of less-favoured areas adopted or amended by Council and Commission Directives, and the list of areas with environmental restrictions.

VI. Meeting standards

VI.1. *Implementing demanding standards*

A. Main features:

- list of standards based on Community legislation eligible for support under Article 21b of Regulation (EC) No 1257/1999, date from which the standard is mandatory in accordance with Community legislation and justification of choice.

B. Other information:

- description of the significant impact on farm operating costs stemming from the obligations or restrictions imposed by the new standard;
- amount of support per eligible standard and detailed calculations justifying this amount.

VI.2. *Use of farm advisory services*

A. Main features:

None.

B. Other information:

- description of the farm advisory system put in place by the Member State, including the procedure for the selection of the bodies responsible for the advisory services,
- frequency of support granted to a farmer for the use of agricultural advisory services in the four areas referred to in Article 21d(1) of Regulation (EC) No 1257/1999.

VII. Agri-environment and animal welfare

A. Main features:

- justification for the commitments, based on their expected impact,
- the initial detailed agronomic calculations showing: (a) income foregone and cost incurred in relation to usual good farming practice; (b) the agronomic assumptions used as reference point; (c) the level of incentive and a justification for this based on objective criteria.

B. Other information:

- the list of local breeds in danger of being lost to farming and the number of breeding females for the areas concerned. That number must be certified by a duly recognised technical body — or breeder's organisation/association — which must register and keep up-to-date the herd or flock book for the breed. The body concerned must possess the necessary skills and knowledge to identify animals of the breeds in,

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- for plant genetic resources under threat of genetic erosion, evidence of genetic erosion based upon scientific results and indicators for the occurrence of landraces/primitive (local) varieties, their population diversity and the prevailing agricultural practices at local level,
- details of obligations on farmers and any other terms of the commitment, including scope and procedures for adjusting of running contracts,
- changes to the level of support up to 120 % of the costs and income lost indicated in the agronomic calculations fixed in the programming document as approved and the justification for these changes,
- description of coverage of the measure, showing its scope in relation to needs and its degree of targeting in terms of geographical, sectoral or other coverage,
- for all the agri-environment and animal welfare commitments together, the possible ways of combining commitments should be shown and the mutual consistency of commitments should be ensured.

VIII. Food quality

VIII.1. *Participation in food quality schemes*

A. Main features

- list of Community and national quality schemes eligible for support. For national schemes, description of the scheme regarding the criteria referred to in Article 24b(3) of Regulation (EC) No 1257/1999.

B. Other information

- amount of support per type of eligible scheme and justification for fixed costs as provided for in Article 24c of Regulation (EC) No 1257/1999.

VIII.2. *Promotion of quality products*

A. Main features

None.

B. Other information

- list of products qualifying for support under the quality scheme chosen under the measure referred to in VIII.1,
- procedure for ensuring that actions benefiting from rural development support are not also supported under Council Regulation (EC) No 2826/2000,
- procedure for *ex ante* checks on information, promotion, and advertising materials (Article 26 of this Regulation),
- description of eligible costs.

IX. Improving the processing and marketing of agricultural products

A. Main features

- sectors of basic agricultural production

B. Other information

- criteria to prove economic benefits for primary producers,
- designation of the standards for which a period of grace can be granted to the small processing units in accordance with Article 26(1), second indent, of Regulation (EC) No 1257/1999, justification related to the specific problems involved in complying with these standards and maximum duration of the period per standard concerned.

X. Forestry

A. Main features:

None.

B. Other information:

- definition of:
 - (i) 'agricultural land' in relation to Article 32 of this Regulation;
 - (ii) 'farmer' in relation to Article 33 of this Regulation;

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- (iii) provisions ensuring that the planned measures are suited to local conditions and compatible with the environment as well as keeping balance between forestry and game populations where applicable;
 - (iv) contractual arrangements between regions and potential beneficiaries concerning measures referred to in Article 32 of Regulation (EC) No 1257/1999.
- where the standard costs referred to in Article 46 are applied:
- (i) the standard unit costs;
 - (ii) the method used to fix those costs;
 - (iii) compliance with the criterion of avoidance of overcompensation
- description of eligible measures and beneficiaries;
- linkage between proposed measures and national/sub-national forest programmes or equivalent instruments;
- reference to the forest protection plans for areas classified as high or medium risk for forest fires and the conformity of proposed measures with these protection plans.
- XI. Promoting the adaptation and development of rural areas
- A. Main features:
- description and justification of the action proposed under each measure.
- B. Other information:
- definition of financial engineering, which must comply with the general eligibility criteria.
10. **Need for any studies, demonstration projects, training or technical assistance operations (where applicable)**
- Sixth indent of Article 43(1) of Regulation (EC) No 1257/1999
11. **Designation of competent authorities and bodies responsible**
- Seventh indent of Article 43(1) of Regulation (EC) No 1257/1999
12. **Provisions to ensure the effective and correct implementation of the plans, including monitoring and evaluation, a definition of quantified indicators for evaluation, arrangements for controls and sanctions and adequate publicity**
- Eighth indent of Article 43(1) of Regulation (EC) No 1257/1999
1. *Detailed information on the implementation of Articles 60 to 65 of this Regulation*
- This should include in particular:
- the possibility of granting advances to certain beneficiaries of investment measures,
 - the description of the financial circuits for the payment of assistance to final beneficiaries,
 - the arrangements for monitoring and evaluating the programme, notably systems and procedures for collecting, organising and coordinating data relating to financial, physical and impact indicators,
 - the role, composition and rules of procedure of any monitoring committees,
 - codification. This codification shall be in accordance with the model provided by the Commission.
2. *Detailed information on the implementation of Articles 66 to 73 of this Regulation.*
- This should include the specific control measures planned to verify the substance of claims and compliance with the conditions for support as well as the specific rules on penalties.
3. *Detailed information on compliance with the general eligibility criteria laid down in Regulation (EC) No 1685/2000*
- Article 45 of this Regulation.
4. *Other information:*
- Where appropriate, information that the time limit for notifying cases of *force majeure* has been extended (Article 39(2) of this Regulation).

▼ **B****13. Results of consultations and designation of associated authorities and bodies as well as economic and social partners**

Ninth indent of Article 43(1) of Regulation (EC) No 1257/1995

1. *Describe:*

- the economic and social partners and other relevant national bodies to be consulted in accordance with national rules and practice,
- the agricultural and environmental authorities and bodies to be involved, in particular, in preparing, implementing, monitoring, evaluating and reviewing agri-environment measures and other measures targeting the environment, thus ensuring a balance between these measures and other rural development measures.

2. *Summarise the results of consultations and indicate the extent to which the views and advice received have been taken into account***14. Balance between the different support measures**

Second indent of Article 43(2) of Regulation (EC) No 1257/1999

1. *Describe, with reference to strengths, needs and potential:*

- the balance between the different rural development measures;
- the extent to which the agri-environment measures apply throughout the territory.

2. *This description shall refer (as the case may be) to:*

- measures taken outside the scope of Council Regulation (EC) No 1257/1999,
- measures taken or planned under separate rural development plans.

15. Compatibility and consistency

Article 37(2) of Regulation (EC) No 1257/1999

A. Main features

1. *Appraisal of compatibility and consistency with:*

- other Community policies and measures implemented under those policies, in particular competition policy,
- other common agricultural policy instruments, in particular where exceptions under Article 37(3) of Regulation (EC) No 1257/1999 are provided for,
- other support measures included in the rural development plans,
- the general eligibility criteria.

2. *For measures under Article 33 of Regulation (EC) No 1257/1999, ensure and, where necessary, demonstrate that:*

- measures adopted under the sixth, seventh and ninth indents of that Article are not receiving financial assistance from the ERDF for rural areas covered by Objective 2 and in areas in transition,
- measures are not covered by any other measure referred to in Title II of Council Regulation (EC) No 1257/1999.

B. Other information.

In particular, appraisal shall cover arrangements to ensure proper coordination with the various authorities responsible for:

- development measures provided for under the market organisations,
- any rural development measures provided for under national legislation.

16. Additional State aids

Article 52 of Regulation (EC) No 1257/1999

A. Main features

Identify the measures to which additional financing will be granted in the form of State aid (Article 52 of Council Regulation (EC) No 1257/1999). The amount of additional support to be granted for each of the measures concerned during each year covered by the plan should be shown in an indicative table.

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B. Other information

- abolition of a State aid,
- changes to the additional financing in the form of State aid granted for any of the measures in the programming document as approved,
- rate of aid.



ANNEX III

CORRELATION TABLE

Regulation (EC) No 445/2002	Present Regulation
Article 1	—
—	Article 1
Article 2	Article 2
Article 3(1)	—
Article 3(2)	Article 3
Article 4	Article 4
Article 5 (1)	Article 5
Article 5(2) and (3)	—
Article 6	Article 6
Article 7	Article 7
Article 8	Article 8
Article 9	Article 9
Article 10	Article 10
Article 11	Article 11
Article 12	—
—	Article 12
Article 13	Article 13
Article 14	Article 14
Article 15	Article 15
Article 16	Article 16
Article 17	Article 17
Article 18	Article 18
Article 19	Article 19
Article 20	Article 20
Article 21	Article 21
—	Article 22
—	Article 23
—	Article 24
—	Article 25
—	Article 26
Article 22	Article 27
—	Article 28
Article 23	Article 29
Article 24	Article 30
Article 25	Article 31
Article 26	Article 32
Article 27	Article 33
Article 28	Article 34
Article 29	Article 35
Article 30	Article 36
Article 31	Article 37
Article 32	Article 38
Article 33	Article 39
Article 34	Article 40
Article 35(1)	Article 41(1)
Article 35(2)	Article 41(3)
Article 35(3)	Article 41(2)
Article 36	Article 42



Regulation (EC) No 445/2002	Present Regulation
Article 37	Article 43
Article 38	Article 44
Article 39	Article 45
Article 39a	Article 46
Article 40	Article 47
Article 41	Article 48
Article 42	Article 49
Article 43	Article 50
Article 44	Article 51
Article 45	Article 52
Article 45a	Article 53
Article 46	Article 54
Article 47	Article 55
Article 48	Article 56
Article 49	Article 57
Article 50	Article 58
Article 51	Article 59
Article 52	Article 60
Article 53	Article 61
Article 54	Article 62
Article 55	Article 63
Article 56	Article 64
Article 57	Article 65
Article 58	Article 66
Article 59	Article 67
Article 60	Article 68
Article 61	Article 69
Article 62	Article 70
Article 62a	Article 71
Article 63	Article 72
Article 64	Article 73
Article 65(1)	Article 74(1), first subparagraph, and 74(2)
Article 65(2)	Article 74(1), second subparagraph
Article 66	Article 75, first subparagraph
—	Article 75, second subparagraph
Annex I	Annex I
Annex II	Annex II
Annex III	Annex III