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COMMISSION REGULATION (EC) No 141/2004

of 28 January 2004

laying down rules for applying Council Regulation (EC) No 1257/1999 as regards the transitional rural development measures applicable to the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia

(OJ L 24, 29.1.2004, p. 25)

Amended by:

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laying down rules for applying Council Regulation (EC) No 1257/1999 as regards the transitional rural development measures applicable to the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the Treaty of Accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia and in particular paragraph 3 of Article 2 thereof,

Having regard to the Act of Accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia and in particular the first paragraph of Article 41 thereof,

Whereas:

(1) Chapter IXa of 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] introduced by the Act of Accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia, defines in general terms the conditions under which temporary additional support is to be granted for transitional rural development measures in the new Member States. Implementing rules should be adopted to supplement those conditions and adapt certain rules foreseen by Commission Regulation (EC) No 445/2002 of 26 February 2002 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) [2].

(2) Those rules must conform to the principles of subsidiarity and proportionality and must therefore be limited to what is necessary to achieve the objectives pursued.

(3) Conditions of eligibility for certain transitional measures must therefore be specified and the support ceilings for the specific measures applicable to Malta should be fixed.

(4) To facilitate the establishment of rural development plans comprising those measures, and their examination and approval by the Commission, common rules relating to their structure and content must be laid down on the basis of Article 43 of Regulation (EC) No 1257/1999 in particular.

(5) The measures provided for in this Regulation are in accordance with the opinion of the Committee on Agricultural Structures and Rural Development,

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[1] OJ L 160, 26.6.1999, p. 80, Regulation as last amended by the Act of Accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia.

[2] OJ L 74, 15.3.2002, p. 1, Regulation as last amended by Regulation (EC) No 963/2003 (OJ L 138, 5.6.2003, p. 32).

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HAS ADOPTED THIS REGULATION:

CHAPTER I

SCOPE

Article 1

Scope

The present Regulation lays down the implementing rules related to:

(a) the specific rural development measures foreseen in Chapter IXa of Regulation (EC) No 1257/1999 and applicable to the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia (designated hereafter as 'the new Member States');

(b) programming and evaluation of all rural development measures for the new Member States.

CHAPTER II

SPECIFIC MEASURES APPLICABLE TO THE NEW MEMBER STATES

Article 2

Support for semi-subsistence farms undergoing restructuring

The business plan foreseen in Article 33b(2) of Regulation (EC) No 1257/1999 must be sufficiently detailed to be able to be used to support an application for support for investment in agricultural holdings.

Article 3

Technical assistance

By derogation of Article 39 of Regulation (EC) No 445/2002, rule No 11 of the Annex to Commission Regulation (EC) No 1685/2000 [1] applies to the measure referred to in Article 33e of Regulation (EC) No 1257/1999.

Article 4

Complements to direct payments

Eligibility conditions for granting support under the measure foreseen in Article 33h of Regulation (EC) No 1257/1999 are defined by the Commission decision approving the complementary national direct payment.

CHAPTER III

ADDITIONAL SUPPORT APPLICABLE TO MALTA

Article 5

Complements to State aid in Malta

Eligibility conditions for granting support under the measure foreseen in Article 33i of Regulation (EC) No 1257/1999 are defined within the framework of the Special Market Policy Programme for Maltese Agriculture (SMPPMA) provided for in Annex XI, Chapter 4, Section A, point 1 of the Act of Accession.

[1] OJ L 193, 29.7.2000, p. 39.

▼M1

Article 5a

Full-time farmers in Malta

The amount of the payments provided for in the second subparagraph of Article 33j of Regulation (EC) No 1257/1999 shall not exceed the annual ceiling per holding and per annual work unit laid down in Annex I, point A.

CHAPTER IV

DEROGATIONS APPLICABLE TO THE NEW MEMBER STATES

Article 5b

Implementing demanding standards

1. The costs related to investments required to enable a standard to be met, as referred to in Article 33l(2b) of Regulation (EC) No 1257/1999, shall be fixed by the competent public authority in the form of standard costs. These standard costs shall be calculated on the basis of objective criteria permitting determination of the cost of individual activities, taking account of specific local conditions and avoiding any overcompensation.

2. A farmer in receipt of support under Article 33l(2b) of Regulation (EC) No 1257/1999 to meet a norm which is already binding shall remain eligible for the compensatory allowances and agri-environment support referred to in Chapters V and VI respectively of Title II to that Regulation during the investment period, subject to compliance with the other conditions for granting that support and provided that the farmer meets the relevant standard at the end of the investment period.

Article 6

Agri-environment

The annual maximum amount per hectare for the maintenance and preservation of rubble walls in Malta provided for in the second subparagraph of Article 33m(2) of Regulation (EC) No 1257/1999 is indicated in Annex I, point B.

Article 7

Producer groups in Malta

1. Only those producer groups comprising a minimum percentage of the producers in the sector and representing a minimum percentage of the production in the sector shall be eligible for the minimum support provided for in the third subparagraph of Article 33d(3) of Regulation (EC) No 1257/1999.

2. The minimum amount of the support, calculated as a function of the minimum cost necessary to form a small producer group, is indicated in Annex I, point C.

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CHAPTER V

ADMINISTRATIVE AND FINANCIAL PROVISIONS

Article 8

Evaluation

The mid-term evaluation referred to in Articles 56 and 57 of Regulation (EC) No 445/2002 shall not apply to the new Member States during the 2004 to 2006 programming period.

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Article 9

Programming

1. To apply point 8 of Annex II to Regulation (EC) No 445/2002 new Member States will use the indicative overall financial table included in Annex II to this Regulation.

2. In addition to the information foreseen in point 9 of Annex II to Regulation (EC) No 445/2002, the rural development plans provided for in Title III, Chapter II of Regulation (EC) No 1257/1999 contain the information listed in Annex III to this Regulation.

▼M1

Article 9a

Applications and checks for the measure implementing of demanding standards

As regards the support under Article 33l(2b) of Regulation (EC) No 1257/1999, checks on applications to join the scheme, as provided for in Article 59 of Regulation (EC) No 445/2002 (or Article 67 of the new Regulation) must permit verification that the investment is necessary to meet the standard in question. Where the application to join the scheme relates to an annual aid amount in excess of EUR 10 000, checks on this application must include an on-the-spot visit.

The checks on applications for payment provided for in Article 59 of Regulation (EC) No 445/2002 (or 67 of the new Regulation), for the support referred to in the first subparagraph of this Article, must permit verification that the investment has been carried out. Where the application for payment relates to an annual aid amount in excess of EUR 10 000, checks on this application must include an on-the-spot visit.

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CHAPTER VI

FINAL PROVISIONS

Article 10

Entry into force

This Regulation shall enter into force on 1 May 2004 subject to the entry into force of the Act of Accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia.

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

▼**M1**

ANNEX I

Table of amounts for the measures specific to Malta

A. Ceiling referred to in Article 5a

Subject	EUR	
Aid to full-time farmers		
For irrigated land	766	Per hectare
For non-irrigated land	213	Per hectare
For livestock farms	67	Per livestock unit
Maximum payment per holding	14 500	Per annual work unit

B. Maximum amount referred to in Article 6

Subject	EUR	
Maximum payment for maintenance and preservation of rubble walls	2 000	Per hectare

C. Amount referred to in Article 7(2)

Subject	EUR	
Support for establishment of a producer group	63 000	First year
	63 000	Second year
	63 000	Third year
	60 000	Fourth year
	50 000	Fifth year

▼M1

ANNEX II

Annual programming (EU contribution in EUR million)

	2004	2005	2006
Total plan			

Indicative overall financial table: rural development programmes

(EUR million)

	Programming period 2004—2006		
	Public expenditure (1)	EU contribution (2)	Private contribution (3)
Priority A			
Measure A1 (e.g. agri-environment) and animal welfare			
Measure A1: projects approved under Regulation (EC) No 1268/1999 (4)			
Measure A2…			
…Measure An			
Total A			
Priority B….			
Measure B1 (e.g. early retirement)			
Measure B2…			
…Measure Bn			
Total B			
Priority C			
Measure C1 (e.g. producer groups)			
Measure C1: projects approved under Regulation (EC) No 1268/1999 (4)			
Measure C2			
…Measure Cn			
Total C			
Priority N			
Measure N1 (e.g. afforestation)			
Measure N1: projects approved under Regulation (EC) No 1268/1999			
Measure N2…			
…Measure Nn			
Total N			
Other actions (5)			
Technical assistance			
Evaluation			
Total other measures			
Total plan — (P) (6)			

(1) Column reserved for planned expenditure (in terms of public expenditure), presented for indicative purposes

(2) Column reserved for the Community contribution planned for each measure. The Community contribution pertaining to the expenditure to be paid shall be calculated using the rates and rules laid down in the programme for each measure. The Community contribution may be calculated as a function of the eligible public expenditure (column 2/column 1) or as a function of the total eligible cost (column 2/(column 1 + column 3)).

(3) Column reserved for planned expenditure (in terms of private contributions), presented for indicative purposes, where such a contribution is planned for the measure.

▼M1

(4) Expenditure programmed under Article 33(5) of the 2003 Act of Accession.
(5) Expenditure programmed under Article 33(5) of the 2003 Act of Accession for measures for which there is no corresponding measure in the context of Regulation (EC) No 1257/1999.
(6) The basis for the calculation is the financial programming table annexed to the Commission decision approving the programming document, as last amended.

If the same measure is listed under more than one priority the Member State shall provide, for financial management purposes, an additional table consolidating all expenditure linked to that measure. That additional table shall have the same structure as the above table and the same order as the list below.

The various 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 restrictions
(f) agri-environment and animal welfare
(g) improving processing and marketing of agricultural products
(h) afforestation of agricultural land
(i) other forestry measures
(j) land improvement
(k) reparcelling
(l) setting up farm relief and farm management services, setting up and providing farm advisory and information services
(m) marketing of quality agricultural products, including the setting-up of quality schemes
(n) basic services for the rural economy and populations
(o) renovation and development of villages and protection and conservation of the 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) development and improvement of infrastructure connected with the development of agriculture
(s) encouragement for 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
(x) implementing demanding standards
(y) use of farm advisory services
(z) participating in food quality schemes
(aa) promotion of high-quality products
(ab) semi-subsistence farms undergoing restructuring
(ac) producer groups
(ad) technical assistance
(ae) complements to direct payments
(af) complements to State aid in Malta
(ag) full-time farmers in Malta.

Measures (j) to (v) may be defined as a single measure: (j) encouraging the adjustment and development of rural areas.

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ANNEX III

Information on the specific measures and derogations referred to in Chapter IXa of Regulation (EC) No 1257/1999 to be listed in rural development plans

1. **Measures applicable to all new Member States**

I. *Support for semi-subsistence farms undergoing restructuring*

A. Main features:

— definition of the semi-subsistence farm taking account of the minimum and/or maximum size of the farm, the proportion of production marketed, and/or the level of income of the eligible farm,

— definition of economic viability;

B. Other information:

— the contents of the business plan.

II. *Producer groups*

A. Main features:

— solely for Malta, indication of the sector or sectors benefiting from the derogation with the justification related to the extremely small total output, and the conditions of eligibility for the derogation: minimum percentage of the group's production compared to total production in the sector, minimum percentage of producers in the sector who are members of the group,

— solely for Malta, justification and calculation of annual amounts;

B. Other information:

— description of the official procedure for recognising the groups including selection criteria,

— sectors concerned.

III. *Technical assistance*

A. Main features:

— not applicable;

B. Other information:

— description of beneficiaries.

IV. *Leader+ type measures*

Acquisition of skills (Article 33f(1) of Regulation (EC) No 1257/1999)

A. Main features:

— procedure and timetable for selecting the contractors responsible for implementing the actions;

B. Other information:

— not applicable.

Pilot rural development territorial strategies (Article 33f(2) of Regulation (EC) No 1257/1999)

A. Main features:

— procedure and timetable for selecting the local action groups benefiting from the measure, including selection criteria and planned maximum number of beneficiaries,

— criteria for demonstrating administrative capacity and experience in approaches of the ‘local rural development’ type at region level;

B. Other information:

— not applicable.

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V. *Complements to direct payments*

A. Main features:

— Community contribution for each year of the programme;

B. Other information:

— designation of paying agency.

2. **Measures applicable to Malta**

I. *Complements to State aid*

A. Main features:

— not applicable;

B. Other information:

— designation of paying agency.

▼M1

II. *Full-time farmers in Malta*

A. Main features:

— none.

B. Other elements:

— definition of full-time farmer.

3. **Derogations applicable to all new Member States**

I. *Implementation of binding standards*

A. Main features:

— list of standards for which the investment costs shall be taken into account and description of the investments required.

B. Other information:

— standard costs of investment for each eligible standard including details of the calculations justifying that standard cost,

— duration of the period(s) of investment for each eligible standard and justification of the choice,

— provisions allowing verification that the investments supported in the context of the measure 'Implementation of binding standards' are not eligible for support under Chapter I of Title II of Regulation (EC) No 1257/1999,

— In addition to point 12(2) of Annex II to Regulation (EC) No 445/2002 (or of the new Regulation), indication of implementation of Article 9a of this Regulation.

II. *Improving the processing and marketing of agricultural products*

A. Main features:

— none.

B. Other elements:

— list of undertakings benefiting from a period of transition as referred to in Article 33l(3) of Regulation (EC) No 1257/1999.

III. *Forestry*

A. Main features:

— none.

B. Other elements:

— classification of territory by degree of forest fire risk.

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4. **Derogation applicable to Estonia**

I. *Afforestation of agricultural land*

A. Main features:

— not applicable;

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B. Other information:

— description of control of land use during the last five years preceding the afforestation.

5. **Derogation applicable to Malta**

I. *Agri-environment*

A. Main features:

— justification and calculation of annual ceilings for maintenance and preservation of rubble walls;

B. Other information:

— not applicable.