
EXPLANATORY NOTE

(This note does not form part of the Regulations)

These Regulations, which come into force on 1st January 2001, implement Articles 4 and 5 of Council Regulation (EC) No.1259/1999 establishing common rules for direct support schemes under the common agricultural policy of the European Community (OJNo. L160, 26.6.1999, p.113)(“the Council Regulation”).

They apply to Wales, save that, in relation to payments under an IACS support scheme, they apply in so far as the National Assembly is the “relevant competent authority” within the meaning of the Integrated Administration and Control System Regulations 1993 (S.I.1993/1317, as last amended by S.I. 2000/2573).

Article 4 of the Council Regulation permits Member States to reduce the amounts of payments under the support schemes listed in the Annex to that Regulation where (amongst other things) the total amounts of payments granted under such support schemes in respect of a calendar year exceed limits to be decided by the Member State in question. In the United Kingdom that limit has been set at nil, and the reduction is therefore applicable in relation to all payments under the specified support schemes. The amounts by which such payments are reduced are required to be made available as additional Community support for any of the rural development measures specified in Article 5(2) of the Council Regulation, in so far as they apply in the Member State concerned.

These Regulations accordingly require the National Assembly for Wales, or as the case may be, the Intervention Board to deduct a specified proportion (2.5% in the year 2001, 3.0% in the year 2002, 3.5% in the years 2003 and 2004, and 4.5% in the years 2005 and 2006) from any payment they make pursuant to any of the said support schemes, the amounts thus deducted to be applied in accordance with the said Article 5(2) (regulation 4).

A Regulatory Appraisal has been prepared in respect of these Regulations and is available from the National Assembly for Wales, Agriculture Department, Cathays Park, Cardiff, CF10 3NQ.