

Commission Regulation (EC) No 718/2007 of 12 June  
2007 implementing Council Regulation (EC) No 1085/2006  
establishing an instrument for pre-accession assistance (IPA)

PART II

**SPECIFIC PROVISIONS**

TITLE IV

**RURAL DEVELOPMENT COMPONENT**

CHAPTER I

**Object of assistance and eligibility**

*Section 3*

***Eligibility and specific requirements for assistance under Priority Axis 1***

*Article 174*

**Investments in agricultural holdings**

1 Assistance referred to in Article 171(2)(a) shall be granted for tangible or intangible investments in agricultural holdings to upgrade them to Community standards and to improve their overall performance.

- 2 Assistance under this measure may be granted to agricultural holdings:
- a for which a prospect of economic viability at the end of the realisation of the investment can be demonstrated;
  - b which comply with national minimum standards regarding environmental protection, public health, animal and plant health, animal welfare and occupational safety at the time when the decision to grant support is taken.

3 By derogation from point (b) of paragraph 2, where national minimum standards based on Community standards have been newly introduced at the time the application is received, assistance may be granted regardless of non-compliance with those standard on the condition that the holding shall meet the new standards by the end of the realisation of the investment.

Furthermore, the Commission may, on the basis of duly substantiated request from the beneficiary country, allow derogation from point (b) of paragraph 2 in respect of non-compliance with national minimum standards based on Community standards introduced in the national law up to one year prior to date of submission of the application.

4 Assistance shall be granted on the condition that the investments comply with the relevant Community standards at the end of their realisation.

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5 Beneficiary countries shall set limits for the total investment eligible for assistance. They shall lay down appropriate standards regarding farmers' occupational skill and competence which the farmers shall be required to comply with in order to be eligible for assistance.

#### *Article 175*

### **Support for the setting-up of producer groups**

1 Assistance referred to in Article 171(2)(b) may be granted to facilitate the setting-up and administrative operation of producer groups, for the purposes of:

- a adapting the production and output of the members of producer groups to market requirements;
- b jointly placing goods on the market, including preparation for sale, centralisation of sale, and supply to bulk buyers;
- c establishing common rules on production information, with particular regard to harvesting and availability.

2 Assistance under this measure shall not be granted to producer groups which have been officially recognised by the relevant national authority of the beneficiary country before 1 January 2007 and/or before the approval of the programme referred to in Article 184.

Professional and/or inter-professional organisations representing one or more sectors do not qualify as producer groups.

3 Assistance shall be granted as a flat-rate aid in annual instalments for the first five years following the date on which the producer group was recognised. It shall be calculated on the basis of the group's annual marketed production and shall fulfil the following requirements:

- a amount for the first, second, third, fourth and fifth years to 5 %, 5 %, 4 %, 3 % and 2 % respectively of the value of marketed production up to 1 million euros,
- b amount for the first, second, third, fourth and fifth years, to 2,5 %, 2,5 %, 2,0 %, 1,5 % and 1,5 % respectively of the values of marketed production exceeding 1 million euros,
- c be subject to a ceiling for each producer organisation of:
  - EUR 100 000 for the first year
  - EUR 100 000 for the second year
  - EUR 80 000 for the third year
  - EUR 60 000 for the fourth year
  - EUR 50 000 for the fifth year.

#### *Article 176*

### **Investments in processing and marketing of agriculture and fishery products**

1 Assistance referred to in Article 171(2)(c) shall be granted for tangible and intangible investments in processing and marketing of agricultural and fishery products, covered by Annex I to the Treaty. Such assistance shall be aimed at assisting enterprises in upgrading to Community standards and to improve their overall performance. Investments must contribute to improving the situation of the basic agricultural production sector in question.

Investments at retail level shall be excluded from support.

2 Assistance under this measure may be granted for investments in enterprises:

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- a for which the prospect of economic viability at the end of the realisation of the investment can be demonstrated, and
- b which comply with the national minimum standards regarding environmental protection, public health, animal and plant health, animal welfare and occupational safety at the time when the decision to grant support is taken.

3 By derogation from point (b) of paragraph 2, where national minimum standards based on Community standards have been newly introduced at the time the application is received, assistance may be granted regardless of non-compliance with those standard on the condition that the enterprise shall meet the new standards by the end of the realisation of the investment.

Furthermore, the Commission may, on the basis of a duly substantiated request from the beneficiary country, allow derogation from point (b) of paragraph 2 in respect of non-compliance with national minimum standards based on Community standards introduced in the national law up to one year prior to date of submission of the application.

4 Assistance maybe granted to investments in establishments which are part of enterprises:

- a which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million, giving priority to investments aiming to align the establishment with all the relevant Community standards; or
- b which employ fewer than 750 persons or have an annual turnover not exceeding EUR 200 million, where the purpose of the investments is to make the establishment comply with the relevant Community standards.

5 The Commission may, on the basis of a duly substantiated request from the beneficiary country, decide that assistance can also be granted to enterprises not covered by paragraph 4 for investments necessary to meet specific Community standards which involves especially costly investments. Such support may be granted only to enterprises identified in the national plan for upgrading to Community standards specifically intended to make the establishment compliant with the relevant Community standards in its entirety. In such cases assistance shall be granted at half of the aid rate available for the enterprises covered by paragraph 4.

6 Beneficiary countries shall set limits for total investment eligible for support under this measure.

7 Assistance to investments in the enterprises referred to in point (a) of paragraph 4 shall be granted on the condition that such investments will comply with the relevant Community standards at the end of their realisation.

**Changes to legislation:**

There are currently no known outstanding effects for the Commission Regulation (EC) No 718/2007, Section 3.