

**COMMISSION REGULATION (EC) No 2075/2000
of 29 September 2000**

amending Regulation (EC) No 1750/1999 laying down detailed rules for the application of Council Regulation (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

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

Whereas:

(1) During the period when the programming documents for rural development measures covered by Article 40 of Regulation (EC) No 1257/1999 were being adopted, it was found that some of the provisions of Commission Regulation (EC) No 1750/1999, of 23 July 1999, laying down detailed rules for the application of Regulation (EC) No 1257/1999 ⁽²⁾ did not cater for all eventualities.

(2) This Regulation therefore clarifies or supplements those provisions to allow for a more harmonised application of Regulation (EC) No 1750/1999 to all rural development measures, whether they are included in regional programmes under Objectives 1 or 2 or in rural development programmes. Under these circumstances, most of the amendments must apply from the same date as Regulation (EC) No 1750/1999, i.e. 1 January 2000.

(3) Scrutiny of the programming documents has revealed that it is very difficult for farms in rural areas facing very serious structural difficulties to meet the requirements for qualifying for investment support under Article 5 of Regulation (EC) No 1257/1999. In the case of small investments, the Member States should be allowed to grant a period of grace to enable farms to meet these requirements.

(4) As regards the setting-up of young farmers, Article 5 of Regulation (EC) No 1750/1999 lays down that the conditions set out in Article 8(1) of Regulation (EC) No

1257/1999 must be fulfilled at the time when the individual decision to grant support is taken. For 2000, the time between lodging of the application and the decision to grant support may be longer than expected given that the majority of programming documents are being adopted in the second half of the year. It is possible that the young farmer might no longer fulfil the age criterion, i.e. be less than forty years old, by the time the support is paid. Article 5 of Regulation (EC) No 1750/1999 should therefore be made more flexible for applications lodged in 2000.

(5) The exceptions referred to in Article 37(3) of Regulation (EC) No 1257/1999 must be presented in the rural development plans. That procedure should be extended to other programming documents including such measures presented under Objectives 1 and 2.

(6) Commission Regulation (EC) No 1685/2000 ⁽³⁾ lays down detailed rules for the implementation of Commission Regulation (EC) 1260/2000 ⁽⁴⁾ as regards eligibility of expenditure under operations part-financed by the Structural Funds, including the EAGGF Guidance Section. In the interests of consistency, that Regulation should also apply to measures part-financed by the EAGGF Guarantee Section, except where otherwise provided in Regulations (EC) No 1257/1999, (EC) No 1258/1999 ⁽⁵⁾ and (EC) No 1750/1999.

(7) Commission Decision 1999/659/EC of 8 September 1999 fixing an indicative allocation by Member State of the allocations under the European Agricultural Guidance and Guarantee Fund Guarantee Section for rural development measures for the period 2000 to 2006 ⁽⁶⁾ has been amended to specify that expenditure incurred under the earlier accompanying measures covered by Council Regulation (EEC) No 2078/92 ⁽⁷⁾, as last amended by Commission Regulation (EC) No 2772/95 ⁽⁸⁾, (EEC) No 2079/92 ⁽⁹⁾, as last amended by Commission Regulation (EC) No 2773/95 ⁽¹⁰⁾ and (EEC) No 2080/92 ⁽¹¹⁾, including measures under the Regulations repealed by those Regulations adopted in 1992, is an integral part of the allocations granted to the Member States. Moreover, under Commission Regulation (EC) No 2603/1999 of 9 December 1999 laying down rules for

⁽³⁾ OJ L 193, 29.7.2000, p. 39.

⁽⁴⁾ OJ L 142, 16.6.2000, p. 43.

⁽⁵⁾ OJ L 160, 26.6.1999, p. 103.

⁽⁶⁾ OJ L 259, 6.10.1999, p. 27.

⁽⁷⁾ OJ L 215, 30.7.1992, p. 85.

⁽⁸⁾ OJ L 288, 1.12.1995, p. 35.

⁽⁹⁾ OJ L 215, 30.7.1992, p. 91.

⁽¹⁰⁾ OJ L 288, 1.12.1995, p. 37.

⁽¹¹⁾ OJ L 215, 30.7.1992, p. 96.

⁽¹⁾ OJ L 160, 26.6.1999, p. 80.

⁽²⁾ OJ L 214, 13.8.1999, p. 31.

the transition to the rural development support provided for by Council Regulation (EC) No 1257/1999 ⁽¹⁾, as amended by Regulation (EC) No 1920/2000 ⁽²⁾, payments arising from certain commitments made before 1 January 2000 may be included in the rural development programming for 2000 to 2006, subject to certain conditions. This being the case, it is necessary to define more precisely what is included in the total amount of Community support fixed for each rural development plan in the programming document approved by the Commission, and to adjust the indicative overall financial table in point 8 of the Annex to Regulation (EC) No 1750/1999 accordingly.

(8) Furthermore, under Article 5 of Council Regulation (EC) No 1259/1999 of 17 May 1999 establishing common rules for direct support schemes under the common agricultural policy ⁽³⁾, the amounts accruing from penalties for failure to comply with environmental protection requirements and from modulation remain available to the Member States as additional Community support for certain rural development measures. Exactly what the Commission's approval covers in the case of such measures should be specified.

(9) When the Member States make changes to key parts of their rural development programming documents, such changes must be approved by the Commission. In the interests of consistency, the same rules should apply to changes to rural development measures financed by the EAGGF Guarantee Section included in single programming documents for Objective 2. In addition, it appears that the existing rules on changes to the financial allocation for each measure would systematically result in amending the programming documents each year, which would significantly impede programme management. Those rules should therefore be made more flexible.

(10) To ensure proper management of all the rural development measures financed by the EAGGF Guarantee Section, the rules on financing and control in Regulation (EC) No 1750/1999 should also apply to rural develop-

ment measures in the single programming documents for Objective 2 financed by the EAGGF Guarantee Section.

(11) Furthermore, Commission Regulation (EEC) No 3887/92 of 23 December 1992 laying down detailed rules for applying the integrated administration and control system for certain Community aid schemes ⁽⁴⁾, as last amended by Regulation (EC) No 2801/1999 ⁽⁵⁾, was significantly amended after the adoption of Regulation (EC) No 1750/1999. In the interests of clarity, therefore, the references made to that Regulation in Regulation (EC) No 1750/1999 should be amended.

(12) Expenditure incurred under the earlier accompanying measures covered by Council Regulations (EEC) No 2078/92, (EEC) No 2079/92 and (EEC) No 2080/92 and included in the financial programming for 2000 to 2006 must be included in the information to be provided by the Member States by 30 September each year under Article 37 of Regulation (EC) No 1750/1999. This being the case, the obligations arising from the financial monitoring rules in Article 17 of Commission Regulation (EC) No 746/96 ⁽⁶⁾, as last amended by Regulation (EC) No 435/97 ⁽⁷⁾, Articles 1 and 2 of Commission Regulation (EC) No 1404/94 ⁽⁸⁾ and Articles 1 and 2 of Commission Regulation (EC) No 1054/94 ⁽⁹⁾ must be repealed.

(13) The Committee on Agricultural Structures and Rural Development has not delivered an opinion within the time limit set by its Chair,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1750/1999 is amended as follows:

1. the following paragraph is added at the end of Article 2:

'In the case of farms located in rural areas where the structural difficulties caused by the very small size of farms are such that it is particularly difficult for them to meet the requirements of Article 5 of Regulation (EC) No 1257/1999, until 31 December 2002 and without prejudice to Article 37(1) of that Regulation and the second paragraph of this Article, Member States may grant such farms support for investments totalling less than EUR 25 000 to enable them to comply with the said requirements within a period of not more than three years from the date of the decision to grant the support.'

⁽¹⁾ OJ L 316, 10.12.1999, p. 26.

⁽²⁾ OJ L 231, 13.9.2000, p. 5.

⁽³⁾ OJ L 160, 26.6.1999, p. 113.

⁽⁴⁾ OJ L 391, 31.12.1992, p. 36.

⁽⁵⁾ OJ L 340, 31.12.1999, p. 29.

⁽⁶⁾ OJ L 102, 25.4.1996, p. 19.

⁽⁷⁾ OJ L 67, 7.3.1997, p. 2.

⁽⁸⁾ OJ L 154, 21.6.1994, p. 8.

⁽⁹⁾ OJ L 115, 6.5.1994, p. 6.

2. the following sentence is added to the first paragraph of Article 5:

'However, in the case of applications submitted for the first time in 2000, the condition laid down in the first indent of Article 8(1) of Regulation (EC) No 1257/1999 must be fulfilled at the time the application is lodged.'

3. Article 31(3) is replaced by the following:

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

4. the following Article is inserted at the end of Section 1 of Chapter III:

'Article 32a

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

(*) OJ L 193, 29.7.2000, p. 39.;

5. the following subparagraphs are added at the end of Article 33(2):

'That amount shall include:

- (a) expenditure on measures presented under the new rural development programming, including expenditure on evaluation under Article 49(2) of Regulation (EC) No 1257/1999;
- (b) expenditure incurred under earlier accompanying measures covered by Council Regulations (EEC) No 2078/92, (EEC) No 2079/92 and (EEC) No 2080/92;
- (c) expenditure incurred on measures under Article 4 of Commission Regulation (EC) No 2603/1999 (*) laying down rules for the transition to the rural development support provided for by Council Regulation (EC) No 1257/1999.

(*) OJ L 316, 10.12.1999, p. 26.;

6. the following paragraph is inserted after Article 33(2):

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

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

7. the first sentence of Article 35(1) is replaced by the following:

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

8. the first sentence of Article 35(2) is replaced by the following:

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

9. Article 35(2)(d) and (e) are replaced by the following:

'(d) changing the financial allocation for any measure by more than 10 % of the amount provided for the entire programming period, calculated on the basis of the programming document approved by the Commission.

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

10. the following subparagraph is inserted after the first subparagraph of Article 35(2):

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

11. the second subparagraph of Article 35(2) is replaced by the following:

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

12. Article 37(1) is replaced by the following:

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

- (a) a statement of expenditure incurred in the current financial year and of expenditure remaining to be disbursed by the end of that year and covered by Community support as defined in Article 33(2) of this Regulation, and
- (b) revised forecasts of such expenditure for subsequent financial years until the end of the programming period concerned, keeping within the allocation for each Member State.
- This information shall be transmitted in table format using a computerised model supplied by the Commission.;
13. Article 38 is replaced by the following:
- Article 38*
- For the month during which the decision approving a rural development programming document or a single programming document under Objective 2 in the case of rural development measures financed by the EAGGF Guarantee Section is adopted, the paying agencies may enter into the accounts as expenditure an advance not exceeding 12,5 % of the average annual EAGGF contribution provided for in the programming document, covering the expenditure referred to in Article 33(2) of this Regulation.
- The advance provided for in the first paragraph shall be entered into the accounts, for those countries whose currency is not the euro on the date of entry, using the rate of exchange valid on the penultimate Commission working day of the month preceding that in which the paying agencies enter the advance in the accounts.
- This advance shall represent working capital which, in principle, may be recovered only at the end of the programming period for each programming document or once the sum of the expenditure paid out by the EAGGF plus the amount of the advance equal the total amount of the EAGGF contribution provided for in the programming document.;
14. Article 39(4) is replaced by the following:
- '4. Paragraph 3 shall not apply to the first statement of expenditure under the rural development programming document or the single programming document under Objective 2 in the case of rural development measures financed by the EAGGF Guarantee Section.;
15. the following Article is inserted after Article 39 in Section IV of Chapter III:
- Article 39a*
- Articles 37, 38 and 39 of this Regulation shall not apply to expenditure incurred under Article 5 of Regulation (EC) No 1259/1999.;
16. the second sentence of Article 46(2) is replaced by the following:
- 'During the period covered by an undertaking, parcels receiving support may not be exchanged except in cases specifically provided for in the programming document.;
17. the first sentence of Article 47(4) is replaced by the following:
- 'On-the-spot checks shall be carried out in accordance with Articles 6, 7, 7a and 7b of Regulation (EEC) No 3887/92.;
18. Article 48(1) is replaced by the following:
- '1. Article 9(1), (2) and (3) of Regulation (EEC) No 3887/92 shall apply to support granted on the basis of areas and Article 10(2), (3), (4), (5), Article 10(b) and Article 10(f) of that Regulation shall apply to support granted on the basis of animals.
- Moreover, Articles 11(1)(a) and 14 of Regulation (EEC) No 3887/92 shall apply to such support.;
19. Article 49(2) is replaced by the following:
- '2. The Regulations and Decisions repealed in paragraph 1, with the exception of Article 17 of Regulation (EC) No 746/96, Articles 1 and 2 of Regulation (EC) No 1404/94 and Articles 1 and 2 of Regulation (EC) No 1054/94, shall continue to apply to measures approved by the Commission before 1 January 2000 under the Regulations referred to in Article 55(1) of Regulation (EC) No 1257/1999.;
20. the table in point 8 of the Annex is replaced by the table in the Annex to this Regulation.
21. the second indent in point 9.2.B of the Annex is replaced by the following:
- '— criteria to demonstrate economic viability (Chapters I, II, IV and VII).;
22. the following indent is added to point 9.3.I.B of the Annex:
- '— where applicable, a description of the rural areas facing structural difficulties as referred to in Article 2 of this Regulation.;
23. The second paragraph of point 12 of the Annex is replaced by the following:
- '2. *Detailed information on the implementation of Articles 46, 47 and 48 of this Regulation*
- This should include the specific inspection measures set up to verify the substance of applications and ensure compliance with the requirements for support, and the specific rules on penalties.;
24. the following paragraph is added to point 12 of the Annex:
- '3. *Detailed information on compliance with the general eligibility criteria laid down in Regulation (EC) No 1685/2000.*
- Article 32a of this Regulation.'

Article 2

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

With the exception of Article 1(13) and (19), it shall apply from 1 January 2000.

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

Done at Brussels, 29 September 2000.

For the Commission
Franz FISCHLER
Member of the Commission

APPLICATION OF THE APPROPRIATIONS RESULTING FROM MODULATION

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

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

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

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

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

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

— The different measures are defined as follows:

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

— EAGGF Guarantee Section resources for measures to promote the adaptation and development of rural areas (Article 33 of Regulation (EC) No 1257/1999) in Objective 2 (rural) areas: EUR ... million (% of total for Article 33).'