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**COMMISSION REGULATION (EC) No 1750/1999
of 23 July 1999**

laying down detailed rules for the application of Council Regulation (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)

(OJ L 214, 13.8.1999, p. 31)

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► **C1** Corrigendum, OJ L 337, 30.12.1999, p. 75 (1750/1999)



COMMISSION REGULATION (EC) No 1750/1999
of 23 July 1999

laying down detailed rules for the application of Council Regulation (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations⁽¹⁾ and in particular Articles 34 and 50 thereof,

- (1) Whereas Council Regulation (EC) No 1257/1999 has established a single legal framework for support from EAGGF for rural development, defining, in particular, in its Title II, measures for support, their objectives, and the criteria for eligibility; whereas this framework applies to rural development support all over the Community;
- (2) Whereas detailed rules should be adopted to complete this framework; whereas the rules should follow the principle of subsidiarity and should therefore be limited to those rules needing to be adopted at Community level;
- (3) Whereas detailed rules defining the eligibility criteria for the different rural development measures should take into account experience gained from existing instruments as applied under the various Council regulations which have been repealed according to Article 55 (1) of Regulation (EC) No 1257/1999;
- (4) Whereas, as regards support for investment in agricultural holdings and in processing plants as well as for support for young farmers, Regulation (EC) No 1257/1999 lays down three basic conditions; whereas the time at which those conditions have to be fulfilled should be defined, including the time for the demonstration of the economic viability of an agricultural holding applying for an investment aid, which should be based on an assessment of the prospects of that holding;
- (5) Whereas, as regards investments in holdings and in processing plants, Community support is subject to the condition that normal market outlets for the products concerned can be found; whereas rules should be established for the assessment of such market outlets;
- (6) Whereas support for vocational training should not extend to normal agricultural and forestry education;
- (7) Whereas conditions for early retirement support should be based on the experience acquired under the support scheme established by Council Regulation (EEC) No 2079/92⁽²⁾ as last amended by Commission Regulation (EC) No 2773/95⁽³⁾,
- (8) Whereas, in particular, specific problems arising from the transfer of a holding by several transferors, and from the transfer of a holding by a tenant farmer have to be solved;
- (9) Whereas in less favoured areas, in relation to areas used by several farmers in common, compensatory allowances should be available to each farmer using those areas, regard being had to the degree to which he is entitled to such use;

⁽¹⁾ OJ L 160, 26.6.1999, p. 80.

⁽²⁾ OJ L 215, 30.7.1992, p. 91.

⁽³⁾ OJ L 288, 1.12.1995, p. 37.

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- (10) Whereas detailed rules for agri-environment support should be based on the experience acquired under the support scheme established by Council Regulation (EEC) No 2078/92 of 30 June 1992⁽¹⁾, as last amended by Commission Regulation (EC) No 2772/95⁽²⁾, and should in particular take into account existing rules established by Commission Regulation (EC) No 746/96⁽³⁾, as last amended by Regulation (EC) No 435/97⁽⁴⁾.
- (11) Whereas the definition of the minimum conditions to be observed by farmers in connection with the various agri-environment undertakings should ensure balanced application of agri-environment support taking into account its objectives and thus contributing to a sustainable rural development;
- (12) Whereas the selection criteria for investment aimed at improving the processing and marketing of agricultural products should be defined; whereas in view of the experience acquired in the existing support scheme, set up by Council Regulation (EC) No 951/97⁽⁵⁾, these selection criteria should be based on general principles rather than sectorial rules;
- (13) Whereas it is appropriate to derogate from the provision contained in the second indent of Article 28(1) of Regulation (EC) No 1257/1999 which excludes support for investment in the processing and marketing of products from third countries in the outermost regions of the Community, whereas that derogation should nonetheless be subject to certain conditions;
- (14) Whereas certain forests which are excluded from support for forestry under Article 29(3) of Regulation (EC) No 1257/1999 should be further defined;
- (15) Whereas detailed conditions should be laid down for support granted for the afforestation of agricultural land and for payments granted for activities to maintain and improve the ecological stability of forests,
- (16) Whereas according to Article 33 of Regulation (EC) No 1257/1999, support is granted for other measures relating to farming activities and their conversion and to rural activities, provided that they do not fall within the scope of any other rural development measure; whereas, given the large variety of measures which could fall under this Article, it appears appropriate to leave the definition of conditions for support in the first place to Member States as part of their programming;
- (17) Whereas rules common to several measures should be established, assuring in particular a common standard of good farming practice, where measures refer to this criterion, and guaranteeing such flexibility for long term undertakings as is needed to take account of events which could affect those commitments, but without jeopardising the effective implementation of the various support measures;
- (18) Whereas a clear line of demarcation should be drawn between financing rural development support and financing support under common market organisations; whereas any exceptions to the principle that measures falling within the scope of support schemes under common market organisations should not be eligible for rural development support should be proposed by Member States in the framework of rural development programming, according to their specific need and following a transparent procedure;
- (19) Whereas payments made in pursuance of rural development support should be made in full to the beneficiaries;

⁽¹⁾ OJ L 215, 30.7.1992, p. 85.

⁽²⁾ OJ L 288, 1.12.1995, p. 35.

⁽³⁾ OJ L 102, 25.4.1996, p. 19.

⁽⁴⁾ OJ L 67, 7.3.1997, p. 2.

⁽⁵⁾ OJ L 142, 2.6.1997, p. 22.

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- (20) Whereas detailed rules should be established for the presentation of rural development plans and their revision;
- (21) Whereas, in order to facilitate the establishment of rural development plans and their examination and approval by the Commission, common rules should be determined for the structure and the contents of those plans on the basis of the requirements set out in particular in Article 43 of Regulation (EC) No 1257/1999;
- (22) Whereas conditions for amendments of rural development programming documents should be established in order to allow an effective and speedy examination by the Commission of such amendments;
- (23) Whereas only those amendments which contain important changes to rural development programming documents should be subject to the management committee procedure; whereas other amendments should be decided by Member States and communicated to the Commission;
- (24) Whereas detailed provisions should be established as to financial planning and as to participation in financing for those measures which are financed by the EAGGF Guarantee Section according to Article 35(1) and (2) of Regulation (EC) No 1257/1999;
- (25) Whereas, in this connection, Member States should report regularly to the Commission on the state of financing of rural development measures;
- (26) Whereas measures have to be taken to ensure the effective spending of funds reserved for rural development support, provision being made in particular for an initial advance payment and for the necessary adjustment of allocations according to needs and to past performance;
- (27) Whereas the general rules concerning budgetary discipline, and in particular those relating to incomplete or incorrect declarations on the part of Member States, should apply in addition to the specific rules established by this Regulation;
- (28) Whereas details of financial administration of rural development measures will be governed by the rules adopted for the implementation of Council Regulation (EC) No 1258/1999 of 17 May 1999 on the financing of the common agricultural policy⁽¹⁾;
- (29) Whereas procedures and requirements for monitoring and evaluation should be established on the basis of principles applicable to other Community support measures, in particular those applying to Structural Funds as laid down by Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Fund⁽²⁾;
- (30) Whereas administrative provisions should permit better administration monitoring and control of the rural development support; whereas measures are in the interest of simplicity should be based as far as possible on existing rules such as the integrated administration and control system set out in Council Regulation (EEC) No 3508/92⁽³⁾, as last amended by Regulation (EC) No 1036/99⁽⁴⁾ and in Commission Regulation (EEC) No 3887/92⁽⁵⁾, as amended by Regulation (EC) No 1678/98⁽⁶⁾;
- (31) Whereas it is appropriate to provide, both at Community and at Member State level, for a system of penalties to be imposed;

⁽¹⁾ OJ L 160, 26.6.1999, p. 103.

⁽²⁾ OJ L 161, 26.6.1999, p. 1.

⁽³⁾ OJ L 355, 5.12.1992, p. 1.

⁽⁴⁾ OJ L 127, 21.5.1999, p. 4.

⁽⁵⁾ OJ L 391, 31.12.1992, p. 36.

⁽⁶⁾ OJ L 212, 30.7.1998, p. 23.

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- (32) Whereas it is appropriate to repeal Commission Regulations (EEC) No 2084/80⁽¹⁾, (EEC) No 220/91⁽²⁾, as last amended by Regulation (EC) No 1183/98⁽³⁾, Regulation (EC) No 860/94⁽⁴⁾, (EC) No 1025/94⁽⁵⁾, (EC) No 1054/94⁽⁶⁾, (EC) No 1282/94⁽⁷⁾, (EC) No 1404/94⁽⁸⁾, (EC) No 1682/94⁽⁹⁾, (EC) No 1844/94⁽¹⁰⁾, (EC) No 746/96, and also Commission Decisions 92/522/EEC⁽¹¹⁾ and 94/173/EC⁽¹²⁾, the provisions of which have become obsolete or are replaced by the provisions of this Regulation;
- (33) Whereas the Committee on Agricultural Structures and Rural Development has not delivered an opinion within the time-limit set by its chairman,

HAS ADOPTED THIS REGULATION:

CHAPTER I

OBJECTIVE

Article 1

This Regulation lays down detailed rules for the application of Regulation (EC) No 1257/1999.

CHAPTER II

RURAL DEVELOPMENT MEASURES

SECTION 1

Investment in agricultural holdings

Article 2

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The conditions laid down in Article 5 of Council Regulation (EC) No 1257/1999 must be fulfilled at the time when the individual decision to grant support is taken.

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However, where investments are made in order to comply with newly introduced minimum standards regarding the environment, hygiene, and animal welfare, support may be granted in order to reach these new standards. In this case, a time period may be provided for the fulfilment of these minimum standards, where such a period is necessary to solve the specific problems in reaching such standards and where this period is in accordance with the specific legislation concerned.

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In the case of farms located in rural areas where the structural difficulties caused by the very small size of farms are such that it is particularly difficult for them to meet the requirements of Article 5 of Regulation (EC) No 1257/1999, until 31 December 2002 and without prejudice to Article 37(1) of that Regulation and the second paragraph of this Article, Member States may grant such farms support for investments totalling

⁽¹⁾ OJ L 203, 5.6.1980, p. 9.

⁽²⁾ OJ L 26, 31.1.1991, p. 15.

⁽³⁾ OJ L 164, 9.6.1998, p. 5.

⁽⁴⁾ OJ L 99, 19.4.1994, p. 7.

⁽⁵⁾ OJ L 112, 3.5.1994, p. 27.

⁽⁶⁾ OJ L 115, 6.5.1994, p. 6.

⁽⁷⁾ OJ L 140, 3.6.1994, p. 14.

⁽⁸⁾ OJ L 154, 21.6.1994, p. 8.

⁽⁹⁾ OJ L 178, 12.7.1994, p. 42.

⁽¹⁰⁾ OJ L 192, 28.7.1994, p. 9.

⁽¹¹⁾ OJ L 329, 16.11.1992, p. 1.

⁽¹²⁾ OJ L 79, 23.3.1994, p. 29.

▼M1

less than EUR 25 000 to enable them to comply with the said requirements within a period of not more than three years from the date of the decision to grant the support.

▼B*Article 3*

1. For the purpose of Article 6 of Council Regulation (EC) No 1257/1999, the existence of normal market outlets shall be assessed on the appropriate level in terms of:

- (a) the products concerned,
- (b) the types of investments,
- (c) existing and expected capacities.

2. Any restrictions on production, or limitations of Community support under common market organisations shall be taken into account.

3. Where under a common market organisation, restrictions on production or limitations of Community support exist at the level of individual farmers, holdings or processing plants, no investment shall be supported which would increase production beyond those restrictions or limitations.

Article 4

1. Where investments are undertaken by young farmers, the maximum percentages of the volume of eligible investment as referred to in the second sentence of the second paragraph of Article 7 of Council Regulation (EC) No 1257/1999 may be applied within a period up to five years after setting-up.

2. The second paragraph of Article 5 also applies to investments undertaken by young farmers within a five year period after setting-up.

SECTION 2

Setting-up of young farmers*Article 5*

The conditions laid down in Article 8(1) of Council Regulation (EC) No 1257/1999 must be fulfilled at the time when the individual decision to grant support is taken. ►**M1** However, in the case of applications submitted for the first time in 2000, the condition laid down in the first indent of Article 8(1) of Regulation (EC) No 1257/1999 must be fulfilled at the time the application is lodged. ◀

However, as far as occupational skill and competence, economic viability and minimum standards regarding the environment, hygiene and animal welfare are concerned, a time period not exceeding three years after setting-up may be foreseen for the fulfilment of these conditions, insofar as an adaptation period is necessary to facilitate the establishment of the young farmer or the structural adjustment of his holding.

SECTION 3

Training*Article 6*

Support for vocational training shall not include courses of instruction or training which form part of normal programmes or systems of agricultural and forestry education at secondary or higher levels.

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SECTION 4

Early retirement*Article 7*

Where a farm is transferred by several transferors, overall support shall be limited to the amount provided for one transferor.

Article 8

Non-commercial farming activity continued by the transferor in accordance with the first indent of Article 11(1) of Council Regulation (EC) No 1257/1999 shall not be eligible for support under the common agricultural policy.

Article 9

A tenant farmer may transfer the released land to the owner provided that the lease is terminated and the requirements relating to the relevant transferee as laid down in Article 11(2) of Council Regulation (EC) No 1257/1999 are complied with.

Article 10

Released land may be included in a re-parcelling operation or in a simple exchange of parcels.

In such cases, the conditions applicable to released land shall be applied to areas agronomically equivalent to those of the released land.

Member States may make provision for released land to be taken in charge by a body which undertakes to reassign it at a later date to a transferee who satisfies the conditions laid down for early retirement.

SECTION 5

Less favoured areas and areas with environmental restrictions*Article 11*

Compensatory allowances in relation to areas used by several farmers in common for the purpose of grazing animals may be granted to each farmer using these areas in proportion to his use or, right of use, of the land.

SECTION 6

Agri-environment*Article 12*

An undertaking to extensify livestock farming or otherwise to manage livestock farming shall comply with, at least, the following conditions:

- (a) grassland management shall continue,
 - (b) the livestock shall be distributed across the farm in such a way that the whole of the grazed area is maintained, thus avoiding both over-grazing and under-utilization,
- and
- (c) livestock density must be defined taking into account all grazing livestock kept on the farm, or in the case of an undertaking aimed at limiting nutrient leaching, all livestock kept on the farm relevant to the undertaking in question.

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Article 13

Support may include agri-environmental commitments for:

- (a) rearing farm animals of local breeds indigenous to the area and in danger of extinction,
- and
- (b) preserving plant genetic resources naturally adapted to the local and regional conditions and under threat of genetic erosion.

The local breeds and plant genetic resources must play a role in maintaining the environment in the given area to which the measure will apply.

Article 14

For the purpose of the second subparagraph of Article 24(1) of Council Regulation (EC) No 1257/1999, capital works shall be considered to be non-remunerative provided that they do not normally lead to any significant net increase in farm value or profitability.

Article 15

Agri-environment commitments beyond the minimum period of five years referred to in Article 23(1) of Council Regulation (EC) No 1257/1999 shall not be determined for a longer period than that which is reasonably necessary for the realisation of their environmental effects. They shall normally be no longer than 10 years, except in the case of specific undertakings where a longer period is deemed to be indispensable.

Article 16

Various agri-environment commitments may be combined with one another provided that the commitments are complementary and compatible.

Where there is such a combination, the level of support shall take account of income forgone and specific additional costs arising from the combination.

Article 17

1. The reference level for calculating income forgone and additional costs resulting from the undertaking given shall be the usual good farming practice in the given area to which the measure applies.

Where it is justified by the agronomic or environmental circumstances to do so, the economic consequences of abandonment of land or cessation of certain farm practices may be taken into account.

2. Payments may not be made per unit of production, except in the case of support for rearing farm animals in danger of extinction, which may be paid per livestock unit or per animal reared. Where commitments are normally expressed in units other than area, Member States may calculate payments on the basis of those units.

Member States shall ensure that the maximum amounts per year eligible for Community support as set out in the Annex to Regulation (EC) No 1257/1999 are observed. To this end the Member State may:

- (a) set a limit on the number of units per hectare of the farm to which agri-environmental commitments apply,
- or
- (b) determine the overall maximum amount on each participating farm and ensure that the payments for each holding are compatible with this limit.

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3. Payments shall be based on limitations on the use of fertilisers, plant protection products or other inputs only if such limitations are technically and economically measurable.

Article 18

Member States shall determine the need to provide an incentive as provided for in the third indent of Article 24(1) of the Council Regulation (EC) No 1257/1999 on the basis of objective criteria.

The incentive shall not exceed 20 % of the income forgone and additional costs due to the commitment given, except in the case of specific commitments where a higher rate is deemed to be indispensable for the effective implementation of the measure.

Article 19

A farmer who gives an agri-environment commitment as to one part of a farm shall adhere to at least the standard of usual good farming practice throughout the farm.

Article 20

1. Member States may authorise the transformation of one commitment into another commitment during the period of operation of the commitments, on condition that:

- (a) any such transfer is of unquestionable benefit to the environment,
- (b) the existing commitment is significantly reinforced,
- and
- (c) the approved programme includes the commitments concerned.

Under the conditions set out in points (a) and (b) of the first subparagraph, a transformation of an agri-environment commitment into a commitment for afforestation of agricultural land according to Article 31 of the Council Regulation may be authorised. The agri-environment commitment shall cease without reimbursement being required.

2. Member States may provide for adjustment of commitments during the period of operation, provided that:

- (a) the approved programme includes scope for such adjustment,
- and
- (b) the adjustment is duly justified, having regard to the objectives of the undertaking.

SECTION 7

Improving processing and marketing of agricultural products*Article 21*

Eligible expenditure may include:

- (a) the construction and acquisition of immovable property, with the exception of land purchase,
- (b) new machinery and equipment including computer software,

▼C1

- (c) general costs, such as architects', engineers', and consultants' fees, feasibility studies, acquisition of patents and licences, in addition to expenditure as referred to in (a) and (b) and up to a ceiling of 12 % of that expenditure.

▼**B***Article 22*

1. For the purpose of Article 26(3) of Council Regulation (EC) No 1257/1999, the existence of normal market outlets shall be assessed on the appropriate level in relation to:

- (a) the products concerned,
- (b) the types of investments,
- (c) existing and excepted capacities.

2. Any restrictions on production, or limitations of Community support under common market organisations shall be taken into account.

Article 23

In outermost regions, support may be granted for investment in the processing or marketing of products from third countries, subject to the condition that the processed products are destined for the market of the region in question. For the purpose of compliance with this condition, support shall be limited to processing capacities which correspond to regional needs, provided that the processing capacities do not exceed regional needs.

SECTION 8

Forestry*Article 24*

►**C1** Forests excluded from support under Article 29(3) of Council Regulation (EC) No 1257/1999 shall be: ◀

- (a) forest or other wooded land owned by central or regional governments, or by government-owned corporations,
- (b) crown forest and other wooded land,
- (c) forests owned by legal persons at least 50 % of whose capital is held by one of the institutions referred to in points (a) and (b).

Article 25

Agricultural land eligible for support for afforestation according to Article 31 of Council Regulation (EC) No 1257/1999 shall be specified by the Member State and shall include in particular arable land, grassland, permanent pastures and land used for perennial crops, where farming takes place on a regular basis.

Article 26

1. For the purpose of the second indent of the second subparagraph of Article 31(1) of Council Regulation (EC) No 1257/1999, a 'farmer' shall be a person who devotes an essential part of his working time to agricultural activities and derives from it a significant part of his income according to detailed criteria to be determined by the Member State.

2. For the purpose of Article 31(3), subparagraph 2, of Council Regulation (EC) No 1257/1999, 'fast-growing species cultivated in the short term' shall mean species, the rotation time (the interval separating at the same place two harvest cuts) of which is less than 15 years.

Article 27

1. Support under Article 32 of Council Regulation (EC) No 1257/1999 may not be granted in relation to areas for which support under Article 31 of that Regulation has been granted.

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2. Payments with a view to maintaining fire-breaks through agricultural measures, according to Article 32(1) second indent of Council Regulation (EC) No 1257/1999 shall not be granted for areas which are the subject of agri-environment support.

They shall be consistent with any restrictions on production or limitations of Community support under common market organisations and shall take into account payments made under those common market organisations.

SECTION 9

Rules common to several measures*Article 28*

For the purposes of Council Regulation (EC) No 1257/1999 and of this Regulation, 'usual good farming practice' is the standard of farming which a reasonable farmer would follow in the region concerned.

Member States shall set out verifiable standards in their rural development plans. In any case, these standards shall entail compliance with general mandatory environmental requirements.

Article 29

1. When, during the period of operation of a commitment given as a condition for the grant of support, a beneficiary transfers all or part of his holding to another person, the latter may take over the commitment for the remainder of the period. If this does not take place, the beneficiary shall reimburse the support granted.

Member States may choose not to require such reimbursement if, in the case of a definitive cessation of agricultural activities by a beneficiary who has already honoured a significant part of his commitment, a takeover of the commitment by a successor proves not to be feasible.

Member States may take specific measures, in the event of minor changes to the situation of the holding, to prevent the application of the first subparagraph from leading to inappropriate results in terms of the commitment entered into.

2. When, during the period of operation of a commitment given as a condition for the grant of support, a beneficiary increases the area of his holding, Member States may provide for:

- (a) the extension of the commitment to the additional area for the remainder of the period of the commitment, on condition that any such extension:
 - (i) is of unquestionable benefit to the measure concerned,
 - (ii) is justified in terms of the nature of the commitment, the length of the remaining period, and the size of the additional area which must be significantly less than the original area or not more than two hectares,

and

 - (iii) does not diminish the effective verification of compliance with the conditions for the grant of support,

or
- (b) the replacement of the beneficiary's original commitment by a new commitment for the whole area concerned under terms at least as strict as those of the original commitment.

Point (b) shall also apply in cases where the area subject to a commitment is extended within the holding.



3. Where a beneficiary is unable to continue complying with commitments given, by virtue of the fact that the holding is subject to reparcellation or other similar public exercise of land consolidation, Member States shall take the measures necessary to provide for the adaptation of the commitments to the new situation of the holding. If such adaptation proves impossible, the commitment shall expire and reimbursement shall not be required in respect of the period in which the commitment was effective.

Article 30

1. Without prejudice to the actual circumstances to be taken into consideration in individual cases, Member States may recognize, in particular, the following categories of *force majeure*:

- (a) death of the farmer;
- (b) long-term professional incapacity of the farmer;
- (c) expropriation of a large part of the holding if such expropriation could not have been anticipated on the day on which the commitment was given;
- (d) a severe natural disaster gravely affecting the holdings' agricultural land;
- (e) the accidental destruction of livestock buildings on the holding;
- (f) an epizootic affecting part or all the farmer's livestock.

Member States shall notify the Commission of categories which they recognize as *force majeure*.

2. Cases of *force majeure* with relevant evidence to the satisfaction of the competent authority shall be lodged in writing with the competent authority within 10 working days of the date on which the farmer is in a position to do so.

CHAPTER III

GENERAL PRINCIPLES, ADMINISTRATIVE AND FINANCIAL PROVISIONS

SECTION 1

General principles

Article 31

1. For the application of the second subparagraph of Article 37(3) of Council Regulation (EC) No 1257/1999, the criteria set out in paragraphs 2 and 3 of this Article shall apply.

2. Environmental measures implemented under common market organisations, agricultural quality and health measures, or under rural development measures other than agri-environment support, do not preclude agri-environment support for the same productions, provided that such support is additional and consistent with those measures.

In this context:

- (a) agri-environment measures on land set aside pursuant to Article 6 of Council Regulation (EC) No 1251/1999⁽¹⁾ shall qualify for support only if the commitments go beyond the appropriate environmental measures referred to in Article 6(2) of that Regulation;

⁽¹⁾ OJ L 160, 26.6.1999, p.1.

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- (b) in the case of extensification of beef production, the aid shall take account of the extensification payment made pursuant to Article 13 of Council Regulation (EC) No 1254/1999⁽¹⁾.
- (c) in the case of support for less-favoured areas and support for environmental restrictions, agri-environment commitments shall take into account the conditions laid down for the support in the areas concerned.

Where there is such a combination, the level of support shall take account of income forgone and specific additional costs arising from the combination.

In no case may the same commitment be the subject of payments simultaneously under agri-environment support and under another Community aid scheme.

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3. Member States shall propose any exceptions under the first indent of the second subparagraph of Article 37(3) of Regulation (EC) No 1257/1999 in their rural development plans or programming documents presented for Objectives 1 and 2 as provided for in Article 18(1) and (2) and Article 19(1), (2) and (3) of Regulation (EC) No 1260/1999.

▼B*Article 32*

Payments under rural development measures shall be made in full to the beneficiaries.

▼M1*Article 32a*

Commission Regulation (EC) No 1685/2000⁽²⁾ of 28 July 2000 laying down detailed rules for the implementation of Council Regulation (EC) No 1260/1999 as regards eligibility of expenditure of operations co-financed by the Structural Funds shall apply to measures included in the programming referred to in Article 40(2) and (3) of Regulation (EC) No 1257/1999, except where otherwise provided in Regulations (EC) No 1257/1999 and (EC) No 1258/1999 and in this Regulation.

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SECTION 2

Programming*Article 33*

1. Rural development plans shall be submitted in conformity with Article 43 of Council Regulation (EC) No 1257/1999 and in accordance with the detailed requirements laid down in the Annex to this Regulation.
2. The approval pursuant to Article 44 (2) of Council Regulation (EC) No 1257/1999 shall determine the overall amount of Community support.

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That amount shall include:

- (a) expenditure on measures presented under the new rural development programming, including expenditure on evaluation under Article 49(2) of Regulation (EC) No 1257/1999;
- (b) expenditure incurred under earlier accompanying measures covered by Council Regulations (EEC) No 2078/92, (EEC) No 2079/92 and (EEC) No 2080/92;

⁽¹⁾ OJ L 160, 26.6.1999, p. 21.

⁽²⁾ OJ L 193, 29.7.2000, p. 39.

▼M1

- (c) expenditure incurred on measures under Article 4 of Commission Regulation (EC) No 2603/1999⁽¹⁾ laying down rules for the transition to the rural development support provided for by Council Regulation (EC) No 1257/1999.

2 a The approval shall also cover the allocation and use of amounts remaining available to the Member States as additional Community support under Article 5 of Regulation (EC) No 1259/1999.

However, those amounts shall not be included in the overall amount of Community support referred to in paragraph 2.

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3. The approval may cover State aid intended to provide additional financing to rural development measures only if the State aid is identified in accordance with point 16 of the Annex.

4. Member States shall make rural development programming documents available to the public.

Article 34

Where rural development measures are submitted in the form of general framework regulations, rural development plans shall make appropriate reference to such regulations.

In such circumstances, the requirements of Article 33 shall be fully adhered to.

Article 35

1. ►**M1** Amendments to rural development programming documents and to single programming documents under Objective 2 in the case of rural development measures financed by the EAGGF Guarantee Section shall be duly substantiated, in particular on the basis of the following information: ◀

- (a) the reasons and problems of implementation, if any, justifying adjustment of the programming document;
- (b) the expected effects of the amendment;
- (c) the implications for financing and verification of commitments.

2. ►**M1** The Commission shall approve, in accordance with the procedures laid down in Articles 48 and 50(2) of Regulation (EC) No 1260/1999, respectively, amendments to rural development programming documents and to single programming documents under Objective 2 in the case of rural development measures financed by the EAGGF Guarantee Section: ◀

- (a) affecting priorities;
- (b) changing the main features of support measures as indicated in the Annex, including changes to the rate of Community contribution;
- (c) changing the overall amount of Community support;

▼M1

- (d) changing the financial allocation for any measure by more than 10 % of the amount provided for the entire programming period, calculated on the basis of the programming document approved by the Commission;
- (e) changing additional financing in the form of State aid granted for one of the measures by more than 10 % of the amount provided for the entire programming period, calculated on the basis of the programming document approved by the Commission.

Points (d) and (e) of the first subparagraph shall not apply to measures with a financial allocation accounting for less than 5 % of the total amount allocated to the programme for the entire programming period.

⁽¹⁾ OJ L 316, 10.12.1999, p. 26.

▼M1

Amendments shall be submitted to the Commission in a single proposal per programme no more than once a year.

▼B

Any other amendment shall be communicated to the Commission at least two months before its entry into force.

3. Where necessary, rural development programming documents shall be revised in line with subsequent changes in Community legislation. The second sentence of the first subparagraph of paragraph 2 shall not apply to such revisions.

SECTION 3

Additional measures and community initiatives*Article 36*

Pursuant to Article 45 of Council Regulation (EC) No 1257/1999, the scope of assistance from the EAGGF Guidance section for measures in the Community initiative for rural development is extended to the whole Community and its financing extended to measures eligible under European Parliament ►**CI** Council Regulations (EC) No 1783/1999⁽¹⁾ and (EC) No 1784/1999⁽²⁾ ◀.

SECTION 4

Financial provisions*Article 37***▼M1**

1. No later than 30 September each year, the Member States shall forward to the Commission, for each rural development programming document and each single programming document under Objective 2 in the case of rural development measures financed by the EAGGF Guarantee Section:

- (a) a statement of expenditure incurred in the current financial year and of expenditure remaining to be disbursed by the end of that year and covered by Community support as defined in Article 33(2) of this Regulation, and
- (b) revised forecasts of such expenditure for subsequent financial years until the end of the programming period concerned, keeping within the allocation for each Member State.

This information shall be transmitted in table format using a computerised model supplied by the Commission.

▼B

2. Without prejudice to the general rules established for budgetary discipline, where the information which Member States are required to transmit to the Commission according to paragraph 1 is incomplete or the time limit has not been met, the Commission shall reduce advances on entry in the accounts of agricultural expenditure on a temporary and flat-rate basis.

Article 38

For the month following the decision to approve a rural development programming document the paying agencies may enter into the accounts as expenditure an advance not exceeding 12,5 % of the average annual budget of the total Community allocations provided for in the programming document in question.

⁽¹⁾ OJ L 213, 13.8.1999, p. 1.

⁽²⁾ OJ L 213, 13.8.1999, p. 5.

▼B

This advance shall represent working capital which in principle may only be recovered at the end of the programming period with respect to each rural development programming document.

Article 39

1. For each Member State, expenditure declared for any given financial year shall be financed up to the limit of the amounts notified to the Commission under point (b) of Article 37(1) which are covered by the appropriations entered in the budget for the financial year in question.

2. Where expenditure actually incurred by a Member State in any given financial year exceeds the amounts notified in accordance with point (b) of Article 37(1), the overruns on expenditure in that financial year shall be entered in the accounts on a pro rata basis, up to the limit of the appropriations remaining available after reimbursing the expenditure incurred by the other Member States.

3. Where expenditure actually incurred by a Member State in a given financial year is less than 75 % of the amounts referred to in paragraph 1, the expenditure to be recognised for the following financial year shall be reduced by a third of the difference between this threshold and the actual expenditure incurred during the financial year in question.

This reduction shall not be taken into account when establishing actual expenditure in the financial year following that in which the reduction was made.

▼M1

4. Paragraph 3 shall not apply to the first statement of expenditure under the rural development programming document or the single programming document under Objective 2 in the case of rural development measures financed by the EAGGF Guarantee Section.

Article 39a

Articles 37, 38 and 39 of this Regulation shall not apply to expenditure incurred under Article 5 of Regulation (EC) No 1259/1999.

▼B*Article 40*

Participation in the financing of evaluations in the Member States pursuant to Article 49(2) of Council Regulation (EC) No 1257/1999 shall apply to evaluations that effectively contribute to the evaluation at Community level owing to their scope, particularly through their replies to the common evaluation questions, and through their quality.

The participation shall not exceed 50 % of a ceiling which, except in duly justified cases, shall be 1 % of the total costs of the rural development programme. Within each rural development program at least 40 % of the co-financing shall concern the *ex post* evaluation.

SECTION 5

Monitoring and evaluation*Article 41*

Pursuant to Article 48(2) of Council Regulation (EC) No 1257/1999, annual progress reports shall be submitted to the Commission by 30 April of each year covering the previous calendar year. Each progress report shall contain the following information:

- (a) any change in the general conditions of relevance to the implementation of the measure, and in particular any major socio-economic trends, or changes in national, regional or sectoral policies;

▼B

- (b) the progress of measures and of priorities, with respect to their operational and specific objectives, expressed as quantitative indicators;
- (c) the action taken by the management authority and the monitoring committee, if any, to ensure high-quality and effective implementation, and in particular:
 - (i) monitoring measures, financial control and evaluation, including data collection procedures,
 - (ii) a summary of the major problems encountered in managing the measure and any steps taken;
- (d) measures taken to ensure compatibility with Community policies.

These indicators referred to in the first subparagraph, point (b), shall, as far as possible follow a recommendation for common indicators to be provided by the Commission. Where additional indicators are needed to monitor progress effectively towards objectives of rural development programming documents, these shall also be included.

Article 42

1. Evaluations shall be performed by independent evaluators in accordance with recognised evaluation practice.
2. Evaluations shall in particular respond to common evaluation questions defined by the Commission in consultation with Member States and shall, as a general rule, be accompanied by achievement related criteria and indicators.
3. The authority responsible for managing the rural development programming document shall assemble the appropriate resources for evaluations, making use of monitoring results, supplemented where necessary by the gathering of additional information.

Article 43

1. The *ex ante* evaluation shall analyse the disparities, gaps and potentials of the current situation and assess the consistency of the proposed strategy with the situation and targets and have regard to the issues raised in the common evaluation questions. It shall assess the expected impact of the selected priorities for action and quantify their targets where they lend themselves thereto. It shall also verify the proposed implementing arrangements and the consistency with the Common Agricultural Policy and other policies.
2. The *ex ante* evaluation shall be the responsibility of the authorities preparing the rural development plan and shall form part of it.

Article 44

1. The mid-term and *ex post* evaluations shall deal with the specific questions for the rural development programming document in question and with common evaluation questions relevant at Community level. The latter shall involve the living conditions and structure of the rural population, employment and income from farm activities or off-farm activities, agricultural structures, agricultural commodities, quality, competitiveness, forest resources and environment. If a common evaluation question is considered inappropriate in relation to a particular rural development programming document, this shall be substantiated.
2. The mid-term evaluation, while covering the evaluation questions, shall in particular examine the initial achievements, their relevance and consistency with the rural development programming document and the extent to which the targets have been attained. It shall also assess the use made of financial resources and the operation of monitoring and implementation.

▼B

The *ex post* evaluation, while answering the evaluation questions, shall in particular examine the utilisation of resources and the effectiveness and efficiency of the assistance and its impacts and it shall draw conclusions regarding rural development policy, including its contributions to the Common Agricultural Policy.

3. The mid-term and *ex post* evaluations shall be performed in consultation with the Commission under the responsibility of the authority in charge of managing the rural development programming.
4. The quality of individual evaluations shall be assessed by the authority in charge of managing the rural development programming document, the monitoring committee, if any, and the Commission using recognised methods. The results of the evaluations shall be available to the public.

Article 45

1. A mid-term evaluation report shall be transmitted to the Commission not later than 31 December 2003. The authority responsible for managing the rural development programming document shall inform the Commission about the follow-up to the recommendations in this evaluation report. The Commission shall prepare a Community-level synthesis upon receipt of the individual evaluation reports. An update of the mid-term evaluation shall be completed by 31 December 2005 where appropriate.
2. An *ex post* evaluation report shall be transmitted to the Commission not later than two years after the end of the programming period. Within three years of the end of the programming period and upon receipt of the individual evaluation reports the Commission shall prepare a Community-level synthesis.
3. The evaluation reports shall explain the methodologies applied, including the implications for the quality of the data and the findings. They shall include a description of the context and contents of the programme, financial information, the answers including the utilised indicators to the common evaluation questions and to the evaluation questions defined at national or regional level, conclusions and recommendations. Their structure shall, as far as possible, follow a recommendation for a common structure for the evaluation reports to be provided by the Commission.

SECTION 6

Applications, controls and sanctions

Article 46

1. Applications for rural development support relating to areas or animals, which are lodged separately from aid applications under Article 4 of Regulation (EEC) No 3887/92 shall indicate all areas and all animals of the holding relevant for checking the applications under the measure in question, including those for which no support is requested.
2. Where a rural development support measure relates to areas, it shall refer to individually identified parcels. ►**M1** During the period covered by an undertaking, parcels receiving support may not be exchanged except in cases specifically provided for in the programming document. ◀
3. Where the application for payment is included with an application for area aid in the integrated control system, the Member State shall ensure that parcels for which rural development support is requested are declared separately in the application for area aid in the integrated control system.
4. Land areas and animals shall be identified in accordance with Articles 4 and 5 of Regulation (EEC) No 3508/92.

▼B*Article 47*

1. Initial applications to a scheme and successive applications for payment shall be checked in a manner which ensures effective verification of compliance with the conditions for the granting of the aid. In fine with the nature of the support measure Member States shall define the systems and means for their verification as well as the persons who shall be subject to checks. In all appropriate cases, Member States shall make use of the integrated administration and control system established by Regulation (EEC) No 3508/92.
2. Verifications shall be carried out by means of administrative and on-the-spot checks.
3. Administrative checks shall be exhaustive and shall include cross-checks, inter alia in all appropriate cases with data from the integrated administration and control system, on areas of land and livestock covered by a support measure in order to avoid all unjustified payments of aid. Compliance with long-term commitments shall also be checked.
4. ►**M1** On-the-spot checks shall be carried out in accordance with Articles 6, 7, 7a and 7b of Regulation (EEC) No 3887/92. ◀ They shall cover at least 5 % of beneficiaries each year, covering all the different types of rural development measures set out in the programming documents.

On-the-spot checks shall be spread over the year in accordance with an analysis of the risks presented by each rural development measure. All commitments and obligations of a beneficiary which it is possible to check at the time of the visit shall be subject to checking.

*Article 48***▼M1**

1. Article 9(1), (2) and (3) of Regulation (EEC) No 3887/92 shall apply to support granted on the basis of areas and Article 10(2), (3), (4), (5), Article 10(b) and Article 10(f) of that Regulation shall apply to support granted on the basis of animals.

Moreover, Articles 11(1)(a) and 14 of Regulation (EEC) No 3887/92 shall apply to such support.

▼B

2. Member States shall determine a system of penalties to be imposed in the event of breaches of the obligations entered into and of regulatory provisions applicable to the case, and shall take all necessary steps to put the system into operation. Such penalties shall be effective, shall be commensurate with their purpose and shall have an adequately deterrent effect.
3. Where it is found that a false declaration has been made as a result of serious negligence, the beneficiary in question shall be excluded from all rural development measures falling under the relevant chapter of Council Regulation (EC) No 1257/1999 for the calendar year in question. In the case of a false declaration made intentionally, he shall be excluded for the following year as well. This penalty shall apply without prejudice to additional penalties provided for under national rules.

CHAPTER IV

FINAL RULES

Article 49

1. Regulations (EEC) No 2084/80, (EEC) No 220/91, (EC) No 860/94, (EC) No 1025/94, (EC) No 1054/94, (EC) No 1282/94, (EC) No 1404/94, (EC) No 1682/94, (EC) No 1844/94, (EC) No 746/96 and Decisions 92/522/EEC and 94/173/EC are hereby repealed.

▼B

2. The Regulations and Decisions repealed under paragraph 1 shall remain applicable to the actions approved by the Commission before 1 January 2000, under the Regulations referred to in Article 55(1) of Council Regulation (EC) No 1257/1999.

Article 50

This Regulation shall enter into force on the seventh day following that of its publication in the *Official Journal of the European Communities*.

It shall apply in relation to Community support as from 1 January 2000.

This Regulation shall be binding in its entirety and directly applicable in all Member States.



ANNEX

RURAL DEVELOPMENT PLANS

1. **Title of rural development plan**
2. **Member State and administrative region (if relevant)**
3.
 1. *Geographical area covered by the plan*
Article 41 of Regulation (EC) No 1257/1999
 2. *Regions classified as Objectives 1 and 2*
Article 40 of Regulation (EC) No 1257/1999
Identify:
 - Objective 1 regions and Objective 1 regions in transition. This applies only to the accompanying measures (early retirement, compensatory allowances, agri-environment and afforestation of agricultural land under Article 31 of Council Regulation (EC) No 1257/1999);
 - Objective 2 regions. This applies to:
 - 1) Accompanying measures
 - 2) Other measures which do not form part of the Objective 2 programming.
4. **Planning at the relevant geographical area**
Article 41(2) of Regulation (EC) No 1257/1999
Where exceptionally more than one rural development plan will apply in the region, indicate:
 - all the relevant plans;
 - why it is not possible to integrate measures into a single plan;
 - relationship between measures in the different plans and details as to how compatibility and consistency between plans will be ensured.
5. **Quantified description of the current situation**
Article 43(1), first indent, of Regulation (EC) No 1257/1995
 1. *Description of the current situation*
Describe, using quantified data, the current situation of the geographical area, highlighting strengths, disparities, gaps and potential for rural development. This description shall concern the agricultural sector and the forestry sector (including the nature and extent of handicaps in farming in any less favoured areas), the rural economy, the demographic situation, human resources and employment and the state of the environment.
 2. *Impacts of the previous programming period*
Describe the impacts of the financial resources deployed in the framework of the EAGGF relating to Rural Development in the previous programming period and under the accompanying measures since 1992. Present results of evaluations.
 3. *Other information*
Where relevant, extend description to measures in addition to Community rural development and accompanying measures which had an impact on the programming area concerned.



6. **Description of the strategy proposed, its quantified objectives, rural development priorities selected and geographical area covered**

Article 43(1), second indent, of Regulation (EC) No 1257/1999

1. *Strategy proposed, quantified objectives, priorities selected*

With regard to the identified strengths, disparities, gaps and potentials in the area concerned, describe in particular:

- the priorities for actions,
- the appropriate strategy to attain the priorities,
- the operational objectives and expected impacts, quantified where they lend themselves to quantification, quantified as well in terms of monitoring as in terms of evaluation estimates,
- the extent to which the strategy takes account of the specific features of the areas concerned,
- the way the integrated approach has been included,
- the extent to which the strategy takes into account the integration of women and men,
- the extent to which the strategy takes into account all relevant international Community and national environmental policy obligations, including those relating to sustainable development, in particular the quality and use of water, conservation of biodiversity including on-farm conservation of crop varieties, and global warming.

2. *Description and effects of other measures*

In addition, the description shall, where relevant, explain measures taken outside the frame of the rural development plan (whether other Community measures or national measures, such as compulsory rules, codes of practice and State aided measures) and the extent to which the identified needs will thus be met.

3. *Areas covered by specific territorial measures*

Describe for any measure as defined under point 8 which does not apply throughout the region indicated in point 3, the zone of application.

In particular, define:

- the adopted list of less-favoured areas for the area concerned,
- any amendments to the list of less favoured areas with a due justification (Article 55(4) of Council Regulation (EC) No 1257/1999),
- areas with environmental restrictions with a due justification.

4. *Time-scheme and uptake*

Proposed timetable for implementing the various measures, expected uptake, and duration (see also point 8).

7. **Appraisal showing the expected economic, environmental and social impacts**

Article 43(1), third indent, of Regulation (EC) No 1257/1999

Detailed indications according to Article 43 [Regulation (EC) No 1257/1999].



APPLICATION OF THE APPROPRIATIONS RESULTING FROM MODULATION

	Year 1		Year 2 Year 7		TOTAL	
	Total or public cost ⁽¹⁾	EU contribution ⁽²⁾	Total or public cost ⁽¹⁾	EU contribution ⁽²⁾	Total or public cost ⁽¹⁾	EU contribution ⁽²⁾	Total or public cost ⁽¹⁾	EU contribution ⁽²⁾
Early retirement								
Agri-environment								
Agri-environment								
Afforestation								
Total modulation								

⁽¹⁾ Column for planned expenditure (total or public cost), provided for guidance.

⁽²⁾ Column for the Community contribution planned for each measure. The Community contribution relating to expenditure to be paid is calculated using the rates and arrangements laid down in the programme for each measure.

⁽³⁾ The heading for former accompanying measures includes all payments for these measures carried out between 16 October 1999 and the date when the Commission approved the plan.

⁽⁴⁾ Article 4(2) of Regulation (EC) No 2603/1999. The Member States must define the criteria, identifying clearly the expenditure to be included in programming.

Note: Where a measure is entered simultaneously under more than one priority, the Member State shall provide, for the purposes of financial management, an additional table consolidating all expenditure relating to the measure. This additional table will follow the structure of the table above and the order of the list below.

— The different measures are defined as follows:

- (a) investment in farms;
- (b) start-up assistance for young farmers;
- (c) training;
- (d) early retirement;
- (e) less-favoured areas and areas with environmental constraints;
- (f) agri-environment;
- (g) improving the processing and marketing of agricultural products;
- (h) afforestation of agricultural land;
- (i) other forestry measures;
- (j) land improvement;
- (k) reparacling;
- (l) setting up farm relief and farm management services;
- (m) marketing of quality agricultural products;
- (n) basic services for the rural economy and population;
- (o) renovating and developing villages, protecting and conserving rural heritage;
- (p) diversifying agricultural activities and activities close to agriculture to provide multiple activities or alternative sources of income;
- (q) managing agricultural water resources;
- (r) developing and improving infrastructure connected with the development of agriculture;
- (s) encouraging tourist and craft activities;
- (t) protecting the environment in connection with agriculture, forestry and landscape management and improving animal welfare;
- (u) restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments;
- (v) financial engineering.

— *EAGGF Guarantee Section resources for measures to promote the adaptation and development of rural areas (Article 33 of Regulation*

▼M1

(EC) No 1257/1999) in Objective 2 (rural) areas: EUR ... million (% of total for Article 33).

▼B9. **Description of the measures contemplated for implementing the plans**

Article 43(1), fifth indent, of Regulation (EC) No 1257/1999

For every point thereunder, provide:

A. Main features of support measures,

B. Other elements.

1. *General requirements*

A. Main features of support measures:

- list of measures in the order of Council Regulation (EC) No 1257/1999;
- identification of the single Article (and paragraph) under which each Rural development payment measure falls. Where two or more articles are cited, the payment measure must be divided into its constituent parts.

B. Other elements:

None.

2. *Requirements which concern all or several measures*⁽¹⁾.

A. Main features:

- Community contribution based on either the total cost or public expenditure;
- aid intensifies and/or amounts and differentiation applied (Chapters I to VIII);
- exceptions referred to in Article 37 (3) subparagraph 2 first indent of Council Regulation (EC) No 1257/1999.

B. Other elements:

- details of eligibility conditions;

▼M1

- criteria to demonstrate economic viability (Chapters I, II, IV and VII);

▼B

- usual good farming practice (Chapters V and VI);
- minimum standards regarding environment, hygiene and animal welfare (Chapters I, II and VII);
- level of occupational skill and competence required (Chapters I, II and IV);
- sufficient assessment of the existence of normal market outlets for the products concerned (Chapters I and VII) according to Articles 6 and 26 of Council Regulation (EC) No 1257/1999;
- description of the total of ongoing contracts (from the previous period), including in financial terms, and procedures/rules which apply to these.

3. *Information required for specific measures*

In addition, the following specific information is required for measures under the individual chapters:

I. **Investment in agricultural holdings**

A. Main features:

- primary production sectors and types of investments;

⁽¹⁾ References to Chapters refer to Council Regulation (EC) No 1257/1999.

▼B

- B. Other elements:
- maximum limits for total investment amount eligible for support;
 - types of aid;

▼M1

- where applicable, a description of the rural areas facing structural difficulties as referred to in Article 2 of this Regulation.

▼B

- II. Setting-up of young farmers
- A. Main features:
- None.
- B. Other elements:
- period left to young farmers to fulfil the eligibility criteria within the allowed period of three years according to Article 5 of Regulation (EC) No 1257/1999,
 - age limit,
 - conditions applying to young farmers not established as sole head of the holding or who set up as members of associations or co-operatives whose principal object is the management of an agricultural holding,
 - type of setting-up aid.
- III. Training
- A. Main features:
- None.
- B. Other elements:
- eligible actions and beneficiaries;
 - ensure that no normal education system and programmes are proposed for financing.
- IV. Early retirement
- A. Main features:
- None.
- B. Other elements:
- detail of conditions concerning transferor, transferee, worker and land released, in particular the use of land to be retained by the transferor for non commercial purposes and the period to improve viability;
 - type of aid including a description of the system used for calculating the maximum co-financible amount per holding and a justification according to the type of beneficiary;
 - description of national retirement and early retirement systems;
 - detail on the duration of the aid.
- V. Less favoured areas and areas with environmental restrictions
- A. Main features:
- level of aid amount:
 1. for compensatory allowances according to Article 13 point (a) of Council Regulation (EC) No 1257/1999: justification of the modulation of the aid amount according the criteria of Article 15(2) of the Council Regulation;

▼B

2. for compensatory allowances according to Article 13 point (a) of the Council Regulation (EC) No 1257/1999: proposals to use the flexibility provisions concerning the maximum co-financible amount in Article 15(3), second subparagraph of Council Regulation (EC) No 1257/1999 shall include the necessary justification. Specify how it will be assured that the upper limit for compensatory allowances is respected in these cases and explain the administrative procedure by which they will ensure adherence to the maximum co-financible amount;
3. for compensatory payments according to Article 13 point (b) of Council Regulation (EC) No 1257/1999 and Article 16 of Council Regulation (EC) No 1257/1999: Detailed agronomic calculations showing: (a) income foregone and costs incurred resulting from the environmental restrictions, (b) agronomic assumptions used as reference point.

B. Other elements:

- details on eligibility conditions concerning:
 1. the definition of the minimum surface;
 2. the description of the appropriate conversion mechanism used in case of common pastures.

VI. Agri-environment

A. Main features:

- a justification for the undertakings with regard to their expected impacts;
- concerning breeds of farm animal in danger of extinction, evidence of the endangered statue of the breed consistent with scientific data accepted by international organisations regarded as authorities in this field. ►M2 Member States may make new commitments until 31 December 2001 under the present rural development support scheme relating to breeds supported under previous schemes; ◀
- concerning plant genetic resources under threat of genetic erosion, evidence of genetic erosion based upon scientific results and indicators for the occurrence of landraces/primitive (local) varieties, their population diversity and the prevailing agricultural practices at local level;
- precise detail of obligations on farmers and any other conditions of agreement, including scope and procedures for adjustment of running contracts;
- description of coverage of measure showing extent of application according to needs, degree of targeting in terms of geographical, sectoral or other coverage;
- detailed agronomic calculations showing: (a) income foregone and cost; incurred with regard to usual good agricultural practice, (b) agronomic assumptions used as reference point (c) level of incentive and justification for incentive based on objective criteria;
- for the agri-environment undertakings together, possibilities for combination; of-undertakings should be shown and coherence of undertakings should be ensured.

B. Other elements:

None.



VII. Processing and marketing of agricultural products

A. Main features:

- sectors of the basic agricultural production.

B. Other elements:

- criteria to prove economic benefits for primary producers.

VIII. Forestry

A. Main features:

- definition of:
 - ‘agricultural land’ in relation to Article 25 of Regulation (EC) No 1257/1999;
 - ‘farmer’ in relation to Article 26 of Regulation (EC) No 1257/1999;
- provisions ensuring that such actions are adapted to local conditions and are compatible with the environment as well as where appropriate keeping balance between silviculture and game populations;
- contractual arrangements between regions and potential beneficiaries concerning actions related to Article 32 of the Council Regulation.

B. Other elements:

- description of eligible actions and beneficiaries;
- linkage between proposed actions and national/sub-national forest programmes or equivalent instruments;
- the existence of forest protection plans as laid down in Community legislation for areas classified as high or medium forest fire risk and the conformity of proposed measures with these protection plans.

IX. Promoting the adaptation and development of rural areas

A. Main features:

- description and justification of the action proposed under each measure.

B. Other elements

- definition of financial engineering, which shall be in accordance with general eligibility criteria.

10. **Need for any studies, demonstration projects, training or technical assistance operations (where appropriate)**

Article 43(1), sixth indent, of Regulation (EC) No 1257/1999

11. **Designation of competent authorities and bodies responsible**

Article 43(1), seventh indent, of Regulation (EC) No 1257/1999

12. **Provisions to ensure the effective and correct implementation of the plans including monitoring and evaluation, a definition of quantified indicators for evaluation, arrangements for controls and sanctions and adequate publicity.**

Article 43(1), eighth indent, of Regulation (EC) No 1257/1999

1. *Detailed indications on the implementation of Articles 41 to 45 of the [Regulation(EC) No 1257/1999]*

They should include in particular:

- the description of the financial circuits for the payment of assistance to final beneficiaries,
- the arrangements for monitoring and evaluation of the programme, notably systems and procedures for the collection,

▼B

- organisation and coordination of data relating to financial physical and impact indicators,
- the role, composition and rules of procedure of any monitoring committees,
- codification. This codification shall be in accordance with the model provided by the Commission.

▼M1

2. *Detailed information on the implementation of Articles 46, 47 and 48 of this Regulation*

This should include the specific inspection measures set up to verify the substance of applications and ensure compliance with the requirements for support, and the specific rules on penalties.

3. *Detailed information on compliance with the general eligibility criteria laid down in Regulation (EC) No 1685/2000.*

Article 32a of this Regulation

▼B

13. **Results of consultations and designation of associated authorities and bodies as well as economic and social partners**

Article 43(1), ninth indent, of Regulation (EC) No 1257/1995

1. *Describe:*
 - the economic and social partners and other national relevant bodies to be consulted according to national rules and practice,
 - the agricultural and environmental authorities and bodies to be associated in particular with the development, implementation, monitoring, evaluation and review of agri-environment measures and other measures targeted to environment, thus ensuring the balance between these measures and other rural development measures.
2. *Summarise the results of consultations and indicate the extent to which and the views and advice received have been taken into account*

14. **Balance between the different support measures**

Article 43(2), second indent, of Regulation (EC) No 1257/1999

1. *Describe, with reference to the strengths, needs and potential:*
 - the balance between the different rural development measures;
 - the extent to which the agri-environment measures apply throughout the territory.
2. *This description shall, according to the case, make reference to:*
 - measures taken outside the frame of Council Regulation (EC) No 1257/1999,
 - measures taken or foreseen under separate rural development plans.

15. **Compatibility and consistency**

Article 37(2) of Regulation (EC) No 1257/1999

A. Main features:

1. Appraisal of the compatibility and consistency with:
 - other Community policies and measures implemented there-under, in particular competition policy,
 - other instruments under Common Agricultural Policy, in particular where exceptions to Article 37(3) of Council Regulation (EC) No 1257/1999 are foreseen,
 - other support measures within the rural development plans,
 - general eligibility criteria.

▼B

2. In relation to measures under Article 33 of Council Regulation (EC) No 1257/1999, ensure and where necessary clarify that:
 - measures taken under the sixth, seventh and ninth indents of that Article are not the subject of financing under the ERDF in rural areas in Objective 2 areas and in areas in transition,
 - measures do not fall within the scope of any other measure referred to in Chapter II of Council Regulation (EC) No 1257/1999.

B. Other elements

3. In particular, the appraisal shall cover arrangements to ensure proper coordination with administrations responsible for:
 - development measures introduced in the framework of the market organisations,
 - any rural development measures provided for under national legislation.

16. Additional State aids

Article 52 of Regulation (EC) No 1257/1999

A. Main features

Identify the measures in respect of which State aid intended to provide additional financing will be granted (Article 52 of Council Regulation (EC) No 1257/1999). An indicative table shall set out the amount of additional support to be granted in respect of each of the measures concerned during each year covered by the plan.

B. Other elements.

None.