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COMMISSION REGULATION (EU) No 702/2014

of 25 June 2014

declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union

(OJ L 193, 1.7.2014, p. 1)

Amended by:

		Official Journal		
		No	page	date
►**M1**	Commission Regulation (EU) 2017/1084 of 14 June 2017	L 156	1	20.6.2017

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CHAPTER I

COMMON PROVISIONS

Article 1

Scope

1. This Regulation shall apply to the following categories of aid:

(a) aid in favour of micro, small and medium sized enterprises (SMEs):

(i) active in the agricultural sector, namely primary agricultural production, the processing of agricultural products and the marketing of agricultural products, with the exception of Articles 14, 15, 16, 18 and 23 and Articles 25 to 28 which shall only apply to SMEs active in the primary agricultural production;

(ii) for activities falling outside the scope of Article 42 of the Treaty insofar as such aid is granted in accordance with Regulation (EU) No 1305/2013 and is either co-financed by the

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European Agricultural Fund for Rural Development (EAFRD) or granted as additional national financing for such co-financed measures.

(b) aid for investments for the conservation of cultural and natural heritage located on agricultural holdings;

(c) aid in favour of making good the damage caused by natural disasters in the agricultural sector;

(d) aid for research and development in the agricultural and forestry sectors;

(e) aid in favour of forestry.

2. Where Member States deem it appropriate, they may choose to grant aid referred to in paragraphs 1(a), 1(d) and 1(e) of this Article under the conditions and in compliance with Regulation (EU) No 651/2014.

3. This Regulation shall not apply to aid in favour of:

(a) the forestry sector which is not co-financed by the EAFRD or granted as additional national financing for such co-financed measures, with the exception of Articles 31, 38, 39 and 43;

(b) SMEs for activities falling outside the scope of Article 42 of the Treaty which is not co-financed by the EAFRD or granted as additional national financing for such co-financed measure.

4. This Regulation shall not apply to:

(a) aid schemes provided for in Articles 17, 32 and 33, Article 34(5)(a) to (c), and Articles 35, 40, 41, and 44 of this Regulation, if the average annual State aid budget exceeds EUR 150 million, from six months after their entry into force. The Commission may decide that this Regulation shall continue to apply for a longer period to any of these aid schemes after having assessed the relevant evaluation plan notified by the Member State to the Commission, within 20 working days from the scheme's entry into force;

(b) any alterations of schemes referred to in paragraph 4(a) of this Article, other than modifications which cannot affect the compatibility of the aid scheme under this Regulation or cannot significantly affect the content of the approved evaluation plan;

(c) aid to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current costs linked to export activity;

(d) aid contingent upon the use of domestic over imported goods.

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5. With the exception of Article 30, this Regulation shall not apply to:

(a) aid schemes which do not explicitly exclude the payment of individual aid in favour of an undertaking which is subject to an outstanding recovery order following a previous Commission Decision declaring an aid illegal and incompatible with the internal market;

(b) ad hoc aid in favour of an undertaking which is subject to an outstanding recovery order following a previous Commission Decision declaring an aid illegal and incompatible with the internal market.

6. This Regulation shall not apply to aid to undertakings in difficulty with the exception of:

(a) aid to make good the damage caused by natural disasters in accordance with Article 30, aid for the costs of the eradication of animal diseases in accordance with Article 26(8) and aid for removal and destruction of fallen stock in accordance with Article 27(1)(c), (d) and (e);

(b) aid for the following events provided that the undertaking became an undertaking in difficulty due to losses or damages caused by the event in question:

(i) to compensate for losses caused by an adverse climatic event which can be assimilated to a natural disaster in accordance with Article 25;

(ii) aid for the costs of the eradication of plant pests and for making good the damage caused by animal diseases and plant pests in accordance with Article 26(8) and (9);

(iii) aid for the restoration of damage to forests from fires, natural disasters, adverse climatic events which can be assimilated to a natural disaster, other adverse climatic events, plant pests, catastrophic events and climate change related events in accordance with Article 34(5)(d).

7. This Regulation shall not apply to aids which entail, by themselves, by the conditions attached to them or by their financing method a non-severable violation of Union law, in particular to:

(a) aid where the grant of aid is subject to the obligation for the beneficiary to have its headquarters in the relevant Member State or to be predominantly established in that Member State;

(b) aid where the grant of aid is subject to the obligation for the beneficiary to use nationally produced goods or national services;

(c) aid restricting the possibility for the beneficiaries to exploit the research, development and innovation results in other Member States.

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Article 2

Definitions

For the purpose of this Regulation the following definitions shall apply:

(1) ‘aid’ means any measure fulfilling all the criteria laid down in Article 107(1) of the Treaty;

(2) ‘SME’ or ‘micro, small and medium-sized enterprises’ means undertakings fulfilling the criteria laid down in Annex I;

(3) ‘agricultural sector’ means all undertakings active in primary agricultural production, processing and marketing of agricultural products;

(4) ‘agricultural product’ means the products listed in Annex I to the Treaty, except the fishery and aquaculture products listed in Annex I to Regulation (EU) No 1379/2013 of the European Parliament and of the Council ([1]);

(5) ‘primary agricultural production’ means the production of products of the soil and of stock farming, listed in Annex I to the Treaty, without performing any further operation changing the nature of such products;

(6) ‘processing of agricultural products’ means any operation on an agricultural product resulting in a product which is also an agricultural product, except on-farm activities necessary for preparing an animal or plant product for first sale;

(7) ‘marketing of agricultural products’ means holding or display with a view to sale, offering for sale, delivery or any other manner of placing on the market, except the first sale by a primary producer to resellers or processors and any activity preparing a product for such first sale; a sale by a primary producer to final consumers is considered as marketing of agricultural products if it takes place in separate premises reserved for that purpose;

(8) ‘agricultural holding’ means a unit comprising of land, premises and facilities used for primary agricultural production;

(9) ‘natural disasters’ means earthquakes, avalanches, landslides and floods, tornadoes, hurricanes, volcanic eruptions and wild fires of natural origin;

(10) ‘aid scheme’ means any act on the basis of which, without further implementing measures being required, individual aid awards may be made to undertakings defined within the act in a general and abstract manner and any act on the basis of which aid which is not linked to a specific project may be granted to one or several undertakings for an indefinite period of time and for an indefinite amount;

([1]) Regulation (EU) No 1379/2013 of the European Parliament and of the Council on the common organisation of the markets in fishery and aquaculture products, amending Council Regulations (EC) No 1184/2006 and (EC) No 1224/2009 and repealing Council Regulation (EC) No 104/2000 (OJ L 354, 28.12.2013, p. 1).

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(11) ‘evaluation plan’ means a document containing at least the following minimum elements: the objectives of the aid scheme to be evaluated; the evaluation questions; the result indicators; the envisaged methodology to conduct the evaluation; the data collection requirements; the proposed timing of the evaluation, including the date of submission of the final evaluation report; the description of the independent body conducting the evaluation or the criteria that will be used for its selection and the modalities for ensuring the publicity of the evaluation;

(12) ‘individual aid’ means:

(a) ad hoc aid; and

(b) awards of aid to individual beneficiaries on the basis of an aid scheme;

(13) ‘ad hoc aid’ means aid not granted on the basis of an aid scheme;

(14) ‘undertaking in difficulty’ means an undertaking in respect of which at least one of the following circumstances occurs:

(a) in the case of a limited liability company (other than an SME that has been in existence for less than three years), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, ‘limited liability company’ refers in particular to the types of company mentioned in Annex I of Directive 2013/34/EU of the European Parliament and of the Council ([1]) and ‘share capital’ includes, where relevant, any share premium;

(b) in the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses. For the purposes of this provision, ‘a company where at least some members have unlimited liability for the debt of the company’ refers in particular to the types of company mentioned in Annex II to Directive 2013/34/EU;

(c) where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors;

([1]) Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

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(d) where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee, or has received restructuring aid and is still subject to a restructuring plan;

(e) in the case of an undertaking that is not an SME, where, for the past two years:

(i) the undertaking's book debt to equity ratio has been greater than 7,5 and

(ii) the undertaking's EBITDA interest coverage ratio has been below 1,0;

(15) 'fallen stock' means animals which have been killed by euthanasia with or without a definite diagnosis or which have died, including stillborn and unborn animals, on a farm or on any premises or during transport, but which have not been slaughtered for human consumption;

(16) 'adverse climatic event which can be assimilated to a natural disaster' means unfavourable weather conditions such as frost, storms and hail, ice, heavy or persistent rain or severe drought which destroy more than 30 % of the average of the production calculated on the basis of:

(a) the preceding three-year period; or

(b) a three-year average based on the preceding five-year period, excluding the highest and the lowest entry;

(17) 'other adverse climatic events' means unfavourable weather conditions which do not meet the conditions of Article 2(16) of this Regulation;

(18) 'plant pest' means harmful organisms as defined in Article 2(1)(e) of Council Directive 2000/29/EC ([1]);

(19) 'catastrophic event' means an unforeseen event of biotic or abiotic nature caused by human action that leads to important disturbances of forest structures, eventually causing important economic damage to the forest sectors;

(20) 'gross grant equivalent' means the amount of the aid if it had been provided in the form of a grant to the beneficiary, before any deduction of tax or other charges;

(21) 'tangible assets' means assets consisting of land, buildings and plant, machinery and equipment;

(22) 'intangible assets' means assets that do not have a physical or financial embodiment such as patents, licences, know-how or other intellectual property;

(23) 'agroforestry systems' means land use systems where trees are grown in combination with agriculture on the same land;

([1]) Council Directive 2000/29/EC of 8 May 2000 on protective measures against the introduction into the Community of organisms harmful to plants or plant products and against their spread within the Community (OJ L 169, 10.7.2000, p. 1).

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(24) ‘repayable advance’ means a loan for a project which is paid in one or more instalments and the conditions for the reimbursement of which depend on the outcome of the project;

(25) ‘start of works on the project or activity’ means the earlier of either the start of the activities or the construction works relating to the investment, or the first legally binding commitment to order equipment or employ services or any other commitment that makes the project or activity irreversible; buying land and preparatory works such as obtaining permits and conducting feasibility studies are not considered start of works or activity;

(26) ‘large enterprises’ means undertakings not fulfilling the criteria laid down in Annex I;

(27) ‘fiscal successor scheme’ means a scheme in the form of tax advantages which constitutes an amended version of a previously existing scheme in the form of tax advantages and which replaces it;

(28) ‘aid intensity’ means the gross aid amount expressed as a percentage of the eligible costs, before any deduction of tax or other charge;

(29) ‘date of granting the aid’ means the date when the legal right to receive the aid is conferred on the beneficiary under the applicable national legal regime;

(30) ‘Union standard’ means mandatory standard laid down in Union legislation setting the level which individual undertakings must achieve, in particular as regards the environment, hygiene and animal welfare; however, standards or targets set at Union level which are binding for Member States but not for individual undertakings are not deemed to be Union standards;

(31) ‘rural development programme’ means rural development programme as provided for in Article 6(1) of Regulation (EU) No 1305/2013;

(32) ‘non-productive investment’ means investment which does not lead to a significant increase in the value or profitability of the holding;

(33) ‘investments to comply with an Union standard’ means investments made to comply with an Union standard after the expiry of the transitional period provided for in Union legislation;

(34) ‘young farmer’ means a person who is no more than 40 years of age on the date of submitting the aid application, possesses adequate occupational skills and competences and is setting up for the first time in an agricultural holding as a head of that holding;

(35) ‘outermost regions’ means the regions referred to in the first paragraph of Article 349 of the Treaty;

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(36) ‘smaller Aegean islands’ means the smaller islands referred to in Article 1(2) of Regulation (EU) No 229/2013 of the European Parliament and of the Council ([1]);

(37) ‘less developed regions’ means regions where the gross domestic product (GDP) per capita is less than 75 % of average GDP of the EU-27;

(38) ‘EU-25’ means the 25 Member States of the Union who were Member States of the Union in May 2005;

(39) ‘EU-27’ means the 27 Member States of the Union who were Member States of the Union in January 2007;

(40) ‘capital works’ means works, undertaken by the farmer personally or by the farmer's workers, that create an asset;

(41) ‘food based biofuel’ means a biofuel produced from cereal and other starch rich crops, sugars and oil crops as defined in the Commission's Proposal for a Directive of the European Parliament and of the Council amending Directive 98/70/EC relating to the quality of petrol and diesel fuels and amending Directive 2009/28/EC on the promotion of the use of energy from renewable sources ([2]);

(42) ‘active farmer’ means an active farmer within the meaning of Article 9 of Regulation (EU) No 1307/2013 ([3]) of the European Parliament and of the Council;

(43) ‘producer group and organisation’ means a group or organisation set up for the purpose of:

(a) adapting the production and output of producers who are members of such producer groups or organisations to market requirements; or

(b) jointly placing goods on the market, including the preparation for sale, centralisation of sales and supply to bulk buyers; or

(c) establishing common rules on production information, with particular regard to harvesting and availability; or

(d) other activities that may be carried out by producer groups or organisations, such as the development of business and marketing skills and the organisation and facilitation of innovation processes;

([1]) Regulation (EU) No 229/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in favour of the smaller Aegean islands and repealing Council Regulation (EC) No 1405/2006 (OJ L 78, 20.3.2013, p. 41).

([2]) COM(2012) 595, 17.10.2012.

([3]) Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 (OJ L 347, 20.12.2013, p. 608).

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(44) ‘fixed costs arising from participation in quality scheme’ means the costs incurred for entering a supported quality scheme and the annual contribution for participating in that quality scheme, including, where necessary, expenditure on checks required to verify compliance with the specifications of the quality scheme;

(45) ‘advice’ means complete advice given in the framework of one and the same contract;

(46) ‘member of a farm household’ means a natural or legal person or a group of natural or legal persons, whatever legal status is granted to the group and its members by national law, with the exception of farm workers;

(47) ‘Transmissible Spongiform Encephalopathy (TSE) and Bovine Spongiform Encephalopathy (BSE) test costs’ means all costs, including those for test kits and for the taking, transporting, testing, storing and destruction of samples necessary for sampling and laboratory testing in accordance with Chapter C of Annex X to Regulation (EC) No 999/2001 of the European Parliament and of the Council ([1]);

(48) ‘herd book’ means any book, register, file or data medium:

(a) which is maintained by a breeders' organisation or association officially recognised by a Member State in which the breeders' organisation or association was constituted; and

(b) in which pure-bred breeding animals of a given breed are entered or registered with mention of their ancestors;

(49) ‘protected animal’ means any animal protected either by Union or by national legislation;

(50) ‘research and knowledge-dissemination organisation’ means an entity (such as universities or research institutes, technology transfer agencies, innovation intermediaries, research-oriented physical or virtual collaborative entities), irrespective of its legal status (organised under public or private law) or way of financing, whose primary goal is to independently conduct fundamental research, industrial research or experimental development, or to widely disseminate the results of such activities by way of teaching, publication or knowledge transfer. Where such entity also pursues economic activities the financing, the costs and the revenues of those economic activities must be accounted for separately. Undertakings that can exert influence upon such an entity, in the quality of, for example, shareholders or members, may not enjoy a preferential access to its research capacities or to the results generated by it;

(51) ‘arm's length’ means that the conditions of the transaction between the contracting parties do not differ from those which would be stipulated between independent undertakings and contain no

([1]) Regulation (EC) No 999/2001 of the European Parliament and of the Council of 22 May 2001 laying down rules for the prevention, control and eradication of certain transmissible spongiform encephalopathies (OJ L 147, 31.5.2001, p. 1).

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element of collusion. Any transaction that results from an open, transparent and unconditional procedure is considered as meeting the arm's length principle;

(52) ‘fast growing trees’ means a short rotation forest, where the minimum time before felling is set to be not less than 8 years and the maximum time before felling is set not to exceed 20 years;

(53) ‘trees for short rotation coppicing’ means tree species of CN code 06 02 9041 to be defined by Member States that consist of woody, perennial crops, the rootstock or stools of which remain in the ground after harvesting, with new shoots emerging in the following season and with a maximum harvest cycle to be determined by the Member States;

(54) ‘transaction cost’ means an additional cost linked to fulfilling a commitment, but not directly attributable to its implementation or not included in the costs or income foregone that are compensated directly; and which can be calculated on a standard cost basis;

(55) ‘other land manager’ means an undertaking which manages land other than undertaking active in the agricultural sector;

(56) ‘processing of agricultural products into non-agricultural products’ means any operation on an agricultural product resulting in a product which is not covered by Annex I to the Treaty;

(57) ‘“a” areas’ means those areas designated in an approved regional aid map for the period from 1 July 2014 to 31 December 2020 in application of the provisions of Article 107(3)(a) of the Treaty;

(58) ‘“c” areas’ means those areas designated in an approved regional aid map for the period 1 July 2014 to 31 December 2020 in application of the provisions of Article 107(3)(c) of the Treaty;

(59) ‘sparsely populated areas’ means areas accepted by the Commission as such in the individual decisions on regional aid maps for the period from 1 July 2014 to 31 December 2020;

(60) ‘NUTS 3 area’ means a region specified at level 3 of a common classification of territorial units for statistics in accordance with Regulation (EC) No 1059/2003 of the European Parliament and of the Council ([1]);

(61) ‘non-predefined “c” areas’ means areas that a Member State at its own discretion designates as ‘c’ areas provided that the Member State demonstrates that such areas fulfil certain socioeconomic criteria and that those areas are designated in an approved regional aid map for the period 1 July 2014 to 31 December 2020 in application of the provisions of Article 107(3)(c) of the Treaty;

([1]) Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p. 1).

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(62) ‘former “a” areas’ means those areas designated as ‘a’ areas in an approved regional map for the period from 1 January 2011 to 30 June 2014;

(63) ‘foodstuffs’ means foodstuffs which are not agricultural products and which are listed in Annex I to Regulation (EU) No 1151/2012 of the European Parliament and of the Council [1].

Article 3

Conditions for exemption

Aid schemes, individual aid granted under aid schemes and ad hoc aid shall be compatible with the internal market within the meaning of Article 107(2) or (3) of the Treaty and shall be exempted from the notification requirement of Article 108(3) of the Treaty provided that such aid fulfils all the conditions laid down in Chapter I of this Regulation, as well as the specific conditions for the relevant category of aid laid down in Chapter III of this Regulation.

Article 4

Notification thresholds

1. This Regulation shall not apply to any individual aid, the gross grant equivalent of which exceeds the following thresholds:

(a) aid for investments in tangible assets or intangible assets on agricultural holdings linked to primary agricultural production as referred to in Article 14: EUR 500 000 per undertaking per investment project;

(b) aid for investments concerning the relocation of a farm building resulting in the modernisation of facilities or in an increase in production capacity as referred to in Article 16(4): EUR 500 000 per undertaking per investment project;

(c) aid for investments in connection with the processing of agricultural products and the marketing of agricultural products as referred to in Article 17: EUR 7,5 million per undertaking per investment project;

(d) aid for investments in favour of the conservation of cultural and natural heritage located on the agricultural holding as referred to in Article 29: EUR 500 000 per undertaking per investment project;

(e) aid for research and development in the agricultural and forestry sectors as referred to in Article 31: EUR 7,5 million per project;

(f) aid for afforestation and the creation of woodland as referred to in Article 32: EUR 7,5 million per establishment project;

(g) aid for agroforestry systems as referred to Article 33: EUR 7,5 million per agroforestry system establishment project;

[1] Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs (OJ L 343, 14.12.2012, p. 1).

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(h) aid for investments improving the resilience and environmental value of forest ecosystems as referred to in Article 35: EUR 7,5 million per investment project;

(i) aid for investments in infrastructure related to the development, modernisation or adaptation of the forestry sector as referred to in Article 40: EUR 7,5 million per investment project;

(j) aid for investments in forestry technologies and in the processing, mobilising and marketing of forestry products as referred to in Article 41: EUR 7,5 million per investment project;

(k) aid for investments concerning the processing of agricultural products into non-agricultural products or the production of cotton as referred to in Article 44: EUR 7,5 million per investment project.

2. The thresholds set out in paragraph 1 shall not be circumvented by the artificial splitting up of the aid schemes or aid projects.

Article 5

Transparency of aid

1. This Regulation shall apply only to aid in respect of which it is possible to calculate precisely the gross grant equivalent *ex ante* without need to undertake a risk assessment ('transparent aid').

2. The following categories of aid shall be considered to be transparent aid:

(a) aid comprised in grants and interest rate subsidies;

(b) aid comprised in loans, where the gross grant equivalent has been calculated on the basis of the reference rate prevailing at the time of the grant;

(c) aid comprised in guarantees:

(i) where the gross grant equivalent has been calculated on the basis of safe-harbour premiums laid down in a Commission Notice; or

(ii) where before the implementation of the aid, the methodology to calculate the gross grant equivalent of the guarantee has been accepted on the basis of the Commission Notice on the application of Articles 87 and 88 of the EC Treaty to State aid in the form of guarantees, or any successor notice, following notification of that methodology to the Commission under any regulation adopted by the Commission in the State aid area applicable at the time, and the approved methodology explicitly addresses the type of guarantee and the type of underlying transaction at stake in the context of the application of this Regulation;

(d) aid in the form of tax advantages, where the measure provides for a cap ensuring that the applicable threshold is not exceeded;

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(e) aid in the form of repayable advances, if the total nominal amount of the repayable advance does not exceed the thresholds applicable under this Regulation or if, before implementation of the measure, the methodology to calculate the gross grant equivalent of the repayable advance has been accepted following its notification to the Commission.

3. For the purpose of this Regulation, the following categories of aid shall not be considered to be transparent aid:

(a) aid comprised in capital injections;

(b) aid comprised in risk finance measures.

Article 6

Incentive effect

1. This Regulation shall apply only to aid which has an incentive effect.

2. Aid shall be considered to have an incentive effect if the beneficiary has submitted a written application for the aid to the Member State concerned before work on the project or activity has started. The application for the aid shall contain at least the following information:

(a) undertaking's name and size;

(b) description of the project or the activity, including its start and end dates;

(c) location of the project or the activity;

(d) list of eligible costs;

(e) type (grant, loan, guarantee, repayable advance or other) and amount of public funding needed for the project/activity.

3. Ad hoc aid granted to large enterprises shall be considered to have an incentive effect if, in addition to ensuring that the condition laid down in paragraph 2 is fulfilled, the Member State has verified, before granting the ad hoc aid concerned, that documentation prepared by the beneficiary establishes that the aid will result in one or more of the following:

(a) a material increase in the scope of the project or activity due to the aid;

(b) a material increase in the total amount spent by the beneficiary on the project or activity due to the aid;

(c) a material increase in the speed of completion of the project or activity concerned;

(d) in the case of investment ad hoc aid, that the project or activity would not have been carried out as such in the rural area concerned or would not have been sufficiently profitable for the beneficiary in the rural area concerned in the absence of the aid.

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4. By way of derogation from paragraphs 2 and 3, measures in the form of tax advantages shall be deemed to have an incentive effect if the following conditions are fulfilled:

(a) the measure establishes a right to aid in accordance with objective criteria and without further exercise of discretion by the Member State; and

(b) the measure has been adopted and in force before work on the aided project or activity has started, except in in the case of fiscal successor schemes where the activity was already covered by the previous schemes in the form of tax advantages.

5. By way of derogation of paragraphs 2, 3 and 4 the following categories of aid are not required to have or shall be deemed to have an incentive effect:

(a) aid schemes for land consolidation where the conditions laid down in Article 15 or Article 43 are fulfilled and where:

(i) the aid scheme establishes a right to aid in accordance with objective criteria and without further exercise of discretion by the Member State; and

(ii) the aid scheme has been adopted and in force before eligible costs under Article 15 or Article 43 are incurred by the beneficiary;

(b) aid for promotion measures in the form of publications aimed at raising awareness of agricultural products among the wider public where the conditions laid down in Article 24(2)(b) are fulfilled;

(c) aid to compensate for losses caused by adverse climatic event which can be assimilated to a natural disaster where the conditions laid down in Article 25 are fulfilled;

(d) aid to compensate for the costs of the eradication of animal diseases and plant pests and for losses caused by those animal diseases or plant pests where the conditions laid down in Article 26(9) and (10) are fulfilled;

(e) aid to cover the costs of the removal and destruction of fallen stock where the conditions laid down in Article 27(1)(c), (d) and (e) are fulfilled;

(f) aid for investments in favour of the conservation of cultural and natural heritage located on agricultural holdings in accordance with Article 29;

(g) aid to make good the damage caused by natural disasters where the conditions laid down in Article 30 are fulfilled;

(h) aid for research and development in the agricultural and forestry sectors where the conditions laid down in Article 31 are fulfilled;

(i) aid for the restoration of damage to forests from fires, natural disasters, adverse climatic events, plant pests, animal diseases, catastrophic events and climate change related events in accordance with Article 34(5)(d) where the conditions laid down in Article 34 are fulfilled.

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Article 7

Aid intensity and eligible costs

1. For the purposes of calculating the aid intensity and the eligible costs, all figures used shall be taken before any deduction of tax or other charge. The eligible costs shall be supported by documentary evidence which shall be clear, specific and contemporary. ►M1 The amounts of eligible costs may be calculated in accordance with the simplified cost options set out in Regulation (EU) No 1303/2013 of the European Parliament and of the Council [1], provided that the operation is at least partly financed through the EAFRD and that the category of costs is eligible according to the relevant exemption provision. ◄

2. Value added tax (VAT) shall not be eligible for aid, except where it is non-recoverable under national VAT legislation.

3. Where aid is granted in a form other than a grant, the aid amount shall be the gross grant equivalent of the aid.

4. Aid payable in several instalments shall be discounted to its value on the date of granting the aid. The eligible costs shall be discounted to their value on the date of granting the aid. The interest rate to be used for discounting purposes shall be the discount rate applicable on the date of granting the aid.

5. Where aid is granted by means of tax advantages, the discounting of aid tranches shall take place on the basis of the discount rates applicable at the various times the tax advantage takes effect.

6. Where aid is granted in the form of repayable advances which, in the absence of an accepted methodology to calculate their gross grant equivalent, are expressed as a percentage of the eligible costs and the measure provides that in the case of a successful outcome of the project, as defined on the basis of reasonable and prudent hypothesis, the advances shall be repaid with an interest rate at least equal to the discount rate applicable on the date of granting the aid, the maximum aid intensities laid down in Chapter III may be increased by 10 percentage points.

Article 8

Cumulation

1. In determining whether the notification thresholds provided for in Article 4 and the maximum aid intensities and maximum aid amounts laid down in Chapter III are respected, the total amount of State aid for the aided activity or project or undertaking shall be taken into account.

[1] Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320).

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2. Where Union funding centrally managed by the institutions, agencies, joint undertakings or other bodies of the Union that is not directly or indirectly under the control of the Member State is combined with State aid, only the latter shall be considered for determining whether notification thresholds and maximum aid intensities and ceilings are respected, provided that the total amount of public funding granted in relation to the same eligible costs does not exceed the most favourable funding rates laid down in the applicable rules of Union law.

3. Aid with identifiable eligible costs, exempted from the notification requirement of Article 108(3) of the Treaty under this Regulation, may be cumulated with:

(a) any other State aid, as long as those measures concern different identifiable eligible costs;

(b) any other State aid, in relation to the same eligible costs, partly or fully overlapping, only if such cumulation does not result in exceeding the highest aid intensity or aid amount applicable to this aid under this Regulation.

4. Aid without identifiable eligible costs exempted under Articles 18 and 45 of this Regulation may be cumulated with any other State aid with identifiable eligible costs.

Aid without identifiable eligible costs may be cumulated with other State aid without identifiable eligible costs, up to the highest relevant total financing threshold fixed in the specific circumstances of each case by this or another block exemption regulation or decision adopted by the Commission.

5. State aid exempted under Sections 1, 2 and 3 of Chapter III of this Regulation shall not be cumulated with payments referred to in Articles 81(2) and 82 of Regulation (EU) No 1305/2013 in respect of the same eligible costs if such cumulation would result in an aid intensity or aid amount exceeding those laid down in this Regulation.

6. State aid exempted under this Regulation shall not be cumulated with any *de minimis* aid in respect of the same eligible costs if such cumulation would result in an aid intensity or aid amount exceeding those laid down in Chapter III.

7. Aid for investments aimed at the restoration of agricultural production potential as referred to in Article 14(3)(e) shall not be cumulated with aid for compensation for material damage referred to in Articles 25, 26 and 30 of this Regulation.

8. Start-up aid for producer groups and organisations in the agricultural sector as referred to in Article 19 of this Regulation shall not be cumulated with aid for setting-up of producers groups and organisations in the agricultural sector as referred to in Article 27 of Regulation (EU) No 1305/2013.

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Start-up aid for young farmers and start-up aid for the development of small farms as referred to in Article 18 of this Regulation shall not be cumulated with business start-up aid for young farmers or the development of small farms as referred to in Article 19(1)(a)(i) and (iii) of Regulation (EU) No 1305/20013 if such cumulation would result in an aid amount exceeding those laid down in this Regulation.

Article 9

Publication and information

1. At the latest 10 working days before the date of entry into force of an aid scheme exempted from the notification requirement of Article 108(3) of the Treaty under this Regulation, or the granting of ad hoc aid exempted under this Regulation, Member States shall transmit to the Commission, via the Commission's web notification application in accordance with Article 3 of Regulation (EC) No 794/2004, a summary information regarding such aid in the standardised format set out in Annex II to this Regulation.

Within 10 working days of receipt of that summary information, the Commission shall send to the Member State a notice of receipt with an identification number of the aid.

2. The Member State concerned shall ensure the publication on a comprehensive State aid website at national or regional level, of:

(a) the summary information referred to in paragraph 1 or a link to it;

(b) the full text of each aid referred to in paragraph 1, including its amendments, or a link providing access to the full text;

(c) the information referred to in Annex III to this Regulation on each individual aid award exceeding the following:

(i) EUR 60 000 for beneficiaries active in the primary agricultural production;

(ii) EUR 500 000 for beneficiaries active in the sectors of the processing of agricultural products, the marketing of agricultural products, the forestry sector or activities falling outside the scope of Article 42 of the Treaty.

3. For aid schemes in the form of tax advantages, that conditions shall be considered fulfilled if Member States publish the required information on individual aid amounts in the following ranges in EUR million:

(a) 0,06-0,5 only for primary agricultural production;

(b) 0,5-1;

(c) 1 to 2;

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(d) 2 to 5;

(e) 5 to 10;

(f) 10 to 30; and

(g) 30 and more.

4. The information referred to in paragraph 2(c) above shall be organised and accessible in a standardised manner, as described in Annex III and shall allow for effective search and download functions. The information referred to in paragraph 2 shall be published within six months from the date the aid was granted or, for aid in the form of tax advantage, within one year from the date the tax declaration is due, and shall be available for at least 10 years from the date of granting the aid.

5. The full text of the aid scheme or of the ad hoc aid referred to in paragraph 1 shall include, in particular, an explicit reference to this Regulation, by citing its title and publication reference in the *Official Journal of the European Union* and to the specific provisions of Chapter III concerned by that act, or where applicable, to the national law which ensures that the relevant provisions of this Regulation are complied with. It shall be accompanied by its implementing provisions and its amendments.

6. The Commission shall publish on its website:

(a) the summary information referred to in paragraph 1;

(b) the links to the State aid websites of all Member States referred to in paragraph 2.

7. Member States shall comply with the provisions of paragraphs 2, 3 and 4 within two years from the date of entry into force of this Regulation at the latest.

Article 10

Avoidance of double publication

If the individual aid award falls within the scope of Regulation (EU) No 1305/2013 and is either co-financed by the EAFRD or granted as additional national financing for such co-financed measures, the Member State may choose not to publish it on the State aid website referred to in Article 9(2) of this Regulation, provided that the individual aid award has already been published in accordance with Articles 111, 112 and 113 of Regulation (EU) No 1306/2013 of the European Parliament and the Council [1]. In that case, the Member State shall make a reference to the website referred to in Article 111 of Regulation (EU) No 1306/2013 on the State aid website referred to Article 9(2) of this Regulation.

[1] Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 (OJ L 347, 20.12.2013, p. 549).

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CHAPTER II

PROCEDURAL REQUIREMENTS

Article 11

Withdrawal of the benefit of the block exemption

Where the Member State grants aid allegedly exempted from the notification requirement of Article 108(3) of the Treaty under this Regulation without fulfilling the conditions set out in Chapters I to III, the Commission may, after having provided the Member State concerned with the possibility to make its views known, adopt a decision stating that all or some of the future aid measures adopted by the Member State concerned which would otherwise fulfil the requirements of this Regulation, are to be notified to the Commission in accordance with Article 108(3) of the Treaty. The aids to be notified may be limited to certain types of aids, to aid granted in favour of certain beneficiaries or to aid adopted by certain authorities of the Member State concerned.

Article 12

Reporting

1. Member States shall transmit to the Commission in electronic form an annual report, as referred to in Chapter III of Regulation (EC) No 794/2004, on the application of this Regulation in respect of each whole year or each part of the year during which this Regulation applies.

2. The annual report shall contain also the information concerning the following:

(a) animal diseases or plant pest as referred to in Article 26;

(b) meteorological information on the type, timing, relative magnitude and location of climatic events which can be assimilated to a natural disaster as referred to in Article 25 or natural disasters in the agricultural sector as referred to in Article 30.

Article 13

Monitoring

Member States shall maintain detailed records with the information and supporting documentation necessary to establish that all the conditions laid down in this Regulation are fulfilled. Such records shall be kept for 10 years from the date on which the ad hoc aid was granted or the last aid was granted under an aid scheme. The Member State concerned shall provide the Commission, within a period of 20 working days or such longer period as may be fixed in the request, with all the information and supporting documentation which the Commission considers necessary to monitor the application of this Regulation.

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CHAPTER III

CATEGORIES OF AID

SECTION 1

Aid in favour of SMEs active in primary agricultural production, the processing of agricultural products and the marketing of agricultural products

Article 14

Aid for investments in tangible assets or intangible assets on agricultural holdings linked to primary agricultural production

1. Aid for investments in tangible assets or intangible assets on agricultural holdings linked to the primary agricultural production shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 14 of this Article and in Chapter I.

2. The investment may be carried out by one or more beneficiaries or concern a tangible asset or intangible asset used by one or more beneficiaries.

3. The investment shall pursue at least one of the following objectives:

(a) the improvement of the overall performance and sustainability of the agricultural holding, in particular through a reduction of production costs or the improvement and re-deployment of production;

(b) the improvement of the natural environment, hygiene conditions or animal welfare standards, provided that the investment concerned goes beyond Union standards in force;

(c) the creation and improvement of infrastructure related to the development, adaptation and modernisation of agriculture, including access to farm land, land consolidation and improvement, the supply and saving of energy and water;

(d) the achievement of agri-environmental-climate objectives, including the biodiversity conservation status of species and habitat as well as enhancing the public amenity value of a Natura 2000 area or other high nature value systems, defined in the national or regional rural development programmes of Member States, as long as investments are non-productive;

(e) the restoration of production potential damaged by natural disasters, adverse climatic events which can be assimilated to natural disasters, animal diseases and plant pests and the prevention of damages caused by those events.

4. The investment may be linked to the production at farm-level of biofuels or of energy from renewable sources, provided that such production does not exceed the average annual consumption of fuels or energy of the given farm.

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Where the investment is made for the production of biofuels, the production capacity of the production facilities shall be no more than the equivalent to the annual average transport fuel consumption of the agricultural holding and the produced biofuel shall not be sold on the market.

Where the investment is made for the production of thermal energy and electricity from renewable sources on agricultural holdings, the production facilities shall serve only the beneficiary's own energy needs and their production capacity shall be no more than the equivalent to the combined average annual energy consumption of thermal energy and electricity on the agricultural holding, including the farm household. The selling of electricity into the grid shall only be allowed as far as the annual self-consumption limit is respected.

Where the investment is carried out by more beneficiaries with the purpose to serve their own biofuel and energy needs, the annual average consumption shall be accumulated to the amount equivalent to the average annual consumption of all beneficiaries.

The investments in renewable energy infrastructure that consume or produce energy shall comply with minimum standards for energy efficiency, where such standards exist at national level.

Investments in installations, the primary purpose of which is electricity production from biomass, shall not be eligible for aid unless a minimum percentage of heat energy, to be determined by the Member States, is utilised.

Member States shall establish thresholds for the maximum proportions of cereals and other starch rich crops, sugars and oil crops used for bioenergy production, including biofuels, for different types of installations. Aid to bioenergy investment projects shall be limited to bioenergy meeting the applicable sustainability criteria laid down in Union legislation, including in Article 17(2) to (6) of Directive 2009/28/EC.

5. The investment shall be in conformity with Union legislation and with the national laws of the Member State concerned on environmental protection. For investment requiring an environmental impact assessment under Directive 2011/92/EU the aid shall be subject to the condition that such assessment shall have been carried out and the development consent shall have been granted for the investment project concerned before the date of granting the individual aid.

6. The aid shall cover the following eligible costs:

(a) the costs for the construction, acquisition, including leasing, or improvement of immovable property, with land only being eligible to an extent not exceeding 10 % of the total eligible costs of the operation concerned;

(b) the purchase or lease purchase of machinery and equipment up to the market value of the asset;

(c) the general costs linked to the expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability,

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including feasibility studies; feasibility studies shall remain eligible expenditure even where, based on their results, no expenditure under points (a) and (b) is incurred;

(d) the acquisition or development of computer software and the acquisition of patents, licences, copyrights and trademarks;

(e) expenses for non-productive investments linked to the objectives referred to in paragraph 3(d);

(f) in the case of irrigation, the costs for investments that fulfil the following conditions:

(i) a river basin management plan, as required by Article 13 of Directive 2000/60/EC of the European Parliament and of the Council ([1]), must have been notified to the Commission for the entire area in which the investment is to take place, as well as in any other areas whose environment may be affected by the investment. The measures taking effect under the river basin management plan in accordance with Article 11 of that Directive and of relevance to the agricultural sector must be specified in the relevant programme of measures. Water metering enabling measurement of water use at the level of the supported investment must be in place or must be put in place as part of the investment;

(ii) the investment must lead to a reduction of previous water use of at least 25 %;

However, as regards point (f) investments affecting bodies of ground- or surface water whose status has been identified as less than good in the relevant river basin management plan for reasons related to water quantity as well as investments resulting in a net increase of the irrigated area affecting a given body of ground- or surface water shall not be eligible for aid under this Article.

The conditions of point (f) (i) and (ii) above shall not apply to an investment in an existing installation which affects only energy efficiency or to an investment in the creation of a reservoir or to an investment in the use of recycled water which does not affect a body of ground- or surface water;

(g) in the case of investments aimed at the restoration of agricultural production potential damaged by natural disasters, adverse climatic events which can be assimilated to natural disasters, animal diseases or plant pests the eligible costs may include the costs incurred for restoring the agricultural production potential up to the level it was at before the occurrence of those events;

([1]) Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

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(h) in the case of investments aimed at the prevention of damages caused by natural disasters, adverse climatic events which can be assimilated to natural disasters, animal diseases or plant pests, the eligible costs may include the costs of specific preventive actions.

7. Costs, other than those referred to in paragraph 6(a) und (b) connected with leasing contracts, such as lessor's margin, interest refinancing costs, overheads and insurance charges shall not be considered to be eligible costs.

Working capital shall not be considered to be an eligible cost.

8. From 1 January 2017, in the case of irrigation, aid shall be paid only by Member States which ensure, in respect of the river basin district in which the investment takes place, a contribution of the different water uses to the recovery of the costs of water services by the agricultural sector consistent with Article 9(1) first indent of Directive 2000/60/EC having regard where appropriate, to the social, environmental and economic effects of the recovery as well as the geographic and climatic conditions of the region or regions affected.

9. Aid shall not be granted in respect of the following:

(a) the purchase of production rights, payment entitlements and annual plants;

(b) the planting of annual plants;

(c) drainage works;

(d) investments to comply with Union standards, with exception of aid granted to young farmers within 24 months from the date of their setting-up;

(e) the purchase of animals, with exception of aid granted for investments pursuant to paragraph 3(e).

10. The aid shall not be limited to specific agricultural products and must therefore be available either to all sectors of the primary agricultural production or to the whole plant production sector or to the whole animal production sector. However, Member States may exclude certain products because of overcapacity in the internal market or a lack of market outlets.

11. The aid referred to in paragraph 1 shall not be granted in contravention of any prohibition or restriction laid down in Regulation (EU) No 1308/2013, even where such prohibitions and restrictions only refer to the Union support provided for in that regulation.

12. The aid intensity shall be limited to:

(a) 75 % of the amount of the eligible costs in outermost regions;

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(b) 75 % of the amount of the eligible costs in the smaller Aegean islands;

(c) 50 % of the amount of the eligible costs in less developed regions and in all regions whose GDP per capita for the period from 1 January 2007 to 31 December 2013 was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27;

(d) 40 % of the amount of the eligible costs in other regions.

13. The rates provided for in paragraph 12 may be increased by 20 percentage points, provided that the maximum aid intensity does not exceed 90 % for:

(a) young farmers, or farmers who have set up during the five years preceding the date of application for aid;

(b) collective investments, such as storage facilities which are used by a group of farmers or facilities to prepare the agricultural products before marketing, and integrated projects covering several measures provided for in Regulation (EU) No 1305/2013, including those linked to a merger of producer organisations;

(c) investments in areas facing natural and other specific constraints;

(d) operations supported in the framework of the European Innovation Partnership (EIP), such as an investment in a new stable, allowing the testing of a new practice of animal housing, which has been developed in an operational group composed of farmers, scientists, and animal welfare non-governmental organisation;

(e) investments for the improvement of the natural environment, hygiene conditions or animal welfare standards, as referred to in paragraph 3(b); in this case the increased rate as provided for in this paragraph shall only apply to the additional costs necessary to obtain a level exceeding the Union standards in force and not leading to an increase in production capacity.

14. As regards non-productive investments referred to in paragraph 3(d) and investments for the restoration of production potential referred to in paragraph 3(e), the maximum aid intensity shall not exceed 100 %.

For investments in relation to preventive measures, referred to in paragraph 3(e), the maximum aid intensity shall not exceed 80 %. However, it may be increased to up to 100 % if the investment is carried out collectively by more than one beneficiary.

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Article 15

Aid for agricultural land consolidation

Aid for agricultural land consolidation shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in Chapter I and is granted towards and limited to the legal and administrative costs, including survey costs, up to 100 % of the real costs incurred.

Article 16

Aid for investments concerning the relocation of farm buildings

1. Aid for investments concerning the relocation of farm buildings shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 5 of this Article and in Chapter I.

2. The relocation of the farm building shall pursue an objective of public interest.

The public interest invoked to justify the granting of aid under this Article shall be specified in the relevant provisions of the Member State concerned.

3. Where the relocation of a farm building consists of the dismantling, removal and re-building of existing facilities the aid intensity shall be limited to 100 % of the real costs incurred for such activities.

4. Where, in addition to the dismantling, removal and re-building of existing facilities as referred to in paragraph 3, the relocation results in a modernisation of these facilities or in an increase in production capacity the aid intensities for investments referred to in Article 14(12) and (13) shall apply in respect to the costs relating to the modernisation of the facilities or the increase in the production capacity.

For the purpose of this paragraph, the pure replacement of an existing building or facilities by a new up-to-date building or facilities without fundamentally changing the production or the technology involved shall not be considered to be related to the modernisation.

5. The maximum aid intensity may reach up to 100 % of the eligible costs where the relocation concerns activities close to rural settlements, with a view to improving the quality of life or increasing the environmental performance of the rural settlement.

Article 17

Aid for investments in connection with the processing of agricultural products and the marketing of agricultural products

1. Aid for investments in tangible assets or intangible assets in connection with the processing of agricultural products and the marketing of agricultural products shall be compatible with the internal

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market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 10 of this Article and in Chapter I.

2. The investment shall concern the processing of agricultural products or the marketing of agricultural products.

3. Investments in connection with the production of food based biofuels shall not be eligible for aid under this Article.

4. The investment shall be in conformity with Union legislation and with the national laws of the Member State concerned on environmental protection. For investment requiring an environmental impact assessment under Directive 2011/92/EU the aid shall be subject to the condition that such assessment shall have been carried out and the development consent shall have been granted for the investment project concerned before the date of granting the individual aid.

5. The aid shall cover the following eligible costs:

(a) the construction, acquisition, including leasing, or improvement of immovable property, with land only being eligible to an extent not exceeding 10 % of total eligible costs of the operation concerned;

(b) the purchase or lease purchase of machinery and equipment up to the market value of the asset;

(c) general costs linked to expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies; feasibility studies shall remain eligible expenditure even where, based on their results, no expenditure under in points (a) and (b) is incurred;

(d) acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks.

6. Costs, other than those referred to in paragraph 5(a) and (b), connected with leasing contracts, such as lessor's margin, interest refinancing costs, overheads and insurance charges shall not be considered to be eligible costs.

Working capital shall not be considered to be an eligible cost.

7. Aid shall not be granted in respect of investments to comply with Union standards in force.

8. Aid shall not be granted in contravention of any prohibition or restriction laid down in Regulation (EU) No 1308/2013, even where such prohibitions and restrictions only refer to Union support provided for in that Regulation.

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9. The aid intensity shall not exceed:

(a) 75 % of the amount of the eligible costs in outermost regions;

(b) 75 % of the amount of the eligible costs in the smaller Aegean islands;

(c) 50 % of the amount of the eligible costs in less developed regions and in all regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27;

(d) 40 % of the amount of the eligible costs in other regions.

10. The rates referred to in paragraph 9 may be increased by 20 percentage points, provided that the maximum aid intensity does not exceed 90 % for operations:

(a) linked to a merger of producer organisations; or

(b) supported in the framework of the EIP.

Article 18

Start-up aid for young farmers and the development of small farms

1. Start-up aid for young farmers and start-up aid for the development of small farms shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 7 of this Article and in Chapter I.

2. The aid shall be granted to young farmers as defined in Article 2(34) of this Regulation or to small farms as defined by Member States.

The definition of small farms by the Member States shall be the one included and approved by the Commission in the respective rural development programmes.

Member States shall define upper and lower thresholds for access to start-up aid for young farmers and the development of small farms in terms of the production potential of the agricultural holding, measured in standard output, as defined in Article 5 of Commission Regulation (EC) No 1242/2008 ([1]), or an equivalent. The lower threshold for access to start-up aid for young farmers shall be higher than the upper threshold for access to aid for the development of small farms.

Aid shall be limited to micro and small enterprises.

([1]) Commission Regulation (EC) No 1242/2008 of 8 December 2008 establishing a Community typology for agricultural holdings (OJ L 335, 13.12.2008, p. 3).

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3. Where the aid is granted to a young farmer who is setting up a holding in the form of a legal person, the young farmer shall exercise effective and long-term control over the legal person in terms of decisions related to management, benefits and financial risks. Where several natural persons, including persons who are not young farmers, participate in the capital or management of the legal person, the young farmer shall be capable of exercising such effective and long-term control either solely or jointly together with other persons. Where a legal person is solely or jointly controlled by another legal person, those requirements shall apply to any natural person having control over that other legal person.

4. The aid shall be conditional on the submission of a business plan to the competent authority of the Member State concerned, the implementation of which shall start within nine months from the date of the adoption of the decision granting the aid.

The business plan shall describe at least the following:

(a) in the case of start-up aid to young farmers:

(i) the initial situation of the agricultural holding;

(ii) milestones and targets for the development of the activities of the agricultural holding;

(iii) details of the actions, including those related to environmental sustainability and resource efficiency, required for the development of the activities of the agricultural holding, such as investments, training, advice;

(b) in the case of start-up aid for the development of small farms:

(i) the initial situation of the agricultural holding;

(ii) details of actions, including those related to environmental sustainability and resource efficiency, that could support the achievement of economic viability, such as investments, training, cooperation.

5. For young farmers the business plan referred to in paragraph 4(a) of this Article shall provide that the beneficiary is required to fall within the definition of active farmer provided for in Article 2(42) within 18 months from the date of setting up. However, where the beneficiary does not possess adequate occupational skills and competences to fall within that definition, the beneficiary shall be entitled to receive aid, provided that the beneficiary makes a commitment to acquire those occupational skills and competences within 36 months from the date of the adoption of the decision granting the aid. That commitment must be included in the business plan.

6. Aid shall be provided or paid in at least two tranches or instalments over a maximum period of five years.

For young farmers, the last aid tranche or instalment of the aid shall be conditional upon the correct implementation of the business plan referred to in paragraph 4(a).

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7. The aid amount per young farmer shall be based on the socioeconomic situation of the Member State concerned and shall be limited to EUR 70 000.

The aid amount per small farm shall be limited to EUR 15 000.

Article 19

Start-up aid for producer groups and organisations in the agricultural sector

1. Start-up aid for producer groups and organisations shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 9 of this Article and in Chapter I.

2. Only producer groups or organisations that have been officially recognised by the competent authority of the Member State concerned on the basis of a submission of a business plan shall be eligible for aid.

3. The aid shall be granted subject to the obligation of the Member State concerned to verify that the objectives of the business plan referred to in paragraph 2 have been reached within a period of five years from the date of the official recognition of the producer group or organisation.

4. The agreements, decisions and concerted practices concluded in the framework of the producer group or organisation shall comply with the competition rules as they apply by virtue of Articles 206 to 210 of Regulation (EU) No 1308/2013.

5. Aid shall not be granted to:

(a) production organisations, entities or bodies such as companies or cooperatives, the objective of which is the management of one or more agricultural holdings and which are therefore in effect single producers;

(b) agricultural associations, which undertake tasks such as mutual support and farm relief and farm management services, in the members' holdings without being involved in the joint adaptation of supply to the market;

(c) producer groups, organisations or associations the objectives of which are incompatible with Article 152(1)(c) and (3) and Article 156 of Regulation (EU) No 1308/2013.

6. The aid shall cover the following eligible costs: the costs of the rental of suitable premises, the acquisition of office equipment, including computer hardware and software, administrative staff costs, overheads and legal and administrative fees.

Where premises are purchased, the eligible costs for premises shall be limited to rental costs at market rates.

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7. The aid shall be paid as a flat rate aid in annual instalments for the first five years from the date on which the producer group or organisation was officially recognised by the competent authority on the basis of the business plan referred to in paragraph 2.

Member States shall only pay the last instalment after having verified the correct implementation of that business plan.

The aid shall be degressive.

8. The aid intensity shall be limited to 100 % of the eligible costs.

9. The aid amount shall be limited to EUR 500 000.

Article 20

Aid for the participation of producers of agricultural products in quality schemes

1. The following categories of aid to producers of agricultural products shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof:

(a) aid for new participation in quality schemes where it fulfils the conditions laid down in paragraphs 2 to and 6 of this Article and in Chapter I;

(b) aid towards the costs for compulsory control measures in relation to the quality schemes undertaken pursuant to Union or national legislation by or on behalf of the competent authority, where it fulfils the conditions laid down in paragraphs 2, 4, 6, 7 and 8 of this Article and in Chapter I;

(c) aid towards the costs of market research activities, product conception and design and for preparation of applications for the recognition of quality schemes where it fulfils the conditions laid down in paragraphs 2, 6, 7 and 8 of this Article and in Chapter I.

2. The aid referred to in paragraph 1 shall be granted in respect to the following quality schemes:

(a) quality schemes established under the following Regulations and provisions:

(i) Part II, Title II, Chapter I, Section 2 of Regulation (EU) No 1308/2013 as concerns wine;

(ii) Regulation (EU) No 1151/2012;

(iii) Council Regulation (EC) No 834/2007 ([1]);

(iv) Regulation (EC) No 110/2008 of the European Parliament and of the Council ([2]);

([1]) Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91 (OJ L 189, 20.7.2007, p. 1).

([2]) Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks and repealing Council Regulation (EEC) No 1576/89 (OJ L 39, 13.2.2008, p. 16).

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(v) Regulation (EU) No 251/2014 of the European Parliament and of the Council ([1]);

(b) quality schemes, including farm certification schemes, for agricultural products recognised by the Member States as complying with the following criteria:

(i) the specificity of the final product produced under such quality schemes must be derived from a clear obligations to guarantee:

— specific product characteristics, or

— specific farming or production methods, or

— the quality of the final product that goes significantly beyond the commercial commodity standards as regards public, animal or plant health, animal welfare or environmental protection;

(ii) the quality scheme must be open to all producers;

(iii) the quality scheme must involve binding final product specifications and compliance with those specifications must be verified by public authorities or by an independent inspection body;

(iv) the quality scheme must be transparent and assure complete traceability of agricultural products;

(c) voluntary agricultural product certification schemes recognised by the Member State concerned as meeting the requirements laid down in the Commission Communication — EU best practice guidelines for voluntary certification schemes for agricultural products and foodstuffs ([2]).

3. The aid referred to in paragraph 1(a) shall be granted to producers of agricultural products in the form of an annual incentive payment, the level of which shall be determined according to the level of the fixed costs arising from participation in the quality schemes.

4. The aid referred to in paragraph 1(a) and (b) shall not be granted towards the cost of controls undertaken by the beneficiary itself, or where Union legislation provides that the cost of controls is to be met by producers of agricultural products and groups thereof, without specifying the actual level of charges.

5. The aid referred to in paragraph 1(a) shall be granted for a maximum period of five years and shall be limited to EUR 3 000 per beneficiary per year.

6. The aid shall be accessible to all those eligible undertakings in the area concerned, based on objectively defined conditions.

7. The aid referred to in paragraph 1(b) and (c) shall not involve direct payments to the beneficiaries.

The aid referred to in paragraph 1(b) and (c) shall be paid to the body responsible for control measures, the research provider or the consultancy provider.

([1]) Regulation (EU) No 251/2014 of the European Parliament and of the Council of 26 February 2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products and repealing Council Regulation (EEC) No 1601/91 (OJ L 84, 20.3.2014, p. 14).

([2]) OJ C 341, 16.12.2010, p. 5.

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8. The aid referred to in paragraph 1(b) and (c) shall be limited to 100 % of the real costs incurred.

Article 21

Aid for knowledge transfer and information actions

1. Aid for knowledge transfer and information actions shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 8 of this Article and in Chapter I.

2. Aid shall cover vocational training and skills acquisition actions, including training courses, workshops and coaching, demonstration activities and information actions.

Aid may also cover short-term farm management exchange and farm visits.

Aid to demonstration activities may cover relevant investment costs.

3. The aid shall cover the following eligible costs:

(a) the costs of organising the vocational training, skills acquisition actions, including training courses, workshops and coaching, demonstration activities or information actions;

(b) the costs for travel, accommodation and per diem expenses of the participants;

(c) the cost of the provision of replacement services during the absence of the participants;

(d) in the case of demonstration projects in relation to investments:

(i) the construction, acquisition, including leasing, or improvement of immovable property, with land only being eligible to an extent not exceeding 10 % of total eligible costs of the operation concerned;

(ii) the purchase or lease purchase of machinery and equipment up to the market value of the asset;

(iii) general costs linked to expenditure referred to in points (i) and (ii), such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies; feasibility studies shall remain eligible expenditure even where, based on their results, no expenditure under in points (i) and (ii) is incurred;

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(iv) the acquisition or development of computer software and the acquisitions of patents, licences, copyrights and trademarks.

4. The costs referred to in paragraph 3(d) shall only be eligible to the extent used for the demonstration project and for the duration period of the demonstration project.

Only the depreciation costs corresponding to the life of the demonstration project, as calculated on the basis of generally accepted accounting principles, shall be considered as eligible.

5. Aid referred to in paragraph 3(a) and (c) shall not involve direct payments to the beneficiaries.

The aid referred to in paragraph 3(a) and (c) shall be paid to the provider of the knowledge transfer and information actions.

6. Bodies providing knowledge transfer and information actions shall have the appropriate capacities in the form of staff qualifications and regular training to carry out those tasks.

The provision of the activities referred to in paragraph 2 may be undertaken by producer groups or other organisations, regardless of their size.

7. The aid shall be accessible to all those eligible undertakings in the area concerned, based on objectively defined conditions.

Where the provision of the activities referred to in paragraph 2 is undertaken by producer groups and organisations, membership of such groups or organisations shall not be a condition for access to those activities.

Any contribution of non-members towards the administrative costs of the producer group or organisation concerned shall be limited to the costs of providing the activities referred to in paragraph 2.

8. The aid intensity shall be limited to 100 % of the eligible costs.

In the case of demonstration projects referred to in paragraph 3(d) the maximum aid amount shall be limited to EUR 100 000 over 3 fiscal years.

Article 22

Aid for advisory services

1. Aid for advisory services shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 8 of this Article and in Chapter I.

2. The aid shall be designed to help undertakings active in the agricultural sector and young farmers benefit from the use of advisory services for the improvement of the economic and environmental performance as well as the climate friendliness and resilience of their undertaking or investment.

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3. The advice shall be linked to at least one Union priority for rural development in accordance with Article 5 of Regulation (EU) No 1305/2013 and shall cover as a minimum one of the following elements:

(a) obligations deriving from the statutory management requirements or standards for good agricultural and environmental conditions provided for in Chapter I of Title VI of Regulation (EU) No 1306/2013;

(b) where applicable, the agricultural practices beneficial for the climate and the environment laid down in Chapter 3 of Title III of Regulation (EU) No 1307/2013 and the maintenance of the agricultural area referred to in Article 4(1)(c) of that Regulation;

(c) measures aiming at modernisation, competitiveness building, sectoral integration, innovation, market orientation as well as the promotion of entrepreneurship;

(d) requirements as defined by Member States for implementing Article 11(3) of Directive 2000/60/EC of the European Parliament and of the Council;

(e) requirements as defined by Member States for implementing Article 55 of Regulation (EC) No 1107/2009 of the European Parliament and of the Council [1], and in particular the compliance with the general principles of integrated pest management as referred to in Article 14 of Directive 2009/128/EC of the European Parliament and of the Council [2];

(f) where relevant, occupational safety standards or safety standards linked to the farm;

(g) specific advice for farmers setting up for the first time, including advice on economic and environmental sustainability.

4. Advice may also cover issues, other than those referred to in paragraph 3 of this Article, related to climate change mitigation and adaptation, biodiversity and protection of water as laid down in Annex I to Regulation (EU) No 1307/2013 or linked to the economic and environmental performance of the agricultural holding including competitiveness aspects. This may include advice for the development of short supply chains, organic farming and health aspects of animal husbandry.

5. The aid shall not involve direct payments to the beneficiaries. The aid shall be paid to the advisory service provider.

[1] Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC (OJ L 309, 24.11.2009, p. 1).

[2] Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides (OJ L 309, 24.11.2009, p. 71).

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6. The bodies selected to provide the advisory service shall have the appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the fields they advise in.

The provision of advisory service may be undertaken by producer groups or other organisations, regardless of their size.

When providing advice, the provider of the advisory service shall respect the non-disclosure obligations referred to in Article 13(2) of Regulation (EU) No 1306/2013.

7. The aid shall be accessible to all those eligible undertakings in the area concerned, based on objectively defined conditions.

Where the provision of advisory services is undertaken by producer groups and organisations, membership of such groups or organisations shall not be a condition for access to the service.

Any contribution of non-members towards the administrative costs of the group or organisation concerned shall be limited to the costs of providing the advisory service.

8. The amount of aid shall be limited to EUR 1 500 per advice.

Article 23

Aid for farm replacement services

1. Aid for farm replacement services shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 5 of this Article and in Chapter I.

2. The aid shall cover the real costs incurred for the replacement of a farmer, a natural person who is a member of the farm household, or a farm worker, during their absence from work due to illness, including illness of their child, holidays, maternity and parental leave or in case of death.

3. The total duration of the replacement shall be limited to 3 months per year per beneficiary, with the exception of replacement for maternity and parental leave which shall be limited to 6 months in each case.

4. The aid shall not involve direct payments to the beneficiaries.

The aid shall be paid to the provider of the farm replacement service.

The provision of farm replacement services may be undertaken by producer groups and organisations, regardless of their size. In such case, membership of such groups or organisations shall not be a condition for access to the service.

5. The aid intensity shall be limited to 100 % of the real costs incurred.

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Article 24

Aid for promotion measures in favour of agricultural products

1. Aid for promotion measures in favour of agricultural products shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 8 of this Article and in Chapter I.

2. The aid shall cover the costs for:

(a) the organisation of and participation in competitions, trade fairs and exhibitions;

(b) publications aimed at raising awareness of agricultural products among the wider public.

3. The publications referred to in paragraph 2(b) shall not refer to any particular undertaking, brand name or origin.

However that restriction shall not apply to reference to the origin of agricultural products covered by:

(a) quality schemes as referred to in Article 20(2)(a), provided that the reference corresponds exactly to that protected by the Union;

(b) quality schemes as referred to in Article 20(2)(b) and (c), provided that the reference is secondary in the message.

4. The aid shall cover the following eligible costs for the organisation of and participation in competitions, trade fairs and exhibitions referred to in paragraph 2(a):

(a) participation fees;

(b) travel costs and costs for the transportation of animals;

(c) costs of publications and websites announcing the event;

(d) the rent of exhibition premises and stands and costs of their installation and dismantling;

(e) symbolic prizes up to a value of EUR 1 000 per prize and per winner of a competition.

5. The aid shall cover the following eligible cost for publications aimed at raising awareness of agricultural products among the wider public referred to in paragraph 2(b):

(a) costs of publications in print- and electronic media, websites, and spots in electronic media, on radio or television, aimed at presenting factual information on beneficiaries from a given region or producing a given agricultural product, provided that the information is neutral and that all beneficiaries concerned have equal opportunities to be represented in the publication;

(b) costs for the dissemination of scientific knowledge and factual information on:

   (i) quality schemes as referred to in Article 20(2) open to agricultural products from other Member States and third countries;

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(ii) generic agricultural products and their nutritional benefits and suggested uses for them.

6. The aid shall be granted:

(a) in kind; or

(b) on the basis of the reimbursement of the real costs incurred by the beneficiary.

Where the aid is granted in kind the aid shall not include direct payments to the beneficiaries but shall be paid to the provider of the promotion measures.

The provision of promotion measures may be undertaken by producer groups or other organisations, regardless of their size.

The aid for symbolic prizes referred to in paragraph 4(e) shall only be paid to the provider of the promotion measures if the prize has been actually awarded and upon presentation of a proof of the award.

7. Aid for promotion measures shall be accessible to all eligible undertakings in the area concerned, based on objectively defined conditions.

Where the promotion measure is undertaken by producer groups and organisations, participation shall not be subject to membership of these groups or organisations and any contribution in terms of administration fees for the group or organisation shall be limited to the cost of providing the promotion measures.

8. The aid intensity shall be limited to 100 % of the eligible costs.

Article 25

Aid to compensate for damage caused by adverse climatic event which can be assimilated to a natural disaster

1. Aid to compensate SMEs active in the primary agricultural production for damage caused by an adverse climatic event which can be assimilated to a natural disaster shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 10 of this Article and in Chapter I.

2. Aid granted under this Article shall be subject to the following conditions:

(a) the competent authority of the Member State has formally recognised the character of the event as an adverse climatic event which can be assimilated to a natural disaster; and

(b) there is a direct causal link between the adverse climatic event which can be assimilated to a natural disaster and the damage suffered by the undertaking.

3. The aid shall be paid directly to the undertaking concerned or to a producer group or organisation of which that undertaking is a member.

Where the aid is paid to a producer group or organisation, the amount of aid shall not exceed the amount of aid to which that undertaking is eligible.

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4. Aid schemes shall be established within three years from the date of the occurrence of the adverse climatic event which can be assimilated to a natural disaster.

The aid shall be paid out within four years from that date.

5. The eligible costs shall be the damage incurred as a direct consequence of the adverse climatic event which can be assimilated to a natural disaster, as assessed either by a public authority, by an independent expert recognised by the granting authority or by an insurance undertaking.

That damage shall include the following:

(a) the loss of income from the full or partial destruction of the agricultural production and the means of production as referred to in paragraph 6;

(b) the material damage as referred to in paragraph 7.

6. The loss of income shall be calculated by subtracting:

(a) the result of multiplying the quantity of the agricultural products produced in the year of the adverse climatic event which can be assimilated to a natural disaster, or each following year affected by the full or partial destruction of the means of production, by the average selling price obtained during that year;

from

(b) the result of multiplying the average annual quantity of agricultural products produced in the three-year period preceding the adverse climatic event which can be assimilated to a natural disaster, or a three-year average based on the five-year period preceding the adverse climatic event which can be assimilated to a natural disaster, excluding the highest and lowest entry by the average selling price obtained.

That reduction may be calculated either at annual farm production level or at crop or livestock level.

That amount may be increased by other costs incurred by the beneficiary due to the adverse climatic event which can be assimilated to a natural disaster.

That amount shall be reduced by any costs not incurred because of the adverse climatic event which can be assimilated to a natural disaster.

Indexes may be used in order to calculate the agricultural production of the beneficiary provided that the calculation method used permits the determination of the real loss of the beneficiary in the given year.

7. The material damage to assets such as farm buildings, equipment and machinery, stocks and means of production caused by the adverse climatic event which can be assimilated to a natural disaster shall be calculated on the basis of the repair cost or economic value of the affected asset before the adverse climatic event that can be assimilated to a natural disaster.

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It shall not exceed the repair cost or the decrease in fair market value caused by the disaster, namely the difference between the asset's value immediately before and immediately after the adverse climatic event which can be assimilated to a natural disaster.

Where the reduction of the beneficiary's income referred to in paragraph 6 is calculated on the basis of crop or livestock level, only the material damage related to that crop or livestock shall be taken into account.

8. The calculation of the damage incurred due to the adverse climatic event which can be assimilated to a natural disaster shall be made at the level of the individual beneficiary.

9. Aid granted under this Article shall be reduced by 50 % unless it is granted to beneficiaries who have taken out insurance covering at least 50 % of their average annual production or production-related income and the statistically most frequent climatic risks in the Member State or region concerned for which insurance coverage is provided.

10. The aid and any other payments received to compensate for the losses, including payments under other national or Union measures or insurance policies for the damage receiving aid, shall be limited to 80 % of the eligible costs.

The aid intensity may be increased to 90 % in areas facing natural constraints.

Article 26

Aid for the costs of the prevention, control and eradication of animal diseases and plant pests and aid to make good the damage caused by animal diseases or plant pests

1. Aid to SMEs active in primary agricultural production for the costs of the prevention, control and eradication of animal diseases or plant pests and aid to compensate such undertakings for losses caused by those animal diseases or plant pests shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 13 of this Article and in Chapter I.

2. Aid shall only be paid:

(a) in relation to animal diseases or plant pests for which Union or national rules exist, whether laid down by law, regulation or administrative action; and

(b) as part of:

(i) a public programme at Union, national or regional level for the prevention, control or eradication of the animal disease or the plant pest concerned; or

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(ii) emergency measure imposed by competent authority; or

(iii) measures to eradicate or contain a plant pest implemented in accordance with Council Directive 2000/29/EC.

The programme and measures referred to in point (b) shall contain a description of the prevention, control or eradication measures concerned.

3. The aid shall not relate to measures in respect of which Union legislation provides that the cost of such measures is to be borne by the beneficiary, unless the cost of such measures is entirely offset by compulsory charges on the beneficiaries.

4. As regards animal diseases, the aid shall only be granted in respect of animal diseases referred to in the list of animal diseases established by the World Organisation for Animal Health or the animal diseases and zoonoses listed in Annexes I and II to Regulation (EU) No YYY/2014 of the European Parliament and of the Council ([1]).

5. Aid shall be paid directly to the undertaking concerned or to a producer group or organisation of which that undertaking is a member.

Where the aid is paid to a producer group or organisation, the amount of aid shall not exceed the amount of aid to which that undertaking is eligible.

6. Aid schemes shall be introduced within three years from the date of the occurrence of the cost or loss caused by the animal disease or plant pest.

Aid shall be paid out within four years from that date.

7. In the case of prevention measures, the aid shall cover the following eligible costs:

(a) health checks;

(b) analyses, including in-vitro diagnostics;

(c) tests and other screening measures, including TSE and BSE tests;

(d) the purchase, storage, administration and distribution of vaccines, medicines, substances for the treatment of animals and plant protection products;

(e) the preventive slaughtering or culling of animals or the destruction of animal products and plants and the cleaning and disinfection of the holding and equipment.

([1]) Regulation (EU) No 652/2014 of the European Parliament and of the Council of 15 May 2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material, amending Council Directives 98/56/EC, 2000/29/EC and 2008/90/EC, Regulations (EC) No 178/2002, (EC) No 882/2004 and (EC) No 396/2005 of the European Parliament and of the Council, Directive 2009/128/EC of the European Parliament and of the Council and Regulation (EC) No 1107/2009 of the European Parliament and of the Council and repealing Council Decisions 66/399/EEC, 76/894/EEC and 2009/470/EC (OJ L 189, 27.6.2014, p. 1).

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8. In the case of control and eradication measures, the aid shall cover the following eligible costs:

(a) tests and other screening measures in case of animal diseases, including TSE and BSE tests;

(b) the purchase, storage, administration and distribution of vaccines, medicines, substances for the treatment of animals and plant protection products;

(c) the slaughter or culling and destruction of animals and the destruction of products linked to them, or destruction of plants, including those that die or are destroyed as a result of vaccinations or other measures ordered by the competent authorities and the cleaning and disinfection of the holding and equipment.

9. In the case of aid to make good the damage caused by animal diseases or plant pests, compensation shall be calculated only in relation to:

(a) the market value of the animals slaughtered or culled or that have died or the products, linked to them, or the plants destroyed:

(i) as a result of the animal disease or the plant pest;

(ii) as part of a public programme or measure as referred to in paragraph 2(b).

That market value shall be established on the basis of the value of the animals, products and plants immediately before any suspicion of the animal disease or plant pest arose or was confirmed.

(b) the loss of income due to quarantine obligations, difficulties in restocking or replanting and obligatory crop-rotation imposed as part of a public programme or measure as referred to in paragraph 2(b).

That amount shall be reduced by any costs not directly incurred due to the animal disease or plant pest which would otherwise have been incurred by the beneficiary.

10. The aid to make good the damage caused by animal diseases or plant pests shall be limited to costs and damage caused by animal diseases and plant pests for which the competent authority:

(a) has formally recognised an outbreak, in the case of an animal disease; or

(b) has formally acknowledged their presence, in the case of plants pests.

11. Aid in relation to the eligible costs referred to in paragraph 7 and 8 shall be granted in kind and shall be paid to the provider of the prevention and eradication measures.

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By way of derogation from the first subparagraph of this paragraph, aid in relation to the eligible costs referred to in the following paragraphs may be granted directly to the beneficiary on the basis of reimbursement of the real costs incurred by the beneficiary:

(a) paragraphs 7(d) and 8(b) in the case of animal diseases or plant pests; and

(b) paragraphs 7(e) and 8(c) in the case of plant pests and for the cleaning and disinfection of the holding and equipment.

12. No individual aid shall be granted where it is established that the animal disease or the infestation with the plant pest was caused deliberately or by the negligence of the beneficiary.

13. The aid and any other payments received by the beneficiary, including payments under other national or Union measures or insurance policies for the same eligible costs as referred to in paragraphs 7, 8 and 9 shall be limited to 100 % of the eligible costs.

Article 27

Aids to the livestock sector and aid for fallen stock

1. The following aid to livestock breeders shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 and 3 of this Article and in Chapter I:

(a) aid at a rate of up to 100 % of the administrative costs of the establishment and maintenance of herd books;

(b) aid at a rate of up to 70 % of the costs of tests performed by or on behalf of third parties, to determine the genetic quality or yield of livestock, with the exception of controls undertaken by the owner of the livestock and routine controls of milk quality;

(c) aid at a rate of up to 100 % of the costs of the removal of fallen stock, and 75 % of the costs of the destruction of such fallen stock, or aid up to an equivalent aid intensity towards the costs of premiums paid by farmers for insurance covering the costs of the removal and destruction of fallen stock;

(d) aid at a rate of up to 100 % of the costs of the removal and destruction of fallen stock where the aid is financed through fees or through compulsory contributions destined for the financing of the destruction of such fallen stock, provided that such fees or contributions are limited to and directly imposed on the meat sector;

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(e) aid at a rate of 100 % for the costs of the removal and destruction of fallen stock where there is an obligation to perform TSE tests on the fallen stock concerned or in case of an outbreak of an animal disease referred to in Article 26(4).

2. The aid referred to in paragraph 1(c), (d) and (e) shall be conditional on the existence of a consistent monitoring programme which ensures the safe disposal of all fallen stock in the Member State.

The aid towards the costs of premiums paid by farmers for insurance covering the costs of the removal and destruction of fallen stock referred to in paragraph 1(c) of this Article shall comply with the conditions laid down in Article 28(2).

3. The aid shall be provided in kind and shall not involve direct payments to the beneficiaries.

In order to facilitate the administration of the aid referred to in paragraph 1(c), (d) and (e) the aid may be paid to economic operators or bodies that:

(a) are active downstream from the undertakings active in the livestock sector; and

(b) provide services linked to the removal and destruction of fallen stock.

Article 28

Aid for the payment of insurance premiums

1. Aid granted to SMEs active in primary agricultural production for the payment of insurance premiums shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 6 of this Article and in Chapter I.

2. The aid shall not:

(a) constitute a barrier to the operation of the internal market for insurance services;

(b) be limited to insurance provided by a single insurance company or group of companies;

(c) be made subject to the condition that the insurance contract be taken out with a company established in the Member State concerned.

3. The insurance shall be intended to cover losses caused by any of the following:

(a) natural disasters;

(b) an adverse climatic event which can be assimilated to a natural disaster and other adverse climatic events;

(c) animal diseases or plant pest;

(d) protected animals.

4. The insurance shall:

(a) compensate only the cost of making good the losses referred to in paragraph 3;

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(b) not require or specify the type or quantity of future agricultural production.

5. Member States may limit the amount of the insurance premium that is eligible for aid by applying appropriate ceilings.

6. The aid intensity shall be limited to 65 % of the costs of the insurance premium.

SECTION 2

Aid for investments in favour of conservation of cultural and natural heritage located on agricultural holdings

Article 29

Aid for investments in favour of the conservation of cultural and natural heritage located on agricultural holdings

1. Aid for investments aimed at the conservation of cultural and natural heritage located on the agricultural holding shall be compatible with the internal market within the meaning of Article 107(3) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 6 of this Article and in Chapter I.

2. The investment shall comply with Union legislation and with the national laws of the Member State concerned.

3. The aid shall be granted for cultural and natural heritage in form of natural landscapes and buildings which is formally recognised as cultural or natural heritage by the competent public authorities of the Member State concerned.

4. The aid shall cover the following eligible costs intended for the conservation of cultural and natural heritage:

(a) investment costs in tangible assets;

(b) capital works.

5. The aid intensity shall be limited to 100 % of the eligible costs.

6. Aid for capital works shall be limited to EUR 10 000 per year.

SECTION 3

Aid to make good the damage caused by natural disasters in the agricultural sector

Article 30

Aid to make good the damage caused by natural disasters in the agricultural sector

1. Aid schemes to make good the damage caused by natural disasters shall be compatible with the internal market within the meaning of Article 107(2)(b) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 8 of this Article and in Chapter I.

2. Aid granted under this Article shall be subject to the following conditions:

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(a) the competent authority of the Member State has formally recognised the character of the event as a natural disaster; and

(b) there is a direct causal link between the natural disaster and the damage suffered by the undertaking.

3. Aid shall be paid directly to the undertaking concerned or to a producer group or organisation of which that undertaking is a member.

Where the aid is paid to a producer group or organisation, the amount of aid shall not exceed the amount of aid to which that undertaking is eligible.

4. Aid schemes related to a specific natural disaster shall be established within three years from the date of the occurrence of the natural disaster.

The aid shall be paid out within four years from that date.

5. The eligible costs shall be the damage incurred as a direct consequence of the natural disaster, as assessed either by a public authority, by an independent expert recognised by the granting authority or by an insurance undertaking.

That damage may include the following:

(a) material damage to assets, such as buildings, equipment, machinery, stocks and means of production;

(b) loss of income resulting from the full or partial destruction of the agricultural production and the means of agricultural production.

The damage shall be calculated at the level of the individual beneficiary.

6. The calculation of the material damage shall be based on the repair cost or economic value of the affected asset before the disaster. It shall not exceed the repair cost or the decrease in fair market value caused by the disaster, namely the difference between the property's value immediately before and immediately after the disaster.

7. The loss of income shall be calculated by subtracting:

(a) the result of multiplying the quantity of the agricultural products produced in the year of the natural disaster, or in each following year affected by the full or partial destruction of the means of production, by the average selling price obtained during that year,

from

(b) the result of multiplying the average annual quantity of agricultural products produced in the three-year period preceding the natural disaster or a three year average based on the five-year period preceding the natural disaster, excluding the highest and lowest entry by the average selling price obtained.

That amount may be increased by other costs incurred by the beneficiary due to the adverse climatic event which can be assimilated to a natural disaster.

That amount shall be reduced by any costs not incurred because of the natural disaster.

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Indexes may be used in order to calculate the annual agricultural production of the beneficiary provided that the calculation method used permits the determination of the real loss of the beneficiary in the given year.

8. The aid and any other payments received to compensate the damage, including payments under insurance policies, shall be limited to 100 % of the eligible costs.

SECTION 4

Aid for research and development in the agricultural and forestry sectors

Article 31

Aid for research and development in the agricultural and forestry sectors

1. Aid for research and development in the agricultural and forestry sectors shall be compatible with the internal market within the meaning of Article 107(3) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 7 of this Article and in Chapter I.

2. The aided project shall be of interest to all undertakings active in the particular agricultural or forestry sector or sub-sector concerned.

3. Prior to the date of the start of the aided project the following information shall be published on the internet:

(a) that the aided project is to be carried out;

(b) the goals of the aided project;

(c) an approximate date for the publication of the results expected from the aided project;

(d) the place of publication of the results expected from the aided project on the internet;

(e) a reference that the results of the aided project are available to all undertakings active in the particular agricultural and forestry sector or sub-sector concerned at no cost.

4. The results of the aided project shall be made available on internet from the end date of the aided project or the date, on which any information concerning those results is given to members of any particular organisation, whatever comes first. The results shall remain available on internet for a period of at least 5 years starting from the end date of the aided project.

5. Aid shall be granted directly to the research and knowledge-dissemination organisation.

The aid shall not involve payments to undertakings active in the agricultural sector based on the price of the agricultural products.

6. The eligible costs shall be the following:

(a) personnel costs related to researchers, technicians and other supporting staff to the extent employed on the project;

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(b) costs of instruments and equipment to the extent and for the period used for the project. Where such instruments and equipment are not used for their full life for the project, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible;

(c) costs of buildings and land, to the extent and for the duration period used for the project. With regard to buildings, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles, are considered as eligible. For land, costs of commercial transfer or actually incurred capital costs are eligible;

(d) costs of contractual research, knowledge and patents bought or licensed from outside sources at arm's length conditions, as well as costs of consultancy and equivalent services used exclusively for the project;

(e) additional overheads and other operating expenses, including costs of materials, supplies and similar products, incurred directly as a result of the project.

7. The aid intensity shall be limited to 100 % of the eligible costs.

SECTION 5

Aid in favour of forestry

Article 32

Aid for afforestation and the creation of woodland

1. Aid for afforestation and the creation of woodland granted to public and private land holders and their associations shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 16 of this Article and in Chapter I.

2. The aid shall:

(a) be granted in the framework of a rural development programme in accordance with Regulation (EU) No 1305/2013 and the delegated and implementing acts adopted by the Commission pursuant to that Regulation either:

(i) as aid co-financed by the EAFRD; or

(ii) as additional national financing to the aid referred to in point (i);

and

(b) be identical to the underlying rural development measure provided for in the rural development programme referred to in point (a).

3. The legal basis for the aid shall specify that the aid shall not be put into effect before the approval of the relevant rural development programme by the Commission.

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4. In the case of afforestation of State-owned land, aid shall only be granted if the body managing such land is a private body or a municipality.

5. Limitations on ownership of forests, referred to in paragraph 4 shall not apply to the tropical or subtropical forests and to the wooded areas of the territories of the Azores, Madeira, the Canary islands, the smaller Aegean islands and the French overseas departments.

6. Aid shall be granted for afforestation and the creation of woodland on agricultural land and on non-agricultural land.

7. The aid for afforestation and the creation of woodland shall cover the costs of establishment and an annual premium per hectare.

The aid for afforestation and the creation of woodland may cover investment operations.

Aid for afforestation of land owned by public authorities or for fast growing trees shall cover only the costs of establishment.

8. Aid for afforestation and the creation of woodland related to investment operations shall cover the following eligible costs:

(a) the construction, acquisition, including leasing, or improvement of immovable property, with land only being eligible to an extent not exceeding 10 % of the total eligible costs of the operation concerned;

(b) the purchase or lease purchase of machinery and equipment up to the market value of the asset;

(c) general costs linked to the expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies; feasibility studies shall remain eligible expenditure even where, based on their results, no expenditure under in points (a) and (b) is being incurred;

(d) the acquisition or development of computer software and the acquisitions of patents, licences, copyrights, trademarks;

(e) the costs of establishing forest management plans or equivalent instrument.

Working capital shall not be considered to be an eligible cost.

9. The investment operations shall be in conformity with Union legislation and with national laws of the Member State concerned on environmental protection. For investment operations requiring an environmental impact assessment under Directive 2011/92/EU the aid shall be subject to the condition that such assessment shall have been carried out and the development consent shall have been granted for the investment project concerned before the date of granting the individual aid.

10. The following costs of establishment may be eligible:

(a) the costs of the plantation and propagation material;

(b) the plantation costs and the costs directly linked to the plantation;

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(c) the cost for other related operations such as storing and treatments of seedlings with the necessary prevention and protection materials;

(d) the costs for replanting necessary during the first year of afforestation.

11. The annual premium per hectare shall cover the costs for the agricultural income foregone and for maintenance, including early and late cleansings, and shall be paid for a maximum period of 12 years from the date of granting the aid.

12. Aid shall not be granted for planting the following trees:

(a) trees for short rotation coppicing;

(b) Christmas trees; or

(c) fast growing trees for energy production.

13. The species planted shall be adapted to the environmental and climatic conditions of the area and comply with minimum environmental requirements.

14. In areas where afforestation is difficult due to severe pedo-climatic conditions aid may be provided for planting perennial woody species such as shrubs or bushes suitable to the local conditions.

15. For beneficiaries above a certain size, to be determined by the Member States in the rural development programmes, the aid shall be conditional on the presentation of the relevant information from a forest management plan or equivalent instrument in line with sustainable forest management as defined by the Second Ministerial Conference on the Protection of Forests in Europe of 1993.

16. The aid intensity shall be limited to 100 % of the eligible costs.

Article 33

Aid for agroforestry systems

1. Aid for agroforestry systems granted to private land holders, municipalities and their associations shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 11 of this Article and in Chapter I.

2. The aid shall:

(a) be granted in the framework of a rural development programme in accordance with Regulation (EU) No 1305/2013 and the delegated and implementing acts adopted by the Commission pursuant to that Regulation either:

(i) as aid co-financed by the EAFRD; or

(ii) as additional national financing to the aid referred to in point (i);

and

(b) be identical to the underlying rural development measure provided for in the rural development programme referred to in point (a).

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3. The legal basis for the aid shall specify that the aid shall not be put into effect before the approval of the relevant rural development programme by the Commission.

4. The aid for agroforestry systems shall cover the costs of establishment and an annual premium per hectare.

The aid for agroforestry systems may cover investment operations.

5. The aid for agroforestry systems related to investment operations shall cover the following eligible costs:

(a) the construction, acquisition, including leasing, or improvement of immovable property, with land only being eligible to an extent not exceeding 10 % of the total eligible costs of the operation concerned;

(b) the purchase or lease purchase of machinery and equipment up to the market value of the asset;

(c) general costs linked to the expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies; feasibility studies shall remain eligible expenditure even where, based on their results, no expenditure under in points (a) and (b) is being incurred;

(d) the acquisition or development of computer software and the acquisitions of patents, licences, copyrights, trademarks;

(e) the costs of establishing forest management plans or equivalent instrument.

Working capital shall not be considered to be an eligible cost.

6. The investment operations shall be in conformity with Union legislation and with national laws of the Member State concerned on environmental protection. For investment operations requiring an environmental impact assessment under Directive 2011/92/EU the aid shall be subject to the condition that such assessment shall have been carried out and the development consent shall have been granted for the investment project concerned before the date of granting the individual aid.

7. The following costs for establishment may be eligible:

(a) the costs for the establishment of the agroforestry system by planting trees, including the costs of the plantation material, the plantation, the storing and the treatments of seedlings with the necessary prevention and protection materials;

(b) the costs for the establishment of the agroforestry system by converting existing forests or other wooded land, including the costs for felling trees, thinning and pruning and protection against grazing animals;

(c) other costs directly linked to the establishment of an agroforestry system such as costs for feasibility studies, establishment plan, soil examination, soil preparation and protection;

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(d) the costs of silvopastoral, namely, grazing system watering and protective facilities;

(e) the costs of the necessary treatment connected to the establishment of an agroforestry system, including watering and cutting;

(f) the costs for replanting during the first year after the establishment of an agroforestry system.

8. The annual premium per hectare shall cover the costs of maintenance of the agroforestry system, and shall be paid for a maximum period of five years from the date of granting the aid.

The eligible costs of maintenance may relate to the established tree belts, the weeding, pruning and thinning and protective actions and investments such as fences or individual protection tubes.

9. Member States shall determine the maximum number of trees to be planted per hectare, taking account of the following:

(a) local pedo-climatic and environmental conditions;

(b) forestry species; and

(c) the need to ensure sustainable agricultural use of the land.

10. For beneficiaries above a certain size, to be determined by the Member States, the aid shall be conditional on the presentation of the relevant information from a forest management plan or equivalent instrument in line with sustainable forest management as defined by the Second Ministerial Conference on the Protection of Forests in Europe of 1993.

11. The maximum aid intensity shall be limited to:

(a) 80 % of the eligible costs for investment operations and of the establishment costs referred to in paragraphs 5 and 7; and

(b) 100 % of the annual premium referred to in paragraph 8.

Article 34

Aid for the prevention and restoration of damage to forests from forest fire, natural disasters, adverse climatic events which can be assimilated to a natural disaster, other adverse climatic events, plant pests and catastrophic events

1. Aid for the prevention and restoration of damage to forests from forest fire, natural disasters, adverse climatic events, which can be assimilated to a natural disaster, other adverse climatic events, plant pests and catastrophic events and climate change events pursuant to Article 24 of Regulation (EU) No 1305/2013 granted to private and public forest holders, and other private law and public bodies and their associations shall be compatible with the internal market within the meaning of Article 107(2)(b) or, as the case may be, Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 12 of this Article and in Chapter I.

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2. The aid shall:

(a) be granted in the framework of a rural development programme in accordance with Regulation (EU) No 1305/2013 and the delegated and implementing acts adopted by the Commission pursuant to that Regulation either:

(i) as aid co-financed by the EAFRD; or

(ii) as additional national financing to the aid referred to in point (i);

and

(b) be identical to the underlying rural development measure provided for in the rural development programme referred to in point (a).

3. The legal basis for the aid shall specify that the aid shall not be put into effect before the approval of the relevant rural development programme by the Commission.

4. Only forest areas which are classified as a medium to high forest fire risk according to the forest protection plan established by the Member State concerned shall be eligible for aid for prevention of fire.

5. The aid shall cover the following eligible costs:

(a) the establishment of protective infrastructure;

(b) local, small scale prevention activities against fire, or other natural hazards, including the use of grazing animals;

(c) establishing and improving forest fire, pest and diseases monitoring facilities and communication equipment;

(d) restoring forest potential damaged from fires, natural disasters, adverse climatic events, which can be assimilated to a natural disaster, other adverse climatic events, plant pests, catastrophic events and climate change related events.

6. The aid may cover maintenance costs in the case of firebreaks.

7. The aid shall not be granted for agricultural related activities in areas covered by agri-environmental commitments.

8. In the case of the restoration of forest potential referred to in paragraph 5(d) the aid shall be subject to the formal recognition by the competent authorities of the Member State concerned that:

(a) the fire, natural disaster, adverse climatic event which can be assimilated to a natural disaster, other adverse climatic event, plant pest, catastrophic event or climate change related event has occurred; and

(b) the event referred to in in point (a) of this paragraph, including measures adopted in accordance with Directive 2000/29/EC to eradicate or contain a plant pest, has caused the destruction of at least 20 % of the relevant forest potential.

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9. In the case of aid for prevention of damage to a forest from plant pests, the risk of occurrence of the plant pest shall be supported by scientific evidence and acknowledged by a scientific public organisation.

The list of species of harmful organisms which may cause a plant pest shall be provided for in the rural development programme of the Member State concerned.

10. The aided activities or projects shall be consistent with the forest protection plan established by the Member State.

For beneficiaries above a certain size, to be determined by the Member States, the aid shall be conditional on the presentation of the relevant information from a forest management plan or equivalent instrument in line with sustainable forest management as defined by the Second Ministerial Conference on the Protection of Forests in Europe of 1993, detailing the preventive objectives.

Costs other than those referred to in paragraph 5 related to the particularities of the forestry sector may be considered to be eligible costs.

11. Aid shall not be granted for loss of income resulting from fire, natural disasters, adverse climatic events, which can be assimilated to a natural disaster, other adverse climatic events, plant pests and catastrophic events.

12. The aid intensity shall be limited to 100 % of the eligible costs.

Aid granted for the eligible costs as referred to in paragraph 5(d) and any other payments received by the beneficiary, including payments under other national or Union measures or insurance policies for the same eligible costs shall be limited to 100 % of the eligible costs.

Article 35

Aid for investments improving the resilience and environmental value of forest ecosystems

1. Aid for investments improving the resilience and environmental value of forest ecosystems granted to natural persons, private and public forest holders, private law and public bodies and their associations shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 8 of this Article and in Chapter I.

2. The aid shall:

(a) be granted in the framework of a rural development programme in accordance with Regulation (EU) No 1305/2013 and the delegated and implementing acts adopted by the Commission pursuant to that Regulation either:

(i) as aid co-financed by the EAFRD; or

(ii) as additional national financing to the aid referred to in point (i);

and

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(b) be identical to the underlying rural development measure provided for in the rural development programme referred to in point (a).

3. The legal basis for the aid shall specify that the aid shall not be put into effect before the approval of the relevant rural development programme by the Commission.

4. Investments shall be aimed at the achievement of commitments for environmental aims, for provision of ecosystem services or enhancement of the public amenity value of forest and wooded land in the area concerned or the improvement of the climate change mitigation potential of ecosystems, without excluding economic benefits in the long term.

5. The investment shall be in conformity with Union legislation and with national laws of the Member State concerned on environmental protection. For investment requiring an environmental impact assessment under Directive 2011/92/EU the aid shall be subject to the condition that such assessment shall have been carried out and the development consent shall have been granted for the investment project concerned before the date of granting the individual aid.

6. The aid shall cover the following eligible costs:

(a) the construction, acquisition, including leasing, or improvement of immovable property, with land only being eligible to an extent not exceeding 10 % of the total eligible costs of the operation concerned;

(b) the purchase or lease purchase of machinery and equipment up to the market value of the asset;

(c) general costs linked to expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies; feasibility studies shall remain eligible expenditure even where, based on their results, no expenditure under points (a) and (b) is incurred;

(d) the acquisition or development of computer software and the acquisitions of patents, licenses, copyrights and trademarks;

(e) the costs of establishing forest management plans or equivalent instrument.

7. Costs other than those referred to in paragraph 6(a) and (b) connected with leasing contracts, such as lessor's margin, interest refinancing costs, overheads and insurance charges shall not be considered to be eligible costs.

Working capital shall not be considered to be an eligible cost.

8. The aid intensity shall be limited to 100 % of the eligible costs.

Article 36

Aid for disadvantages related to Natura 2000 forest areas

1. Aid for disadvantages related to Natura 2000 forest areas as defined in Article 3 of Directive 92/43/EEC and in Article 3 Directive 2009/147/EC granted to private forest holders and associations of private forest holders shall be compatible with the internal market

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within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 6 of this Article and in Chapter I.

2. The aid shall:

(a) be granted in the framework of a rural development programme in accordance with Regulation (EU) No 1305/2013 and the delegated and implementing acts adopted by the Commission pursuant to that Regulation either:

(i) as aid co-financed by the EAFRD; or

(ii) as additional national financing to the aid referred to in point (i);

and

(b) be identical to the underlying rural development measure provided for in the rural development programme referred to in point (a).

3. The legal basis for the aid shall specify that the aid shall not be put into effect before the approval of the relevant rural development programme by the Commission.

4. The aid shall be granted annually and per hectare of forest in order to compensate beneficiaries for additional costs and income foregone resulting from disadvantages in the forest areas referred to in paragraph 5 of this Article, related to the implementation of Directive 92/43/EEC and Directive 2009/147/EC.

5. The following forest areas shall be eligible for aid:

(a) Natura 2000 forest areas in accordance with Article 3 of Directive 92/43/EEC and Article 3 of Directive 2009/147/EC;

(b) features of the landscape which contribute to the implementation of Article 10 of Directive 92/43/EEC; those areas shall not exceed 5 % of the areas included in Natura 2000 network covered by the territorial scope of the rural development programme concerned.

6. The aid shall be limited to the maximum amount of EUR 500 per hectare per year in the initial period not exceeding five years and to EUR 200 per hectare per year afterwards.

Those amounts may be increased in exceptional cases taking into account specific circumstances to be justified in the rural development programmes.

Member States shall deduct from the aid the necessary amount in order to exclude double funding of the practices referred to in Article 29 of Regulation (EU) No 1307/2013.

Article 37

Aid for forest-environmental and climate services and forest conservation

1. Aid for forest-environmental and climate services and for forest conservation granted to public or private forest holders, private law or public bodies and their associations shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 9 of this Article and in Chapter I.

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2. The aid shall:

(a) be granted in the framework of a rural development programme in accordance with Regulation (EU) No 1305/2013 and the delegated and implementing acts adopted by the Commission pursuant to that Regulation either:

(i) as aid co-financed by the EAFRD; or

(ii) as additional national financing to the aid referred to in point (i);

and

(b) be identical to the underlying rural development measure provided for in the rural development programme referred to in point (a).

3. The legal basis for the aid shall specify that the aid shall not be put into effect before the approval of the relevant rural development programme by the Commission.

4. In the case of forest-environmental and climate services and forest conservation of State-owned land, aid shall only be granted if the body managing such land is a private body or a municipality.

5. For forest holdings above a certain threshold to be determined by Member States, aid shall be conditional on the presentation of the relevant information from of a forest management plan or equivalent instrument in line with sustainable forest management as defined by the Second Ministerial Conference on the Protection of Forests in Europe of 1993.

6. The aid shall be granted per hectare of forest land.

7. Aid shall cover only commitments which go beyond the mandatory requirements established by national forestry act or other relevant national or Union legislation. The mandatory national requirements shall be clearly identified.

Commitments shall be undertaken for a period of between five and seven years. However, where necessary and duly justified, Member States may determine a longer period for particular types of commitments.

8. The aid shall compensate beneficiaries for all or part of the additional costs and income foregone resulting from undertaking the commitments referred to in paragraph 7.

Where necessary the aid may cover transaction costs up to a value of 20 % of the aid.

In duly justified cases for operations concerning environmental conservation, the aid for commitments to renounce commercial use of trees and forests may be granted as a flat rate or as an one-off payment per unit calculated on the basis of additional costs and income foregone.

9. The aid shall be limited to the maximum amount of EUR 200 per hectare per year.

That maximum amount may be increased in exceptional cases taking into account specific circumstances to be justified in the rural development programmes.

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Article 38

Aid for knowledge transfer and information actions in the forestry sector

1. Aid for knowledge transfer and information actions granted in favour of undertakings active in the forestry sector shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 6 of this Article and in Chapter I.

2. The aid shall cover vocational training and skills acquisition actions, including training courses, workshops and coaching, demonstration activities and information actions.

Aid may also cover short-term forest management exchanges and forest visits.

Aid to demonstration activities may cover relevant investment costs.

3. The aid shall cover the following eligible costs:

(a) the costs of organising and delivering the knowledge transfer or information action;

(b) in the case of demonstration projects related to investments:

(i) the construction, acquisition, including leasing, or improvement of immovable property, with land only being eligible to an extent not exceeding 10 % of total eligible costs of the operation concerned;

(ii) the purchase or lease purchase of machinery and equipment up to the market value of the asset;

(iii) general costs linked to expenditure referred to in points (i) and (ii), such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies; feasibility studies shall remain eligible expenditure even where, based on their results, no expenditure under in points (i) and (ii) is incurred;

(iv) acquisition or development of computer software and acquisitions of patents, licenses, copyrights and trademarks;

(c) the costs for travel, accommodation and per diem expenses of the participants.

4. The aid referred to in paragraph 3(a) and (b) shall not involve direct payments to the beneficiaries. The aid shall be paid to the knowledge transfer and information actions provider.

5. Bodies providing knowledge transfer and information actions shall have the appropriate capacities in the form of staff qualifications and regular training to carry out such tasks.

6. The aid intensity shall be limited to 100 % of the eligible costs.

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Article 39

Aid for advisory services in the forestry sector

1. Aid for advisory services granted in favour of forest holders and other land managers shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 7 of this Article and in Chapter I.

2. Aid shall be granted to help forest holders and other land managers benefit from the use of advisory services for the improvement of the economic and environmental performance and climate friendliness and resilience of their holdings, enterprise or investment.

3. The advice shall cover as a minimum issues related to the implementation of Directives 92/43/EEC, Directive 2000/60/EC and Directive 2009/147/EC.

The advice may also cover issues linked to the economic and environmental performance of forestry holdings.

4. The aid shall not involve direct payments to the beneficiaries. The aid shall be paid to the provider of the advisory services.

The provider of advisory service shall have the appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the fields they advise in.

5. When providing advice, the provider of advisory services shall respect the non-disclosure obligations referred to in Article 13(2) of Regulation (EU) No 1306/2013.

6. Where justified and appropriate, the advice may be partly provided in group, while taking into account the situation of the individual beneficiaries of the advisory services.

7. The aid shall be limited to EUR 1 500 per advice.

Article 40

Aid for investments in infrastructure related to the development, modernisation or adaptation of the forestry sector

1. Aid for investments in infrastructure related to the development, modernisation or adaptation of the forestry sector granted to undertakings active in the forest sector shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 9 of this Article and in Chapter I.

2. The aid shall:

(a) be granted in the framework of a rural development programme in accordance with Regulation (EU) No 1305/2013 and the delegated and implementing acts adopted by the Commission pursuant to that Regulation either:

(i) as aid co-financed by the EAFRD; or

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(ii) as additional national financing to the aid referred to in point (i);

and

(b) be identical to the underlying rural development measure provided for in the rural development programme referred to in point (a).

3. The legal basis for the aid shall specify that the aid shall not be put into effect before the approval of the relevant rural development programme by the Commission.

4. The investment shall be in conformity with Union legislation and with national laws of the Member State concerned on environmental protection. For investment requiring an environmental impact assessment under Directive 2011/92/EU the aid shall be subject to the condition that such assessment shall have been carried out and the development consent shall have been granted for the investment project concerned before the date of granting the individual aid.

5. The aid shall cover investments in tangible assets and intangible assets which concern infrastructure related to the development, modernisation or adaptation of forests, including the following:

(a) access to forest land;

(b) land consolidation and improvement;

(c) supply of energy and water.

6. The aid shall cover the following eligible costs:

(a) the construction, acquisition, including leasing, or improvement of immovable property, with land only being eligible to an extent not exceeding 10 % of the total eligible costs of the operation concerned;

(b) the purchase or lease purchase of machinery and equipment up to the market value of the asset;

(c) general costs linked to the expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies; feasibility studies shall remain eligible expenditure even where, based on their results, no expenditure under points (a) and (b) is incurred;

(d) acquisition or development of computer software and acquisitions of patents, licenses, copyrights and trademarks;

(e) the costs of establishing forest management plans and their equivalent instruments.

7. Costs other than those referred to in paragraph 6(a) and (b) connected with leasing contracts, such as lessor's margin, interest refinancing costs, overheads and insurance charges shall not be considered to be eligible costs.

Working capital shall not be considered to be an eligible cost.

8. In the case of non-productive investments, investments aimed exclusively at improving the environmental value of forests and investments for forest roads, which are open to the public free of charge and which serve the multifunctional aspects of forest the aid intensity shall be limited to 100 % of the eligible costs.

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9. In the case of investments, which improve the short or long term economic potential of forests, the aid intensity shall be limited to the following rates:

(a) 75 % of the amount of the eligible costs for investment in outermost regions;

(b) 75 % of the amount of the eligible costs for investment in the smaller Aegean islands;

(c) 50 % of the amount of the eligible costs for investment in less developed regions and in all regions whose GDP per capita for the period from 1 January 2007 to 31 December 2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27;

(d) 40 % of the amount of the eligible costs for investment in other regions.

Article 41

Aid for investments in forestry technologies and in processing, mobilising and marketing of forestry products

1. Aid for investments in forestry technologies and in the processing, mobilising and marketing of forestry products granted to private forest holders, municipalities and their associations and to SMEs shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 11 of this Article and in Chapter I.

2. The aid shall:

(a) be granted in the framework of a rural development programme in accordance with Regulation (EU) No 1305/2013 and the delegated and implementing acts adopted by the Commission pursuant to that Regulation either:

(i) as aid co-financed by the EAFRD; or

(ii) as additional national financing to the aid referred to in point (i);

and

(b) be identical to the underlying rural development measure provided for in the rural development programme referred to in point (a).

3. The legal basis for the aid shall specify that the aid shall not be put into effect before the approval of the relevant rural development programme by the Commission.

4. The investment shall be in conformity with Union legislation and with national laws of the Member State concerned on environmental protection. For investment requiring an environmental impact assessment under Directive 2011/92/EU the aid shall be subject to the condition that such assessment shall have been carried out and the development consent shall have been granted for the investment project concerned before the date of granting the individual aid.

5. In the territories of the Azores, Madeira, the Canary islands, the smaller Aegean islands and the French overseas departments aid may also be granted to undertakings that are not SMEs.

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6. The aid shall cover the following eligible costs:

(a) the construction, acquisition, including leasing, or improvement of immovable property, with land only being eligible to an extent not exceeding 10 % of the total eligible costs of the operation concerned;

(b) the purchase or lease purchase of machinery and equipment up to the market value of the asset;

(c) general costs linked to the expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies; feasibility studies shall remain eligible expenditure even where, based on their results, no expenditure under points (a) and (b) is incurred;

(d) acquisition or development of computer software and acquisitions of patents, licenses, copyrights and trademarks;

(e) the costs of establishing forest management plans and their equivalent.

7. Costs other than those referred to in paragraph 6(a) and (b) connected with leasing contracts, such as lessor's margin, interest refinancing costs, overheads and insurance charges shall not be considered to be eligible costs.

Working capital shall not be considered to be an eligible cost.

8. Investments related to the improvement of the economic value of forests shall be justified in relation to expected improvements to forests on one or more holdings and may include investments for soil and resource friendly harvesting machinery and practices.

9. Investments related to the use of wood as a raw material or energy source shall be limited to all working operations prior to industrial processing.

The investments in renewable energy infrastructure that consume or produce energy shall comply with minimum standards for energy efficiency for, where such standards exist at national level.

Investments in installations, the primary purpose of which is electricity production from biomass, shall not be eligible for aid unless a minimum percentage of heat energy, to be determined by the Member States, is utilised.

Aid to bioenergy investment projects shall be limited to bioenergy meeting the applicable sustainability criteria laid down in Union legislation, including in Article 17(2) to (6) of Directive 2009/28/EC.

10. For forest holdings above a certain threshold to be determined by Member States, aid shall be conditional on the presentation of the relevant information from of a forest management plan or equivalent instrument in line with sustainable forest management as defined by the Second Ministerial Conference on the Protection of Forests in Europe of 1993.

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11. The aid intensity shall be limited to the following rates:

(a) 75 % of the amount of the eligible costs for investment in outermost regions;

(b) 75 % of the amount of the eligible costs for investment in the smaller Aegean islands;

(c) 50 % of the amount of the eligible costs for investment in less developed regions and in all regions whose GDP per capita for the period from 1 January 2007 to 31 December 2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27;

(d) 40 % of the amount of the eligible costs for investment in other regions.

Article 42

Conservation of genetic resources in forestry

1. Aid for the conservation of genetic resources in forestry, linked to forest-environmental and climate services and forest conservation, granted to public or private entities shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 6 of this Article and in Chapter I.

2. The aid shall:

(a) be granted in the framework of a rural development programme in accordance with Regulation (EU) No 1305/2013 and the delegated and implementing acts adopted by the Commission pursuant to that Regulation either:

(i) as aid co-financed by the EAFRD; or

(ii) as additional national financing to the aid referred to in point (i);

and

(b) be identical to the underlying rural development measure provided for in the rural development programme referred to in point (a).

3. The legal basis for the aid shall specify that the aid shall not be put into effect before the approval of the relevant rural development programme by the Commission.

4. For the purposes of this Article the following definitions shall apply:

(a) ‘in situ conservation’ means the conservation of genetic material in ecosystems and natural habitats and the maintenance and recovery of viable population of species in their natural surroundings;

(b) ‘on-forest holding conservation’ means in situ conservation and development at forest holding level;

(c) ‘ex situ conservation’ means the conservation of genetic material for forestry outside their natural habitat;

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(d) ‘ex situ collection’ means a collection of genetic material for forestry maintained outside their natural habitat.

5. The aid shall cover the costs for the following operations:

(a) targeted actions: actions promoting the in situ and ex situ conservation, characterisation, collection and utilisation of genetic resources in forestry, including web-based inventories of genetic resources currently conserved in situ, including on-forest holding conservation, and of ex situ collections and databases;

(b) concerted actions: actions promoting the exchange of information for the conservation, characterisation, collection and utilisation of genetic resources in Union forestry, among competent organisations in the Member States;

(c) accompanying actions: information, dissemination and advisory actions involving non-governmental organisations and other relevant stakeholders, training courses and preparation of technical reports.

6. The aid shall be limited to 100 % of the eligible costs.

Article 43

Aid for forestry land consolidation

Aid for forestry land consolidation shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in Chapter I and it is granted:

(a) to private forestry holders that are SMEs; and

(b) towards and limited to the legal and administrative costs, including survey costs; and

(c) up to 100 % of the real costs incurred.

SECTION 6

Aids in favour of SMEs in Rural Areas co-financed by the EAFRD or granted as additional national financing to such co-financed measures

Article 44

Aid for investments concerning the processing of agricultural products into non-agricultural products or the production of cotton

1. Aid for investments concerning the processing of agricultural products into non-agricultural products or the production of cotton, including the activities of ginning, granted to SMEs, shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 10 of this Article and in Chapter I.

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2. The aid shall:

(a) be granted in the framework of a rural development programme in accordance with Regulation (EU) No 1305/2013 and the delegated and implementing acts adopted by the Commission pursuant to that Regulation either:

(i) as aid co-financed by the EAFRD; or

(ii) as additional national financing to the aid referred to in point (i);

and

(b) be identical to the underlying rural development measure provided for in the rural development programme referred to in point (a).

3. The legal basis for the aid shall specify that the aid shall not be put into effect before the approval of the relevant rural development programme by the Commission.

4. Investment linked to the production of biofuel or energy from renewable sources shall not be eligible for aid under this Article.

5. The investment shall be in conformity with Union legislation and with national laws of the Member State concerned on environmental protection. For investment requiring an environmental impact assessment under Directive 2011/92/EU the aid shall be subject to the condition that such assessment shall have been carried out and the development consent shall have been granted for the investment project concerned before the date of granting the individual aid.

6. The aid shall cover investments in tangible and intangible assets.

7. The aid shall cover the following eligible costs:

(a) the construction, acquisition, including leasing, or improvement of immovable property, with land only being eligible to an extent not exceeding 10 % of the total eligible costs of the operation concerned;

(b) the purchase or lease purchase of machinery and equipment up to the market value of the asset;

(c) general costs linked to expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies; feasibility studies shall remain eligible expenditure even where, based on their results, no expenditure under points (a) and (b) is incurred;

(d) acquisition or development of computer software and acquisitions of patents, licenses, copyrights and trademarks.

8. Costs, other than those referred to in paragraph 7(a) and (b), connected with leasing contracts, such as lessor's margin, interest refinancing costs, overheads and insurance charges shall not be considered to be eligible costs.

Working capital shall not be considered to be an eligible cost.

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9. The aid intensity shall be limited to the following rates:

(a) in the outermost regions:

(i) 80 % of the amount of the eligible costs for investment in regions whose GDP per capita is below or equal to 45 % of the EU-27 average;

(ii) 65 % of the amount of the eligible costs for investment in regions whose GDP per capita is between or equal to 45 % and 60 % of the EU-27 average;

(iii) 55 % of the amount of the eligible costs for investment in regions with a GDP per capita between or equal to 60 % and 75 % of the EU-27 average;

(iv) 45 % of the amount of the eligible costs for investment in other outermost regions;

(b) in less developed regions:

(i) 60 % of the amount of the eligible costs for investment in regions whose GDP per capita is below or equal to 45 % of the EU-27 average;

(ii) 45 % of the amount of the eligible costs for investment in regions whose GDP per capita is between or equal to 45 % and 60 % of the EU-27 average;

(iii) 35 % of the amount of the eligible costs for investment in regions with a GDP per capita above 60 % of the EU-27 average;

(c) in ‘c’ areas:

(i) 25 % of the amount of the eligible costs for investment in sparsely populated areas and in NUTS 3 regions or parts of NUTS 3 regions that share a land border with a country outside the European Economic Area or the European Free Trade Association;

(ii) 20 % of the amount of the eligible costs for investment in non-predefined ‘c’ areas;

(iii) in the former ‘a’ areas the aid intensities may be increased by up to 5 percentage points during the period from 1 July 2014 to 31 December 2017;

(iv) where a ‘c’ area is adjacent to an ‘a’ area, the maximum aid intensity allowed in the NUTS 3 areas or parts of NUTS 3 areas within that ‘c’ area which are adjacent to the ‘a’ area may be increased as necessary so that the difference in aid intensity between both areas does not exceed 15 percentage points;

(d) 10 % of the amount of the eligible costs for investment in all other regions.

10. The maximum aid intensities provided for in paragraph 9 may be increased by up to 10 percentage points for micro and small enterprises.

Article 45

Business start-up aid for non-agricultural activities in rural areas

1. Business start-up aid for non-agricultural activities in rural areas granted to SMEs shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from

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the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 9 of this Article and in Chapter I.

2. The aid shall:

(a) be granted in the framework of a rural development programme in accordance with Regulation (EU) No 1305/2013 and the delegated and implementing acts adopted by the Commission pursuant to that Regulation either:

(i) as aid co-financed by the EAFRD; or

(ii) as additional national financing to the aid referred to in point (i);

and

(b) be identical to the underlying rural development measure provided for in the rural development programme referred to in point (a).

3. The legal basis for the aid shall specify that the aid shall not be put into effect before the approval of the relevant rural development programme by the Commission.

4. Aid shall be granted to the following categories of beneficiaries:

(a) farmers or members of a farm household in rural areas diversifying into non-agricultural activities;

(b) micro and small enterprises in rural areas; and

(c) natural persons in rural areas.

5. Where the member of a farm household referred to in paragraph 4(a) is a legal person or a group of legal persons it must exercise an agricultural activity on the farm at the time of the submission of the application for the aid.

6. The aid shall be conditional on the submission of a business plan to the competent authority of the Member State concerned. The implementation of that business plan shall start within nine months from the date of the decision granting the aid.

The business plan shall describe the following:

(a) the initial economic situation of the beneficiary;

(b) milestones and targets for the development of the new activities of the beneficiary;

(c) details of the actions required for the development of the activities of the beneficiary, such as details of investments, training, advice.

7. The aid shall be paid in at least two instalments over a maximum period of five years.

The instalments may be degressive.

The payment of the last instalment shall be conditional upon the correct implementation of the business plan referred to in paragraph 6.

8. Member States shall define the amount of aid taking into account the socioeconomic situation of the area covered by the rural development programme.

9. The aid shall be limited to EUR 70 000 per beneficiary.

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Article 46

Aid for advisory services for SMEs in rural areas

1. Aid for advisory services for SMEs in rural areas shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 9 of this Article and in Chapter I.

2. The aid shall:

(a) be granted in the framework of a rural development programme in accordance with Regulation (EU) No 1305/2013 and the delegated and implementing acts adopted by the Commission pursuant to that Regulation either:

(i) as aid co-financed by the EAFRD; or

(ii) as additional national financing to the aid referred to in point (i);

and

(b) be identical to the underlying rural development measure provided for in the rural development programme referred to in point (a).

3. The aid shall be granted to help SMEs in rural areas benefit from the use of advisory services for the improvement of the economic and environmental performance, climate friendliness and resilience of their enterprise and investment.

4. The advice may cover issues linked to the economic and environmental performance of the beneficiary.

5. The aid shall not involve direct payment to the beneficiaries. The aid shall be paid to the provider of advisory services.

6. The provider of the advisory services shall have the appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability in the fields they advise in.

7. When providing advice, the providers of advisory services shall respect the non-disclosure obligations referred to in Article 13(2) of Regulation (EU) No 1306/2013.

8. Where appropriate, advice may be partly provided in groups, while taking into account the situations of the individual user of the advisory services.

9. The amount of aid shall be limited to EUR 1 500 per advice.

Article 47

Aid for knowledge transfer and information actions in favour of SMEs in rural areas

1. Aid for knowledge transfer and information actions in favour of SMEs in rural areas shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted

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from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 7 of this Article and in Chapter I.

2. The aid shall:

(a) be granted in the framework of a rural development programme in accordance with Regulation (EU) No 1305/2013 and the delegated and implementing acts adopted by the Commission pursuant to that Regulation either:

(i) as aid co-financed by the EAFRD; or

(ii) as additional national financing to the aid referred to in point (i);

and

(b) be identical to the underlying rural development measure provided for in the rural development programme referred to in point (a).

3. The aid shall cover vocational training and skills acquisition actions, including training courses, workshops and coaching, demonstration activities and information actions.

Aid to demonstration activities may cover relevant investment costs

4. The aid shall cover the following eligible costs:

(a) the costs of organising and delivering the knowledge transfer or information action;

(b) in case of demonstration projects related to investments:

(i) the construction, acquisition, including leasing, or improvement of immovable property, with land only being eligible to an extent not exceeding 10 % of total eligible costs of the operation concerned;

(ii) the purchase or lease purchase of machinery and equipment up to the market value of the asset;

(iii) general costs linked to expenditure referred to in points (i) and (ii), such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies; feasibility studies shall remain eligible expenditure even where, based on their results, no expenditure under points (i) and (ii) is incurred;

(iv) acquisition or development of computer software and acquisitions of patents, licenses, copyright and, trademarks;

(c) costs for travel, accommodation and per diem expenses of participants.

5. The aid shall not involve direct payments to the beneficiaries.

That aid shall be paid to the provider of the knowledge transfer and information actions.

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Bodies providing knowledge transfer and information actions shall have the appropriate capacities in the form of staff qualifications and regular training to carry out those tasks.

6. The aid shall be accessible to all those eligible undertakings active in the rural area concerned, based on objectively defined conditions.

7. The aid intensity shall be limited to the following rates:

(a) 60 % of the eligible costs in the case of medium-sized enterprises;

(b) 70 % of the eligible costs in the case of micro and small enterprises.

Article 48

Aid for new participation of active farmers in quality schemes for cotton and foodstuffs

1. Aid for new participation of active farmers and groups thereof that are SMEs in quality schemes for cotton and foodstuffs shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 7 of this Article and in Chapter I.

2. The aid shall:

(a) be granted in the framework of a rural development programme in accordance with Regulation (EU) No 1305/2013 and the delegated and implementing acts adopted by the Commission pursuant to that Regulation either:

(i) as aid co-financed by the EAFRD; or

(ii) as additional national financing to the aid referred to in point (i);

and

(b) be identical to the underlying rural development measure provided for in the rural development programme referred to in point (a).

3. The legal basis for the aid shall specify that the aid shall not be put into effect before the approval of the relevant rural development programme by the Commission.

4. Aid shall be granted for new participation in one of the following types of quality schemes:

(a) quality schemes for cotton and foodstuffs established under Regulation (EU) No 1151/2012;

(b) quality schemes for cotton and foodstuffs, including certification schemes, recognised by the Member States as complying with the following criteria:

(i) the specificity of the final product produced under such quality schemes is derived from clear obligations to guarantee:

— specific product characteristics,

— specific farming or production methods, or

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— a quality of the final product that goes significantly beyond the commercial commodity standards as regards public, animal or plant health, animal welfare or environmental protection;

(ii) the scheme is open to all producers;

(iii) the scheme involves binding final product specifications and compliance with those specifications is verified by public authorities or by an independent inspection body;

(iv) the scheme is transparent and assures complete traceability of agricultural products;

(c) voluntary foodstuff certification schemes recognised by the Member State concerned as meeting the requirements laid down in the Commission Communication — EU best practice guidelines for voluntary certification schemes for agricultural products and foodstuffs.

5. The aid shall be granted in the form of an annual incentive payment, the level of which shall be determined according to the level of the fixed costs arising from participation in quality schemes.

6. The aid shall be granted for a maximum period of five years.

7. The aid shall be limited to EUR 3 000 per beneficiary per year.

Article 49

Aid for information and promotion activities concerning cotton and foodstuffs covered by a quality scheme

1. Aid for information and promotion activities concerning cotton and foodstuffs covered by a quality scheme shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 11 of this Article and in Chapter I.

2. The aid shall:

(a) be granted in the framework of a rural development programme in accordance with Regulation (EU) No 1305/2013 and the delegated and implementing acts adopted by the Commission pursuant to that Regulation either:

(i) as aid co-financed by the EAFRD; or

(ii) as additional national financing to the aid referred to in point (i);

and

(b) be identical to the underlying rural development measure provided for in the rural development programme referred to in point (a).

3. The legal basis for the aid shall specify that the aid shall not be put into effect before the approval of the relevant rural development programme by the Commission.

4. The aid shall be granted to groups of producers implementing the information and promotion activities.

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5. Only information and promotion activities that are implemented in the internal market shall be eligible for aid

6. The aid shall be granted for information and promotion activities concerning cotton and foodstuffs which are covered by a quality scheme and for which aid is granted in accordance with Article 48 of this Regulation.

7. The aid shall cover the costs for actions having the following characteristics:

(a) be designed to induce consumers to buy the foodstuffs or the cotton covered by a quality scheme as referred to in Article 48(4) of this Regulation;

(b) draw attention to specific features or advantages of the foodstuff or the cotton, notably to the quality, specific production method, high animal welfare standards and respect for the environment linked to the quality scheme concerned.

8. The actions referred to in paragraph 6 of this article shall not incite consumers to buy a foodstuff or cotton due to their particular origin, except for those covered by the quality schemes set out in Title II of Regulation (EU) No 1151/2012.

9. The origin of the foodstuff or cotton may be indicated, provided that the mention of the origin is subordinate to the main message.

10. Information and promotion activities related to particular undertakings or of commercial brands shall not be eligible for aid.

11. The aid intensity shall be limited to 70 % of the eligible costs.

CHAPTER IV

TRANSITIONAL AND FINAL PROVISIONS

Article 50

Repeal

1. Regulation (EC) No 1857/2006 shall be repealed.

2. By way of derogation from paragraph 1 of this Article, Regulation (EC) No 1857/2006 shall continue to apply until 31 December 2015 to aid granted in connection with Council Regulation (EC) No 1698/2005 ([1]) and its implementing rules.

Article 51

Transitional provisions

1. This Regulation shall apply to individual aid granted before the date of entry into force of this Regulation, if that individual aid fulfils all the conditions laid down in this Regulation, with the exception of Articles 9 and 10.

2. Any aid not exempted from the notification requirement of Article 108(3) of the Treaty by virtue of this Regulation or other regulations adopted pursuant to Article 1 of Regulation (EC) No 994/98

([1]) Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (OJ L 277, 21.10.2005, p. 1).

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previously in force shall be assessed by the Commission in accordance with the European Union Guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014 to 2020 and the other relevant frameworks, guidelines, communications and notices.

3. Any individual aid granted before 1 January 2015 by virtue of any regulation adopted pursuant to Article 1 of Regulation (EC) No 994/98 in force at the time of granting the aid shall be compatible with the internal market and exempted from the notification requirement of Article 108(3) of the Treaty.

4. At the end of the period of validity of this Regulation, any aid schemes exempted under this Regulation shall remain exempted during an adjustment period of six months.

By way of derogation from the first subparagraph, at the end of the period of validity of this Regulation aid schemes falling within the scope of Regulation (EU) No 1305/2013 and either co-financed by EAFRD or granted as additional national financing for such co-financed measures shall remain exempted for the duration of the programming period in accordance with Regulation (EU) No 1305/2013 and its implementing rules.

Article 52

Entry into force and applicability

This Regulation shall enter into force on 1 July 2014.

It shall apply until 31 December 2020.

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

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ANNEX I

DEFINITION OF MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES

Article 1

Enterprise

An enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form. This includes, in particular, self-employed persons and family businesses engaged in craft or other activities, and partnerships or associations regularly engaged in an economic activity.

Article 2

Staff headcount and financial ceilings determining enterprise categories

1. The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.

2. Within the SME category, a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million.

3. Within the SME category, a microenterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.

Article 3

Types of enterprise taken into consideration in calculating staff numbers and financial amounts

1. An ‘autonomous enterprise’ is any enterprise which is not classified as a partner enterprise within the meaning of paragraph 2 or as a linked enterprise within the meaning of paragraph 3.

2. ‘Partner enterprises’ are all enterprises which are not classified as linked enterprises within the meaning of paragraph 3 and between which there is the following relationship: an enterprise (upstream enterprise) holds, either solely or jointly with one or more linked enterprises within the meaning of paragraph 3, 25 % or more of the capital or voting rights of another enterprise (downstream enterprise).

   However, an enterprise may be ranked as autonomous, and thus as not having any partner enterprises, even if this 25 % threshold is reached or exceeded by the following investors, provided that those investors are not linked, within the meaning of paragraph 3, either individually or jointly to the enterprise in question:

   (a) public investment corporations, venture capital companies, individuals or groups of individuals with a regular venture capital investment activity who invest equity capital in unquoted businesses (‘business angels’), provided the total investment of those business angels in the same enterprise is less than EUR 1 250 000;

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(b) universities or non-profit research centres;

(c) institutional investors, including regional development funds;

(d) autonomous local authorities with an annual budget of less than EUR 10 million and fewer than 5000 inhabitants.

3. 'Linked enterprises' are enterprises which have any of the following relationships with each other:

(a) an enterprise has a majority of the shareholders' or members' voting rights in another enterprise;

(b) an enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;

(c) an enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association;

(d) an enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders' or members' voting rights in that enterprise.

There is a presumption that no dominant influence exists if the investors listed in the second subparagraph of paragraph 2 are not involving themselves directly or indirectly in the management of the enterprise in question, without prejudice to their rights as stakeholders.

Enterprises having any of the relationships described in the first subparagraph through one or more other enterprises, or any one of the investors mentioned in paragraph 2, are also considered to be linked.

Enterprises which have one or other of such relationships through a natural person or group of natural persons acting jointly are also considered linked enterprises if they engage in their activity or in part of their activity in the same relevant market or in adjacent markets.

An 'adjacent market' is considered to be the market for a product or service situated directly upstream or downstream of the relevant market.

4. Except in the cases set out in paragraph 2, second subparagraph, an enterprise cannot be considered an SME if 25 % or more of the capital or voting rights are directly or indirectly controlled, jointly or individually, by one or more public bodies.

5. Enterprises may make a declaration of status as an autonomous enterprise, partner enterprise or linked enterprise, including the data regarding the ceilings set out in Article 2. The declaration may be made even if the capital is spread in such a way that it is not possible to determine exactly by whom it is held, in which case the enterprise may declare in good faith that it can legitimately presume that it is not owned as to 25 % or more by one enterprise or jointly by enterprises linked to one another. Such declarations are made without prejudice to the checks and investigations provided for by national or Union rules.

Article 4

Data used for the staff headcount and the financial amounts and reference period

1. The data to apply to the headcount of staff and the financial amounts are those relating to the latest approved accounting period and calculated on an annual basis. They are taken into account from the date of closure of the accounts. The amount selected for the turnover is calculated excluding value added tax (VAT) and other indirect taxes.

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2. Where, at the date of closure of the accounts, an enterprise finds that, on an annual basis, it has exceeded or fallen below the headcount or financial ceilings stated in Article 2, this will not result in the loss or acquisition of the status of medium-sized, small or microenterprise unless those ceilings are exceeded over two consecutive accounting periods.

3. In the case of newly established enterprises whose accounts have not yet been approved, the data to apply is to be derived from a bona fide estimate made in the course of the financial year.

Article 5

Staff headcount

The headcount corresponds to the number of annual work units (AWU), i.e. the number of persons who worked full-time within the enterprise in question or on its behalf during the entire reference year under consideration. The work of persons who have not worked the full year, the work of those who have worked part-time, regardless of duration, and the work of seasonal workers are counted as fractions of AWU. The staff consists of:

(a) employees;

(b) persons working for the enterprise being subordinated to it and deemed to be employees under national law;

(c) owner-managers;

(d) partners engaging in a regular activity in the enterprise and benefiting from financial advantages from the enterprise.

Apprentices or students engaged in vocational training with an apprenticeship or vocational training contract are not included as staff. The duration of maternity or parental leaves is not counted.

Article 6

Establishing the data of an enterprise

1. In the case of an autonomous enterprise, the data, including the number of staff, are determined exclusively on the basis of the accounts of that enterprise.

2. The data, including the headcount, of an enterprise having partner enterprises or linked enterprises are determined on the basis of the accounts and other data of the enterprise or, where they exist, the consolidated accounts of the enterprise, or the consolidated accounts in which the enterprise is included through consolidation.

   To the data referred to in the first subparagraph are added the data of any partner enterprise of the enterprise in question situated immediately upstream or downstream from it. Aggregation is proportional to the percentage interest in the capital or voting rights (whichever is greater). In the case of cross-holdings, the greater percentage applies.

   To the data referred to in the first and second subparagraph is added 100 % of the data of any enterprise, which is linked directly or indirectly to the enterprise in question, where the data were not already included through consolidation in the accounts.

3. For the application of paragraph 2, the data of the partner enterprises of the enterprise in question are derived from their accounts and their other data,

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consolidated if they exist. To these is added 100 % of the data of enterprises which are linked to these partner enterprises, unless their accounts data are already included through consolidation.

For the application of the same paragraph 2, the data of the enterprises which are linked to the enterprise in question are to be derived from their accounts and their other data, consolidated if they exist. To these is added, pro rata, the data of any possible partner enterprise of that linked enterprise, situated immediately upstream or downstream from it, unless it has already been included in the consolidated accounts with a percentage at least proportional to the percentage identified under the second subparagraph of paragraph 2.

4. Where in the consolidated accounts no staff data appear for a given enterprise, staff figures are calculated by aggregating proportionally the data from its partner enterprises and by adding the data from the enterprises to which the enterprise in question is linked.

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ANNEX II

INFORMATION REGARDING STATE AID EXEMPTED UNDER THIS REGULATION

as provided for in Article 9(1)

(Text with EEA relevance [1])

PART I

Aid reference	*(to be completed by the Commission)*	
Member State	.....	
Member State reference number	.....	
Region	**Name of the Region (*NUTS* [1])**	**Regional aid status** [2] ....
Granting authority	**Name**	.....
	Postal address **Web address**	....
Title of the aid measure	.....	
National legal basis (Reference to the relevant national official publication)	....	
Web link to the full text of the aid measure	.....	
Type of measure	☐ **Scheme**	
	☐ ***Ad hoc* aid**	**Name of the beneficiary and the group** [3] **it belongs to** .....
Amendment of an existing aid scheme or *ad hoc* aid		**Commission aid reference**
	☐ **Prolongation**	.....
	☐ **Modification**	.....
Duration [4]	☐ **Scheme**	dd/mm/yyyy **to** dd/mm/yyyy
Date of granting	☐ ***Ad hoc* aid**	dd/mm/yyyy
Economic sector(s) concerned	**Please specify at NACE group level** [5]	....

[1] Applicable only to aid concerning the forestry sector and products not listed in Annex I to the Treaty.

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Type of beneficiary	☐ **SME**		
	☐ **Large enterprises**		
Budget			
	☐ **Scheme: Overall amount** ([6])	**National currency … (full amounts)**	
	☐ **Ad hoc aid: Overall amount** ([7])	**National currency … (full amounts)**	
	For guarantees ([8])	**National currency … (full amounts)**	
Aid instrument	☐ **Direct grant/ Interest rate subsidy**		
	☐ **Subsidised services**		
	☐ **Loan/ Repayable advances**		
	☐ **Guarantee (where appropriate with a reference to the Commission decision** ([9])**)**		
	☐ **Tax advantage or tax exemption**		
	☐ **Other (please specify)** ..... **Indicate to which broad category below it would fit best in terms of its effect/ function:** ☐ **Grant** ☐ **Loan** ☐ **Guarantee** ☐ **Tax advantage**		
If co-financed by EU fund(s)	**Name of EU fund(s):**	**Amount of funding (as per EU fund)**	**National currency … (full amounts)** .....
Other information			

([1]) NUTS - Nomenclature of Territorial Units for Statistics. Typically, the region is specified at level 2.
([2]) Article 107(3)(a) of the Treaty on the Functioning of the European Union (status 'A'), Article 107(3)(c) of the Treaty on the Functioning of the European Union (status 'C'), unassisted areas namely areas that are not eligible for regional aid (status 'N').
([3]) An undertaking for the purposes of rules on competition laid down in the Treaty on the Functioning of the European Union and for the purposes of this Regulation is any entity engaged in an economic activity, regardless of its legal status and the way in which it is financed. The Court of Justice has ruled that entities which are controlled (on a legal or on a de facto basis) by the same entity should be considered as one undertaking.
([4]) Period during which the granting authority can commit itself to grant the aid.
([5]) NACE Rev. 2 - Statistical classification of Economic Activities in the European Union. Typically, the sector shall be specified at group level.
([6]) In the case of an aid scheme: Indicate the overall amount of the budget planned under the scheme or the estimated tax loss for its whole duration for all aid instruments contained in the scheme.
([7]) In case of an *ad hoc* aid award: Indicate the overall aid amount or tax loss.
([8]) For guarantees, indicate the maximum amount of loans guaranteed.
([9]) Where appropriate, reference to the Commission decision approving the methodology to calculate the gross grant equivalent, in accordance with Article 5(2)(c)(ii) of this Regulation.

▼B

PART II

Please indicate under which provision of this Regulation the aid is implemented

Primary objectives [1]	Maximum aid intensity in %	Maximum aid amount in national currency (in full amounts)
☐ **Aid for investments in tangible assets or intangible assets in agricultural holding linked to primary agricultural production (Article 14)**		
☐ **Aid for agricultural land consolidation (Article 15)**		
☐ **Aid for investments concerning the relocation of farm buildings (Article 16)**		
☐ **Aid for investments in connection with the processing of agricultural products and marketing of agricultural products (Article 17)**		
☐ **Start-up aid for young farmers and the development of small farms (Article 18)**		
☐ **Start-up aid for producer groups and organisations in the agricultural sector (Article 19)**		
☐ **Aid for participation of producers of agricultural products in quality schemes (Article 20)**		
☐ **Aid for knowledge transfer and information actions in the agricultural sector (Article 21)**		
☐ **Aid for advisory services in the agricultural sector (Article 22)**		
☐ **Aid for farm replacement services (Article 23)**		
☐ **Aid for the promotional measures in favour of agricultural products (Article 24)**		
☐ **Aid to compensate for damage caused by adverse climatic events which can be assimilated to a natural disaster (Article 25)**		
☐ **Aid for the costs of the prevention, control and eradication of animal diseases and plant pests and aid to make good the damage caused by animal diseases and plant pests (Article 26)**		
☐ **Aid to the livestock sector (Article 27(1)(a) or (b))**		
☐ **Aid for removal of fallen stock (Article 27(1)(c), (d) or (e))**		
☐ **Aid for the payment of insurance premiums (Article 28)**		

▼B

Primary objectives [1]	**Maximum aid intensity in %**	**Maximum aid amount in national currency (in full amounts)**
☐ **Aid for investments in favour of conservation of cultural and natural heritage located on the agricultural holding (Article 29)**		
☐ **Aid to make good the damage caused by natural disaster in the agricultural sector (Article 30)**		
Type of natural disaster	☐ earthquake ☐ avalanche ☐ landslide ☐ flood ☐ tornado ☐ hurricane ☐ volcanic eruption ☐ wild fire	
Date of occurrence of the natural disaster	From dd/mm/yyyy to dd/mm/yyyy	
☐ **Aid for research and development in the agricultural sector (Article 31)**		
☐ **Aid for research and development in the forestry sector (Article 31)**		
☐ **Aid for afforestation and creation of woodland (Article 32)**		
☐ **Aid for agroforestry systems (Article 33)**		
☐ **Aid for prevention and restoration of damage to forests from forest fire, natural disasters, adverse climatic events, plant pests and catastrophic events (Article 34)**		
☐ **Aid for investments improving the resilience and environmental value of forest ecosystems (Article 35)**		
☐ **Aid for disadvantages related to Natura 2000 forest areas (Article 36)**		
☐ **Aid for forest- environmental and climate services and forest conservation (Article 37)**		
☐ **Aid for knowledge transfer and information actions in the forestry sector (Article 38)**		
☐ **Aid for advisory services in the forestry sector (Article 39)**		
☐ **Aid for investments in infrastructure related to development, modernisation or adaptation of forestry sector(Article 40)**		

▼B

Primary objectives [1]	Maximum aid intensity in %	Maximum aid amount in national currency (in full amounts)
☐ **Aid for investments in forestry technologies and in processing, mobilising and marketing of forestry products (Article 41)**		
☐ **Aid for conservation of genetic resources in forestry (Article 42)**		
☐ **Aid for forestry land consolidation (Article 43)**		
☐ **Aid for investments concerning the processing of agricultural products into non-agricultural products or the production of cotton (Article 44)**		
☐ **Business start-up aid for non-agricultural activities in rural areas (Article 45)**		
☐ **Aid for advisory services for SMEs in rural areas (Article 46)**		
☐ **Aid for knowledge transfer and information actions in favour of SMEs in rural areas (Article 47)**		
☐ **Aid for new participation of active farmers in quality schemes for cotton or foodstuff (Article 48)**		
☐ **Aid for information and promotion activities concerning cotton and foodstuffs covered by a quality scheme (Article 49)**		
[1] Multiple objectives are possible; in this case indicate all objectives		

▼B

ANNEX III

Provisions for the publication of information as laid down in Article 9(2)

Member States shall organise their comprehensive State aid websites, on which the information provided for in Article 9(2) shall be published, in such a way as to allow easy access to that information. Information shall be published in a spreadsheet data format, which allows data to be searched, extracted and easily published on the Internet, such as CSV or XML format. Access to the State aid website shall be allowed to any interested party without restrictions. No prior user registration shall be required to access the State aid website.

The following information on individual aid award as laid down in Article 9(2)(c) shall be published:

a. Reference of the identification number of the aid ([1]);

b. Name of the beneficiary;

c. Type of enterprise (SME/large) at the date of granting the aid;

d. Region in which the beneficiary is located, at NUTS level II ([2]);

e. Sector of activity at NACE group level ([3]);

f. Aid element, expressed as full amount in national currency ([4]);

g. Aid instrument ([5]) (Grant/Interest rate subsidy, Loan/Repayable advances/Reimbursable grant, Guarantee, Tax advantage or tax exemption, Risk finance, Other (please specify));

h. Date of granting the aid;

i. Objective of the aid ([6]);

j. Granting authority;

([1]) As provided by the Commission under the procedure as referred to in Article 9(1) of this Regulation.

([2]) NUTS - Nomenclature of Territorial Units for Statistics. Typically, the region shall be specified at level 2.

([3]) Council Regulation (EEC) No 3037/90 of 9 October 1990 on the statistical classification of economic activities in the European Community (OJ No L 293, 24.10.1990, p. 1) as amended by Commission Regulation (EEC) No 761/93 of 24 March 1993 (OJ No L 83, 3.4.1993, p. 1, and corrigendum (OJ No L 159, 11.7.1995, p. 31).

([4]) Gross grant equivalent

([5]) If the aid is granted through multiple aid instruments, the aid amount shall be provided by an aid instrument

([6]) If the aid has multiple objectives, the aid amount shall be provided by an objective.