

Council Regulation (EC) No 1698/2005 of 20 September  
2005 on support for rural development by the European  
Agricultural Fund for Rural Development (EAFRD) (repealed)

TITLE VIII

**STATE AID**

*Article 88*

**Application of the rules to State aid**

1 Save as otherwise provided in this Title, Articles 87, 88 and 89 of the Treaty shall apply to support for rural development by Member States.

However, Articles 87, 88 and 89 of the Treaty shall not apply to financial contributions provided by Member States as counterpart of Community support for rural development within the scope of Article 36 of the Treaty in accordance with this Regulation.

2 Aid for modernisation of agricultural holdings which exceeds the percentages set in the Annex, as regards Article 26(2), shall be prohibited. This prohibition shall not apply to aid for investments relating to:

- a investments undertaken predominantly in the public interest and related to the conservation of traditional landscapes shaped by agricultural and forestry activities or to the relocation of farm buildings;
- b the protection and improvement of the environment;
- c improvement of the hygiene conditions of livestock undertakings and animal welfare and those with regard to occupational safety at the workplace.

3 State aid granted to farmers to compensate for natural handicaps in mountain areas and in other areas with handicaps shall be prohibited if it does not satisfy the conditions laid down in Article 37. However, additional aid exceeding amounts fixed according to Article 37(3) may be granted in duly justified cases.

4 State aid to support farmers who enter into agri-environmental or animal welfare commitments which fail to satisfy the conditions laid down in Articles 39 and 40 respectively shall be prohibited. However, additional aid exceeding maximum amounts set in the Annex, as regards Articles 39(4) and 40(3), may be granted if duly justified. In exceptional cases, duly justified derogation may be permitted in respect of the minimum duration of those commitments as laid down in Articles 39(3) and 40(2).

5 State aid to support farmers who adapt to demanding standards based on Community legislation in the fields of the environmental protection, public health, animal and plant health, animal welfare and occupational safety shall be prohibited if it does not satisfy the conditions laid down in Article 31. However, additional aid exceeding the maximum amounts fixed in accordance with that Article may be granted to help farmers to comply with national legislation which exceeds Community standards.

6 In the absence of Community legislation, State aid to support farmers who adapt to demanding standards based on national legislation in the fields of the environment, public health, animal and plant health, animal welfare and occupational safety shall be prohibited if it

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*Status: This is the original version as it was originally adopted in the EU. This legislation may since have been updated - see the latest available (revised) version*

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does not satisfy the conditions laid down in Article 31. Additional aid exceeding the maximum amounts set in the Annex, as regards Article 31(2), may be granted if justified under Article 31.

#### *Article 89*

#### **Additional national financing**

State aid intended to provide additional financing for rural development for which Community support is granted, shall be notified by Member States and approved by the Commission in accordance with this Regulation as part of the programming referred to in Article 16. The first sentence of Article 88(3) of the Treaty shall not apply to aid thus notified.