
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations introduce measures to supplement Council Regulation (EC) No. 1698/2005 (“the Council Regulation”) which lays down general rules governing Community support for rural development (financed by the European Agricultural Fund for Rural Development established by Council Regulation (EC) No. 1290/2005 (O.J. No. L 209, 11.8.2005, p.1.)) and Commission Regulations (EC) Nos. 1974/2006 and 1975/2006 laying down detailed rules for the application of the Council Regulation.

They also implement Article 74(1) of the Council Regulation and Article 9(1) of Council Regulation (EC) No. 1290/2005 which require Member States to adopt legislative and administrative provisions to ensure that the Community’s financial interests in relation to expenditure on rural development are effectively protected.

The Regulations provide for the payment of aid to be made available by the Scottish Ministers from the Scotland Rural Development Programme 2007-13 to any person who enters into an undertaking with the Scottish Ministers to carry out, or as the case may be carry out and maintain the activities relevant to at least one of the rural priorities options set out in Schedule 2, and where relevant one or more than one of the capital items set out in relation to a particular rural priorities option or set out in Schedule 3 (regulations 4 and 12).

The Regulations also provide that where a person enters into an undertaking which includes an activity under certain rural priorities options the person must also comply with the requirements established by Article 4 of and Annex III to Council Regulation (EC) No. 1782/2003, the good agricultural and environmental conditions specified in regulation 4 of and the Schedule to the Common Agricultural Policy Schemes (Cross-Compliance) (Scotland) Regulations 2004 and the condition and requirements specified in Parts 1 and 2 of Schedule 4 to these Regulations.

The amount of aid payable in respect of an undertaking is calculated with reference to the activity or capital item to be undertaken (regulation 11). The rate of payment corresponding to each activity is specified in Schedule 2 to the Regulations. The rate of payment corresponding to each capital item is specified in Schedule 3.

The Regulations also—

- (a) make provision as to the form and content of the applications for aid and outcome plans (regulations 3 and 5);
- (b) define land which is eligible for aid (regulation 7);
- (c) make provision in respect of the determination of applications for aid (regulation 8);
- (d) make provision in respect of undertakings (regulation 9);
- (e) impose restrictions on the approval of applications and payment of aid (regulation 10);
- (f) make provision in respect of claims and payments (regulation 12);
- (g) make provision in relation to a change of occupation of the land to which an undertaking relates (regulation 13);
- (h) confer powers of entry and inspection on authorised persons (regulation 14);
- (i) make provision in relation to breaches of undertakings (regulation 15);
- (j) make provision in relation to the withholding and recovery of aid (regulations 16 and 17);

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

- (k) make provision for the supply of information and record keeping (regulation 18);
- (l) make provision as to the recovery of interest (regulation 19);
- (m) provide that sums payable to Scottish Ministers shall be recoverable as a debt (regulation 20);
- (n) make provision for the publication of guidance (regulation 21); and
- (o) make provision for offences (regulation 22);
- (p) make provision in respect of appeals (regulation 23).

The effect of the Regulations is to permit financial assistance to businesses, community groups, collaborations and individuals involved in providing social, economic and environmental benefits. Since there will be no increase in the costs to the Scottish Government, local government or business no Regulatory Impact Assessment has been prepared in respect of these Regulations.