

Commission Regulation (EC) No 1580/2007 of 21 December 2007 laying down implementing rules of Council Regulations (EC) No 2200/96, (EC) No 2201/96 and (EC) No 1182/2007 in the fruit and vegetable sector (repealed)

TITLE III

PRODUCER ORGANISATIONS

CHAPTER V

General Provisions

Section 1

Communications

Article 98

Producer organisations' reports

1 Producer organisations shall submit annual reports, accompanying applications for aid, on the implementation of operational programmes.

Those reports shall concern the following:

- a operational programmes implemented during the preceding year;
- b main amendments to operational programmes; and
- c variances between estimated aid and aid applied for.

2 For each operational programme implemented, the annual report shall indicate:

- a the achievements and results of the operational programme, based on, where relevant, the common output and result indicators set out in Annex XIV and, where appropriate, additional output and result indicators set out in the national strategy; and
- b a summary of the major problems encountered in managing the programme and any measures taken to ensure the quality and effectiveness of programme implementation.

Where relevant, the annual report shall specify what effective safeguards are in place, in accordance with the national strategy and in application of Article 9(5) of Regulation (EC) No 1182/2007, to protect the environment from possible increased pressures coming from investments supported under the operational programme.

3 For the final year of application of an operational programme, a final report shall replace the annual report referred to in paragraph 1.

Final reports shall show to what extent the objectives pursued by the programmes have been achieved. They shall explain changes to actions and/or methods and identify factors which contributed to the success or failure of the programme's implementation, which have been or will be considered when subsequent operational programmes are drawn up, or when existing operational programmes are amended.

4 Without prejudice to specific provisions in this Regulation, where a producer organisation fails to make a communication to the Member State as required under this Regulation or Regulation (EC) No 1182/2007 or if the communication appears incorrect in the light of objective facts in the Member State's possession, the Member State shall suspend approval for the relevant operational programme for the following year until the communication is correctly made.

The Member State shall include in its annual report referred to in Article 99(3) of this Regulation details of such cases.

Article 99

Required communications from Member States

1 Member States shall designate a single competent authority responsible for communications between the Commission and the Member State which concern producer organisations, producer groups and associations of producer organisations. They shall notify the Commission of this designation and the contact details of the authority.

2 Member States shall communicate to the Commission not later than 31 January the total amount of the operational fund approved that year for all operational programmes. This communication shall make clear both the total amount of the operational fund and also the total amount of Community financing of that operational fund. These figures shall be further broken down between amounts for crisis prevention and management measures and other measures.

3 Member States shall communicate to the Commission not later than 15 November in any given year an annual report on producer organisations and producer groups and operational funds, operational programmes and recognition plans running in the previous year. The annual report shall contain in particular the information set out in Annex XIII.

Section 2

Checks

Article 100

Unique identification system

Member States shall ensure that a unique identification system applies with regard to all aid applications submitted by the same producer organisation or producer group. This identification shall be compatible with the system to record identity referred to in Article 18(1)(f) of Council Regulation (EC) No 1782/2003⁽¹⁾.

Article 101

Aid applications

Without prejudice to specific provisions of this Regulation, Member States shall provide for appropriate procedures for the submission of applications for support, for requests for recognition or approval of operational programme, as well as for payment claims.

Article 102

Sampling

Where it is appropriate to carry out checks by sampling, Member States shall ensure, by their nature and frequency and on the basis of a risk analysis, that the checks are appropriate to the measure concerned.

Article 103

Administrative checks

Administrative checks shall be carried out on all applications for support or payment claims, and shall cover all possible and appropriate elements to be checked by administrative means. The procedures shall require the recording of undertaken operations, the results of the verification and the measures taken in respect of discrepancies.

Article 104

On-the-spot checks

1 Every on-the-spot check shall be the subject of a monitoring report in order to make it possible to review the details of the checks carried out. The report shall indicate in particular:

- a the aid scheme and the application checked;
- b the persons present;
- c the actions, measures and documents checked; and
- d the results of the check.

2 The beneficiary may be given the opportunity to sign the report to attest his presence at the check and to add observations. Where irregularities are found the beneficiary may receive a copy of the monitoring report.

3 Advance notice of on-the-spot checks may be given, provided that the purpose of the check is not jeopardised. The advance notice should be limited to the minimum time necessary.

4 Where possible, on-the-spot checks provided for in this Regulation and other checks provided for in Community rules regarding agricultural subsidies shall be carried out at the same time. However, in 2008, where necessary, on-the-spot checks may be carried out by different bodies at different times.

Article 105

Approval of requests for recognition and approval of operational programmes

1 Before recognising a producer organisation under Article 4(2)(a) of Regulation (EC) No 1182/2007, Member States shall conduct an on-the-spot visit to the producer organisation prior to granting recognition to verify compliance with the conditions for recognition.

2 Before approving an operational programme under Article 65, the competent national authority shall verify by all appropriate means, including on-the-spot checks, the operational programme submitted for approval and, if applicable, the requests for modification. These checks shall in particular concern:

- a the accuracy of information provided pursuant to Article 61(1)(a), (b) and (e);
- b compliance of the programmes with Article 9 of Regulation (EC) No 1182/2007 as well as with the national framework and the national strategy;
- c the eligibility of the actions and the eligibility of the expenditure proposed;
- d the consistency and technical quality of programmes, the soundness of the estimates and the aid plan, and the planning of its implementation. Checks shall verify whether measurable targets have been set, so that their achievement can be monitored, and whether the targets set are achievable through implementing the proposed actions; and
- e the compliance of the operations for which support is requested with applicable national and Community rules on, in particular, and where relevant, public procurement, State aid and the other appropriate obligatory standards established by national legislation or established in the national framework or the national strategy.

Article 106

Checks on applications for aid for operational programmes

Prior to granting the payment, Member States carry out administrative checks on all applications for aid as well as on-the-spot checks by sampling.

Article 107

Administrative checks on applications for aid for operational programmes

1 Administrative checks on applications for aid shall include in particular, and as far as this is appropriate for the claiming question, a verification of:

- a the annual or, where applicable, the final report transmitted together with the application on the execution of the operational programme;
- b the value of marketed production, the contributions to the operational fund and the expenditure incurred;
- c the delivery of the products and services and the genuineness of expenditure claimed;
- d the conformity of the actions executed with those included in the operational programme as approved; and
- e the respect of financial or other limits and ceilings imposed.

2 Payments financed under the operational programme shall be supported by invoices and documents proving that payment has been made. Where this cannot be done, payments shall be supported by documents of equivalent probative value. Invoices used must be established in the name of the producer organisation, association of producer organisations, producer group or subsidiary as foreseen in Article 52(7) or, subject to Member State approval, in the name of one or more of its members.

Article 108

On-the-spot checks on applications for aid for operational programmes

1 In the context of the verification of the application for aid referred to in Article 70(1), Member States shall carry out on-the-spot checks on the producer organisations so as to ensure compliance with the conditions for grant of aid or the balance thereof for the year in question.

Such checks shall in particular concern:

- a compliance with the recognition criteria for the year in question;
- b the use of the operational fund in the given year including expenditure declared in claims for advance payments or partial payments; and
- c second level checks for the expenses of market withdrawals and green harvesting and non-harvesting.

2 The checks referred to in paragraph 1 shall relate to a significant sample of applications each year. The sample shall represent at least 30 % of the total aid amount, in Member States which have more than 10 recognised producer organisations. In other cases, each producer organisation shall be visited at least once every three years.

At least one check shall be made on each producer organisation before the payment of the aid or the balance thereof relating to the final year of its operational programme.

3 The results of the on-the-spot checks shall be evaluated to establish whether any problems encountered are of a systemic character, entailing a risk for other similar actions, beneficiaries or bodies. The evaluation shall also identify the causes of such situations, any further examination which may be required and the necessary corrective and preventive action.

If the checks reveal significant irregularities in a region or part of a region or for a specific producer organisation, the Member State shall carry out additional checks during the year in question and shall increase the percentage of corresponding applications to be checked the following year.

4 The Member State shall determine which producer organisations to check on the basis of a risk analysis.

The risk analysis shall in particular take account of:

- a the amount of aid;
- b the findings of the checks in previous years;
- c a random element; and
- d other parameters to be determined by Member States, in particular whether producer organisations are involved in a quality assurance programme officially recognised by the Member States or by independent certifying bodies.

Article 109

On-the-spot checks on measures of operational programmes

1 Through the on-the-spot checks concerning the measures of operational programmes, Member States shall verify in particular the following:

- a the implementation of the actions contained in the operational programme;

- b that the implementation or intended implementation of the action is consistent with the use described in the operational programme as approved;
- c for an adequate number of expenditure items, that the nature and timing of the relevant expenditure comply with Community provisions and correspond to the approved specifications;
- d that the expenditure incurred can be supported by accounting or other documents; and
- e the value of marketed production.

2 The value of marketed production shall be verified on the basis of data of the accounting system required under national law.

To that end, the Member States may decide that the declaration of the value of marketed production shall be certified in the same way as the accounting data required under national law.

The check on the declaration of the value of marketed production may be carried out before the relevant application for aid is transmitted.

3 Except in exceptional circumstances, the on-the-spot check shall include a visit to the action or, if the action is intangible, to the action promoter. In particular actions on individual holdings covered by the sample referred to in Article 108(2) shall be subject of at least one visit to verify their execution.

However, Member States may decide not to carry out such visits for smaller operations, or where they consider that the risk is low that the conditions for receiving aid are not fulfilled, or that the reality of the operation has not been respected. That decision and its justification shall be recorded.

4 The on-the-spot check shall cover all the commitments and obligations of the producer organisation or its members which can be checked at the time of the visit.

5 Only checks meeting all the requirements of this Article may be counted towards the fulfilment of the checking rate set out in Article 108(2).

Article 110

First-level checks on withdrawal operations

1 Member States shall make first-level checks on withdrawal operations in each producer organisation, comprising a documentary and identity check and a physical check, where appropriate by sampling, of the weight of the products withdrawn from the market and a check on compliance with the rules in Article 77, in accordance with the procedures laid down in Chapter II of Title II. The check shall take place following receipt of the notification referred to in Article 79(1), within the deadlines provided for in Article 79(2).

2 The first-level checks provided for in paragraph 1 shall cover 100 % of the quantity of products withdrawn from the market. At the end of this check, the withdrawn products other than those for free distribution shall be denatured or disposed of to the processing industry under the supervision of the competent authorities under the terms and conditions laid down by the Member State under Article 81.

However, where the products are for free distribution, Member States may check a smaller percentage than that set out in paragraph 2 of this Article, provided it is not less than 10 % of the quantities concerned during the marketing year. The check may take place at the producer organisation and/or at the sites of the recipients of the products.

In the event that the checks reveal significant irregularities, the competent authorities shall carry out additional checks.

Article III

Second-level checks on withdrawal operations

1 In the framework of the checks referred to in Article 108, Member States shall make second-level checks.

Member States shall lay down criteria for analysing and evaluating the risk of any given producer organisation carrying out non-compliant withdrawal operations. Such criteria shall relate, among other things, to the findings of previous first- and second-level checks, and whether or not a producer organisation has some form of quality-assurance procedure. They shall use these criteria to determine for each producer organisation a minimum frequency of second-level checks.

2 The checks referred to in paragraph 1 shall comprise on-the-spot checks at the premises of producer organisations and the recipients of withdrawn products, in order to ensure that the requisite conditions for payment of Community support have been complied with. These checks shall include:

- a the specific stock and accounting records to be kept by all producer organisations which carry out one or more withdrawal operations during the marketing year concerned;
- b verification of the quantities marketed as declared in the applications for aid, checking in particular the stock and accounting records, the invoices and, where necessary, their veracity and ensuring that the declarations tally with the accounting and/or tax data of the producer organisations concerned;
- c checks that the accounts are correct, in particular the veracity of net receipts by the producer organisations as declared in their payment applications, the proportionality of any withdrawal costs, the entries in the accounts regarding the receipt by the producer organisations of the Community support and any amounts thereof paid on to members, ensuring that these tally; and
- d checks on the destination of withdrawn products as declared in the payment application and checks on the appropriate denaturing to ensure that the producer organisations and recipients have complied with this Regulation.

3 The checks referred to in paragraph 2 shall be carried out on the producer organisations concerned and the recipients associated with those organisations. Each check shall include a sample representing at least 5 % of the quantities withdrawn during the marketing year by the producer organisation.

4 The stock and accounting records referred to in point (a) of paragraph 2 shall show, for each product withdrawn, the amounts moved, expressed in volume, of:

- a the production delivered by members of the producer organisation and by members of other producer organisations in accordance with Article 3(3)(b) and (c) of Regulation (EC) No 1182/2007;
- b sales by the producer organisation, broken down by products prepared for the fresh market and other types of products including raw materials for processing; and
- c products withdrawn from the market.

5 The checks on the destination of products referred to in point (c) of paragraph 4 shall include, in particular:

- a a sample check on the separate accounts to be kept by recipients and, where necessary, verification that these tally with the accounts required under national law; and
- b checks on compliance with the relevant environmental requirements;

6 If the second-level checks reveal significant irregularities, the competent authorities shall carry out more detailed second-level checks for the marketing year concerned and shall increase the frequency of second-level checks on the producer organisations or their associations concerned during the following marketing year.

Article 112

Green harvesting and non-harvesting

1 Before a green harvesting operation takes place, Member States shall verify by an on-the-spot check that the products concerned are not damaged and the plot has been well maintained. After green harvesting, Member State shall verify that the area concerned has been harvested in total and the harvested product has been denatured.

After the end of the harvest period, Member States shall verify the reliability of the analysis based on the expected market situation referred to in Article 86(2). They shall also analyse any differences between the expected market situation and the real market situation.

2 Before a non-harvesting operation takes place, Member States shall verify by an on-the-spot check that the given area has been well maintained, that no partial harvest has already taken place and that the product is well developed and would in general be sound, fair and of marketable quality.

Member States shall ensure that the production is denatured. If this is not possible, they shall ensure, by an on-the-spot visit or visits during the harvest season, that no harvest takes place.

3 Paragraphs 1, 2, 3 and 6 of Article 111 shall apply *mutatis mutandis*.

Article 113

Checks before approving recognition plans of producer groups

1 Before approving a recognition plan of a producer group under Article 7(1) of Regulation (EC) No 1182/2007, Member States shall conduct an on-the-spot check on the legal entity or clearly defined part of the legal entity.

2 The Member State shall verify by all appropriate means, including the on-the-spot check:

- a the accuracy of the information provided in the recognition plan;
- b the commercial consistency and the technical quality of the plan, the soundness of the estimates and the planning of its implementation;
- c the eligibility of the actions and the eligibility and reasonableness of the expenditure proposed; and
- d the compliance of the operations for which support is requested with applicable national and Community rules and in particular, rules on public procurement, State aid and the other appropriate obligatory standards established by national legislation or established in the national framework or the national strategy.

Article 114

Checks on applications for aid of producer groups

1 Prior to granting payment, Member States carry out administrative checks on all applications for aid made by producer groups, as well as on-the-spot checks on by sampling.

2 Following the submission of the application for aid referred to in Article 47, Member States shall carry out on-the-spot checks on producer groups so as to ensure compliance with the conditions for grant of aid for the year in question.

Those checks shall in particular concern:

- a compliance with the recognition criteria for the year in question; and
- b the value of marketed production as well as the implementation of the measures contained in the recognition plan and the expenses incurred.

3 The checks referred to in paragraph 2 shall relate to a significant sample of applications each year. The sample shall represent at least 30 % of the total amount of aid.

All producer groups shall be checked at least once every five years.

4 Articles 107 and 109 shall apply *mutatis mutandis*.

Article 115

Transnational producer organisations and transnational associations of producer organisations

1 The Member State in which a transnational producer organisation or a transnational association of producer organisations has its head office shall have overall responsibility for organisation of checks on that organisation or association and shall apply sanctions to it where necessary.

2 The other Member States required to provide the administrative co-operation referred to in Article 30(2)(c) and Article 37(2)(c) shall carry out such administrative and on the spot checks as required by the Member State referred to in paragraph 1 of this Article, and report the results to them. They shall respect all deadlines set by the Member State referred to in paragraph 1.

3 The rules applicable in the Member State referred to in paragraph 1 shall apply in relation to the producer organisation and the operational programme and operational fund. However in respect of environmental, phytosanitary questions, and in relation to the disposal of withdrawn products, the rules of the Member State where the production takes place shall apply.

Section 3

Sanctions

Article 116

Non-respect of recognition criteria

1 Member States shall withdraw the recognition of a producer organisation if a failure to respect the criteria for recognition is substantial and results from the fact that the producer organisation acted deliberately or by serious negligence.

Member States shall in particular withdraw the recognition of a producer organisation if a failure to respect the criteria for recognition concerns:

- a a breach of the requirements of Articles 23, 25, 28(1) and (2) or 33; or
- b a situation where the value of marketed production falls, in two consecutive years, below the limit set by the Member State pursuant to Article 4(1)(b) of Regulation (EC) No 1182/2007.

The withdrawal of recognition under this paragraph shall take effect from the date from which the conditions for recognition were not fulfilled, subject to any applicable horizontal legislation at national level on limitation periods.

2 Where paragraph 1 does not apply, Member States shall suspend the recognition of a producer organisation if a failure to respect the criteria for recognition is substantial but is only temporary.

During the period of suspension, no aid shall be paid. The suspension shall take effect from the day where the check has taken place and shall end on the day of the check which shows that the criteria concerned have been fulfilled.

The period of suspension shall not exceed 12 months. If the criteria concerned are subsequently not fulfilled after 12 months, recognition shall be withdrawn.

Member States may make payments after the deadline set out in Article 71 where this is necessary in order to apply this paragraph.

3 In other cases of a failure to respect the criteria for recognition, where paragraphs 1 and 2 do not apply, Member States shall send a warning letter stating the corrective measures to be taken. Member States may delay payments of aid until the corrective measures are taken.

A failure to take the corrective measures within a 12 month period shall be regarded as substantial failure to respect the criteria and paragraph 2 shall subsequently be applied.

Article 117

Fraud

1 Without prejudice to any other penalties applicable under Community and national legislation, Member States shall withdraw the recognition of a producer organisation, an association of producer organisations or a producer group if it is found to have committed fraud in respect of aid covered by Regulation (EC) No 1182/2007.

2 Member States may suspend the recognition of a producer organisation, an association of producer organisations or a producer groups, or suspend payments to such a body if they are suspected of having committed fraud in respect of aid covered by Regulation (EC) No 1182/2007.

Article 118

Producer groups

1 Member States shall apply, *mutatis mutandis*, the sanctions provided for in Article 116 and/or 119 to recognition plans.

2 In addition to paragraph 1, if, after the end of the period set by the Member State under Article 51(4), the producer group is not recognised as producer organisation, the Member State shall recover:

- a 100 % of the aid paid to the producer group if the failure to achieve recognition was due to the producer group acting deliberately or by serious negligence; or
- b 50 % of the aid paid to the producer group in all other cases.

Article 119

Operational programme

1 Payments shall be calculated on the basis of what is found eligible.

2 The Member State shall examine the application for aid received from the beneficiary, and establish the amounts that are eligible for support. It shall establish:

- a the amount that would be payable to the beneficiary based solely on the application;
- b the amount that is payable to the beneficiary after an examination of the eligibility of the application.

3 If the amount established pursuant to point (a) of paragraph 2 exceeds the amount established pursuant to point (b) of paragraph 2 by more than 3 %, a reduction shall be applied to the amount actually payable to the beneficiary. The amount of the reduction shall be the difference between the amounts calculated in points (a) and (b) of paragraph 2.

However, no reduction shall be applied if the producer organisation or producer group is able to demonstrate that it is not responsible for the inclusion of the ineligible amount.

4 Paragraphs 2 and 3 shall apply *mutatis mutandis* to ineligible expenditure identified during on-the-spot checks.

5 If the value of marketed production is declared and checked before the application for aid, a reduction shall be applied to the value of marketed production used in calculating amounts in accordance with paragraphs 2 and 3.

6 If a beneficiary is found to have intentionally made a false declaration the operation in question shall be excluded from support of the operational programme or recognition plan and any amounts already paid for that operation shall be recovered. Moreover, the beneficiary shall be excluded, for that operation, from receiving support under the operational programme in question in the following year.

Article 120

Sanctions following first-level checks on withdrawal operations

If, following the check referred to in Article 110, irregularities are found with regard to the marketing standards or the minimum requirements referred to in Article 77, the beneficiary shall be required:

- (a) to pay a penalty of the amount of the compensation, calculated on the basis of the quantities of withdrawn products not in conformity with the marketing standards or minimum requirements, if those quantities are less than 10 % of the quantities notified pursuant to Article 79 for the withdrawal operation in question;
- (b) to pay a penalty of the double amount of the compensation, if those quantities are between 10 % and 25 % of the quantities notified; or
- (c) to pay a penalty of the amount of the compensation for the entire quantity notified pursuant to Article 79, where those quantities exceed 25 % of the quantity notified.

Article 121

Other sanctions applicable to producer organisations regarding withdrawal operations

1 The sanctions referred to in Article 119 shall cover aid applied for in respect of withdrawal operations as integrated parts of operational programme expenditure.

2 Expenditure for withdrawal operation shall be considered as ineligible if the products not put up for sale have not been disposed of as provided for by the Member State under Article 81(1) or that the withdrawal or its destination has had a negative impact on the environment or any negative phytosanitary consequences in contravention of the provisions adopted under Article 81(1).

Article 122

Sanctions applicable to recipients of withdrawn products

Where irregularities attributable to the recipients of withdrawn products are detected during checks made in accordance with Articles 110 and 111, the following sanctions shall apply:

- (a) the recipients shall cease to be eligible to receive withdrawals; and
- (b) recipients of products withdrawn from the market shall be obliged to repay the value of the products they received plus the related sorting, packaging and transport costs in accordance with the rules laid down by the Member States. In this case, the producer organisation shall reimburse the Community contribution.

The sanction provided for in point (a) take effect immediately and continues for at least one marketing year, and may be extended depending on the seriousness of the irregularity.

Article 123

Green harvesting and non-harvesting

1 With regard to green harvesting, if it is found that the producer organisation has not fulfilled its obligations the producer organisation shall pay by way of penalty the amount of the compensation relating to the areas for which the obligation has not been respected. A failure to fulfil obligations shall include cases where:

- a the Member State finds, during the verification referred to in the second subparagraph of Article 112(1), that the green harvesting measure was not justified on the basis of the analysis of the expected market situation existing at the time;
- b the area notified for green harvesting is not eligible for green harvesting; or
- c the area is not totally harvested or the production not denatured.

2 With regard to non-harvesting, if it is found that the producer organisation has not fulfilled its obligations the producer organisation shall pay by way of penalty the amount of the compensation relating to the areas for which the obligation has not been respected. A failure to fulfil obligations shall include cases where:

- a the area notified for non-harvesting is not eligible for non-harvesting;
- b a harvest or partial harvest has nevertheless taken place; or
- c there has been a negative impact on the environment or any negative phytosanitary consequences for which the producer organisation is responsible.

3 The penalties in paragraphs 1 and 2 shall apply in addition to any reduction in payments made pursuant to Article 119.

Article 124

Preventing an on-the-spot check

An application for aid shall be rejected for the part of expenditure concerned if the producer organisation, the member or the relevant representative prevents an on-the-spot check from being carried out.

Article 125

Recovery of aid

Unduly paid aid shall be recovered, with interest, from the producer organisations, associations of producer organisations, producer groups or other operators concerned. The rules fixed in Article 73 of Regulation (EC) No 796/2004⁽²⁾ shall apply *mutatis mutandis*.

Implementation of administrative sanctions and recovery of unduly paid amounts, as provided for in this section, are without prejudice to communication of irregularities to the Commission pursuant to Commission Regulation (EC) No 1848/2006⁽³⁾.

Section 4

Monitoring and evaluation of operational programmes and of national strategies

Article 126

Common set of performance indicators

1 Both the national strategies and the operational programmes shall be subject to monitoring and evaluation aimed at assessing the progress made towards achieving the objectives set for operational programmes, as well as efficiency and effectiveness in relation to those objectives.

2 Progress, efficiency and effectiveness shall be assessed by means of a common set of performance indicators relating to the baseline situation as well as to the financial execution, outputs, results and impact of the operational programmes implemented.

3 The common set of performance indicators are listed in Annex XIV to this Regulation.

4 Where deemed appropriate by a Member State, the national strategy shall specify a limited set of additional indicators specific to that strategy, reflecting national and/or regional needs, conditions and objectives specific to the operational programmes implemented by producer organisations. Where available, additional indicators concerning environmental objectives which are not covered by common performance indicators shall be included.

Article 127

Monitoring and evaluation procedures in relation to operational programmes

1 Producer organisations shall ensure the monitoring and evaluation of their operational programmes by making use of relevant indicators among the common set of performance indicators referred to in Article 126 and, where appropriate, of the additional indicators specified in the national strategy.

To this end they shall establish a system to collect, record and maintain information useful for the compilation of those indicators.

2 Monitoring shall be aimed at assessing the progress made towards achieving the specific targets that have been set for the operational programme. It shall be carried out by means of financial, output and result indicators. The results of the exercise are intended to serve:

- a to verify the quality of programme implementation;
- b to identify any need for adjustments or review of the operational programme aimed at achieving the goals set for the programme or at improving the management of the programme, including its financial management;
- c to contribute to meeting reporting requirements concerning the implementation of the operational programme.

Information concerning the results of the monitoring activities shall be included in each annual report, as referred to in Article 98(1), which the producer organisation is required to transmit to the National Authority in charge of the management of the national strategy.

3 Evaluation shall take the form of a separate mid-term evaluation report.

The mid-term evaluation exercise, which may be carried out with the aid of a specialised consultancy office, shall be aimed at examining the degree of utilisation of financial resources, the efficiency and the effectiveness of the operational programme, and assessing the progress made in relation to the overall objectives of the programme. To this end, use shall be made of common indicators relating to the baseline situation, results and, where appropriate, impacts.

Where relevant, the mid-term evaluation exercise shall include a qualitative assessment of the results and the impact of the environmental actions aimed at:

- a the prevention of soil erosion;
- b a reduction in the use of and/or better management of plant protection products;
- c the protection of habitats and biodiversity; or
- d landscape conservation.

The results of the exercise shall be used:

- a to improve the quality of the operational programmes managed by the producer organisation;
- b to identify any need for substantive change of the operational programme;
- c to contribute to meeting reporting requirements concerning the implementation of the operational programmes; and
- d to draw lessons useful in improving the quality, efficiency and effectiveness of future operational programmes managed by the producer organisation.

The mid-term evaluation exercise shall be carried out during the implementation of the operational programme, in time for allowing the results of the evaluation to be considered in the preparation of the subsequent operational programme.

The mid-term evaluation report shall be annexed to the corresponding annual report referred to in Article 98(1).

Article 128

Monitoring and evaluation procedures in relation to the national strategy

1 Monitoring and evaluation of the national strategy shall be carried out by using relevant indicators among the common set of performance indicators referred to in Article 126 and, where appropriate, additional indicators specified in the national strategy.

2 Member States shall establish a system to collect, record and maintain information in computerised form adequate for the purpose of compiling the indicators referred to in Article 126. To this end, they shall build on the information transmitted by the producer organisation in relation to the monitoring and the evaluation of their operational programmes.

3 Monitoring shall be on going and aimed at assessing the progress made towards achieving the objectives and the targets set for the operational programmes. It shall be carried out by means of financial, output and result indicators. To this end, use shall be made of the information provided in the annual progress reports transmitted by the producer organisation concerning the monitoring of their operational programmes. The results of the monitoring exercises shall be used:

- a to verify the quality of the implementation of the operational programmes;
- b to identify any need for adjustments or review of the national strategy aimed at achieving the goals set for the strategy or at improving the management of the strategy

- implementation, including the financial management of the operational programmes;
and
- c to contribute to meeting reporting requirements concerning the implementation of the national strategy.
- 4 Evaluation shall be aimed at assessing the progress made towards the overall objectives of the strategy. It shall be carried out by means of indicators relating to the baseline situation, results and, where appropriate, impact. To this end, use shall be made of the results of the monitoring and mid-term evaluation of the operational programmes as indicated in the annual progress reports and final reports transmitted by the producer organisations. The results of the evaluation exercises shall be used:
- a to improve the quality of the strategy;
 - b to identify any need for substantive change of the strategy; and
 - c to contribute to meeting reporting requirements concerning the implementation of national strategy.

The evaluation shall include a evaluation exercise carried out in 2012, but in time to allow its results to be included in a separate evaluation report to be annexed, in the same year, to the annual national report referred to in Article 99(3). The report shall examine the degree of utilisation of financial resources, the efficiency and effectiveness of the operational programmes implemented, and assess the effects and impact of those programmes, in relation to the objectives, targets and goals set by the strategy and, where appropriate, other objectives set in Article 9(1) of Regulation (EC) No 1182/2007. It shall be aimed at drawing lessons useful in improving the quality of future national strategies, and in particular at identify possible shortcomings in the definition of objectives, targets or measures eligible for support, or needs for defining new instruments.

Status: This is the original version (as it was originally adopted).

- (1) OJ L 270, 21.10.2003, p. 1.
- (2) OJ L 141, 30.4.2004, p. 18.
- (3) OJ L 355, 15.12.2006, p. 56.