

ANNEX IX

LIST OF ACTIONS AND EXPENDITURE NOT ELIGIBLE UNDER OPERATIONAL PROGRAMMES REFERRED TO IN ARTICLE 60(1)

1. General production costs and, in particular, plant protection products, including integrated control materials, fertilisers and other inputs; packing costs, storage costs, packaging costs, even as part of new processes, costs of packages; costs of collection or transport (internal or external); operating costs (in particular electricity, fuel and maintenance), except:
 - specific costs for quality improvement measures. In all cases costs for (even certified) mycelium, seeds and non-perennial plants shall not be eligible;
 - specific costs for biological plant protection materials (such as pheromones and predators) whether used in organic, integrated or conventional production;
 - specific costs for transport, sorting and packing related to free distribution as referred to in Articles 81 and 82;
 - specific costs for environmental measures, including costs generated by the environmental management of packaging;
 - specific costs for organic, integrated or experimental production, including specific costs for organic seeds and seedlings. The competent authority of the Member State shall lay down the eligibility criteria for an experimental production taking account of the newness of the procedure or concept and the risk involved;
 - specific costs to ensure the monitoring of compliance with the standards referred to in Title II of this Regulation, with plant-health rules and with maximum level of residues.

Specific costs shall mean the additional costs, calculated as the difference between the conventional costs and the costs actually incurred.

For each category of eligible specific costs referred to above, in order to calculate additional costs compared with conventional ones, Member States may fix, in a duly justified way, standard flat rates.

2. Administrative and personnel costs with the exception of expenditure relating to the implementation of operational funds and operational programmes which shall include:
 - (a) overheads specifically related to the operational fund or operational programme, including management and personnel costs, reports and evaluation studies, and the costs of keeping accounts and the management of accounts, by means of the payment of a standard flat rate up to a maximum of 2 % of the operational fund as approved in accordance with Article 64 and up to a maximum of EUR 180 000, comprising both the EU contribution and the producer organisation contribution.

In the case of operational programmes submitted by recognised associations of producer organisations, overheads shall be calculated as the addition of the overheads of each producer organisation as provided for in the first paragraph but limited to a maximum of EUR 1 250 000 per association of producer organisations.

Member States may restrict funding to the real costs, in which case they should define the eligible costs;

- (b) personnel costs including charges linked to wages and salaries, if these are directly borne by the producer organisation, association of producer organisation or subsidiaries as referred to in Article 50(9) resulting from measures:
 - (i) to improve or maintain a high level of quality or environmental protection;

- (ii) to improve the level of marketing.

The implementation of these measures shall essentially involve the use of qualified personnel. If, in such cases, the producer organisation uses its own employees or producer members, the time worked shall be documented.

If a Member State wishes to provide an alternative to restricting funding to the real costs, for all the eligible personnel costs referred to above, it shall fix, ex ante and in a duly justified way, standard flat rates up to a maximum of 20 % of the approved operational fund. This percentage may be increased in duly justified cases.

In order to request those standard flat rates, producer organisations shall furnish proof of the implementation of the action to the satisfaction of the Member State.

- (c) legal and administrative costs of mergers of producer organisations or their acquisition, as well as legal and administrative costs related to creating transnational producer organisations or transnational associations of producer organisations; feasibility studies and proposals commissioned by producer organisations in this respect.
3. Income or price supplements outside crisis prevention and management.
 4. Insurance costs outside the harvest insurance measures referred to in Section 6 of Chapter III of Title III.
 5. Reimbursement of loans taken out for an operation carried out before the beginning of the operational programme other than those referred to in Articles 48(4), 49(3) and 74.
 6. Purchase of land costing more than 10 % of all the eligible expenditure on the operation concerned and not built on except where purchase is necessary to carry out an investment included in the operational programme; in exceptional and duly justified cases, a higher percentage can be fixed for operations concerning environmental conservation.
 7. Costs of meetings and training programmes except where they are related to the operational programme, including daily allowances, transport and accommodation costs, where appropriate, on a flat-rate basis.
 8. Operations or costs relating to the quantities produced by the members of the producer organisation outside the Union.
 9. Operations that could distort competition in the other economic activities of the producer organisation.
 10. Second hand equipment which has been purchased with Union or national support within the seven previous years.
 11. Investments in means of transport to be used for marketing or distribution by the producer organisation, with the exception of:
 - (a) investments in means of internal transport; at the moment of the purchase, the producer organisation shall duly justify to the concerned Member State that the investments shall only be used for internal transport;
 - (b) additional on-the-truck facilities for cold-storage or controlled atmosphere transport.

12. Hire except where economically justified as an alternative to purchase at the satisfaction of the Member State.
13. Operating costs of goods hired.
14. Expenditure linked to leasing contracts (taxes, interest, insurance costs, etc.) and operating costs, except:
 - (a) the leasing itself, within the limits of the net market value of the item and within the conditions laid down in point (b) of the first subparagraph of Article 55(1) of Regulation (EC) No 1974/2006;
 - (b) the leasing of second hand equipment which has not received Union or national support within the seven previous years.
15. Promotion of individual commercial labels or labels containing geographic references except:
 - brands/trademarks of producer organisation, associations of producer organisations and subsidiaries in the situation referred to in Article 50(9),
 - generic promotion and promotion of quality labels,
 - costs for promotional printing on packaging or on labels under any of the two previous indents on the condition that it is provided for in the operational programme

Geographical names are allowed only if:

- (a) they are a protected designation of origin or a protected geographical indication, covered by Council Regulation (EC) No 510/2006⁽¹⁾; or
- (b) in all cases where the provision of point (a) does not apply, these geographical names are secondary to the principal message.

Promotional material for generic promotion and promotion of quality labels shall bear the emblem of the European Union (in the case of visual media only) and include the following legend: 'Campaign financed with the aid of the European Union'. Producer organisations, associations of producer organisations and those subsidiaries in the situation referred to in Article 50(9) shall not use the emblem of the European Union in promotion of their brands/trademarks.

16. Subcontracting or outsourcing contracts relating to the operations or expenditure mentioned as not eligible in this list.
17. VAT except non-recoverable VAT as referred to in Article 71(3)(a) of Regulation (EC) No 1698/2005.
18. Any national or regional taxes or fiscal levies.
19. Interest on debt except where the contribution is made in a form other than a non-repayable direct assistance.
20. Real estate purchase which has been purchased with Union or national support within the 10 previous years.
21. Investments in shares of companies if the investment represents a financial investment except investments contributing directly to the achievement of the goals of the operational programme.

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

22. Costs incurred by parties other than the producer organisation or its members and associations of producer organisations or their producer members or subsidiaries in the situation referred to in Article 50(9).
23. Investments or similar types of actions not on the holdings and/or premises of the producer organisation, association of producer organisations, or their producer members or a subsidiary in the situation referred to in Article 50(9).
24. Measures outsourced by the producer organisation outside the Union.

(1) [OJ L 93, 31.3.2006, p. 12.](#)