EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 1st January 2002 and extend to England only, supplement the Community legislation listed in the Schedule to the Regulations ("the Community legislation"). The Community legislation *inter alia* provides for assistance to be paid from the Guidance Section of the European Agricultural Guidance and Guarantee Fund ("Community assistance") towards operations which fall within Community initiatives to promote rural development ("LEADER") pursuant to Article 20(1)(c) of Council Regulation (EC) No. 1260/1999 (OJ No. L161, 26.6.1999, p. 1). In the case of England, the initiative concerned is the England LEADER+ Programme, approved by the Commission of the European Communities ("the Commission") by virtue of the Decision referred to in paragraph 7 of the Schedule ("the Commission").

The Regulations operate within the scope of these provisions by enabling financial assistance to be paid by the Secretary of State in respect of operations which she has approved (regulation 3). Such operations may be approved if they are eligible for assistance under the Community legislation and are in accordance with the England LEADER+ Programme (regulation 5).

The Regulations provide for the making of claims for, and the payment of, financial assistance following approval (regulations 6 and 7) and also impose obligations concerning the provision of information (regulation 8) and record-keeping (regulation 10) on those in receipt of financial assistance. In addition, they introduce a system of penalties to be imposed in the event of a breach of obligations by granting the Secretary of State various powers to take action, up to and including termination of the approval in the event of breaches of the conditions of an approval and in a number of other cases (regulations 11 to 13). Regulation 9 confers powers of entry and inspection on certain authorised persons (including officials of the Commission), whilst regulation 16 creates offences in respect of the furnishing of false information for the purpose of obtaining financial assistance and in respect of obstruction.

No Regulatory Impact Assessment has been prepared in respect of these Regulations.

Copies of the Commission Decision and of the England LEADER+ Programme are available for inspection during normal office hours at the offices of the Department for Environment, Food and Rural Affairs, Nobel House, 17 Smith Square, London SW1P 3JR.