Commission Regulation (EC) No 1320/2006 of 5 September 2006 laying down rules for the transition to the rural development support provided for in Council Regulation (EC) No 1698/2005

COMMISSION REGULATION (EC) No 1320/2006

of 5 September 2006

laying down rules for the transition to the rural development support provided for in Council Regulation (EC) No 1698/2005

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the Treaty of Accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia,

Having regard to the Act of Accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia, and in particular Article 32(5) thereof,

Having regard to Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)[(1)], and in particular Article 92(1) thereof,

Whereas:

(1) Regulation (EC) No 1698/2005 is to apply from 1 January 2007. However, the provisions of Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)[(2)], repealed by Article 93 of Regulation (EC) No 1698/2005 as from 1 January 2007, are to continue to apply to actions approved by the Commission under those provisions before 1 January 2007.

(2) To facilitate the transition from existing support schemes under Regulation (EC) No 1257/1999 to the rural development support scheme under Regulation (EC) No 1698/2005, which covers the programming period starting on 1 January 2007 (the new programming period), transitional rules should be adopted to avoid any difficulties or delays in the implementation of rural development support during the transitional period.

(3) Rural development support under Regulation (EC) No 1698/2005 is to cover the new programming period, whereas rural development support under Regulation (EC) No 1257/1999 covers the programming period ending on 31 December 2006 (the current programming period). Depending on the source of financing involved and its financial management rules in the current programming period in accordance with Articles 35 and 36 and Article 47b(1) of Regulation (EC) No 1257/1999, a distinction should be made between support from the EAGGF Guarantee Section based on non-differentiated

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budget appropriations and the financial year ending on 15 October 2006 in the Member States of the Community as constituted at 30 April 2004 on the one hand, and other support from the EAGGF Guidance or Guarantee Section for all Member States as provided for in Articles 29 to 32 of Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds[(3)] on the other hand. In the latter case the final date of eligibility for expenditure is fixed in the Decisions approving Community support.

(4) For rural development support financed by the EAGGF Guarantee Section and relating to programming in the Member States of the Community as constituted at 30 April 2004, transitional provisions should be laid down for payments from 16 October to 31 December 2006, as well as for commitments to beneficiaries in the current programming period for which payments may take place after 31 December 2006 during the new programming period.

(5) For other support from the EAGGF Guidance or Guarantee Section in all Member States concerned as provided for in Articles 29 to 32 of Regulation (EC) No 1260/1999, owing to the overlapping of the current and new programming periods, from 1 January 2007 to the final date of eligibility for expenditure fixed in the Decisions approving Community support, a number of transitional arrangements should be made in terms of general principles and as regards certain rural development measures, including those involving multiannual commitments. For lessfavoured areas and agri-environment, Article 5(1) of Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers[(4)] provides for the application of good farming practice in the framework of Regulation (EC) No 1257/1999. For agri-environment more particularly, Article 21(3) of Commission Regulation (EC) No 817/2004 of 29 April 2004 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)[(5)] allows Member States to extend agri-environmental commitments within the current programming period.

(6) There is a need to ensure the transition between the two programming periods as regards the derogation concerning compliance with Community standards in accordance with Article 33l(2a) and (2b) of Regulation (EC) No 1257/1999 in the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia (‘the new Member States’).

(7) To guarantee better implementation of the new programming period as regards agri-environment and animal welfare, Member States should be allowed to authorise the transformation of an agri-environmental or animal welfare commitment entered into on the basis of Regulation (EC) No 1257/1999 into a new commitment for a period of between five to seven years as a general rule under Regulation (EC) No 1698/2005 provided that the new commitment is beneficial to the environment or to animal welfare.

(8) There is a need to establish specific transitional rules on expenditure relating to technical assistance, including *ex ante* and *ex post* evaluations for all types of programming.

(9) The transition to the new programming period should be ensured for certain measures involving multiannual commitments under Council Regulation (EC) No 1268/1999 of 21 June 1999 on Community support for pre-accession measures for agriculture and rural development in the applicant countries of central and eastern Europe in the pre-accession period[(6)] in the new Member States.

(10) The Member States should ensure that transitional operations are clearly identified through their management and control systems. This is particularly crucial for certain types of support in all Member States for the sake of sound financial management and to prevent any risk of double financing owing to the overlapping of the programming periods from 1 January 2007 to the final date of eligibility for expenditure fixed in the Decisions approving Community support.

(11) A correlation table for measures under the current and the new programming periods should be made available in order to clearly identify rural development measures over the two programming periods.

(12) The measures provided for in this Regulation are in accordance with the opinion of the Rural Development Committee,

HAS ADOPTED THIS REGULATION:

TITLE I

SCOPE AND DEFINITIONS

Article 1

This Regulation lays down specific rules to facilitate the transition from the rural development programming under Regulations (EC) No 1257/1999 and (EC) No 1268/1999 to that established by Regulation (EC) No 1698/2005.

Article 2

For the purposes of this Regulation, the following definitions shall apply:

(a) ‘measures co-financed by the EAGGF Guarantee Section’ means rural development measures as provided for in Regulation (EC) No 1257/1999, co-financed by the European Agricultural Guidance and Guarantee Fund (EAGGF) Guarantee Section and applicable in the Member States of the Community as constituted at 30 April 2004;

(b) ‘measures co-financed by the EAGGF Guidance Section and/or Guarantee Section’ means:

  (i) rural development measures as provided for in Regulation (EC) No 1257/1999, co-financed by the EAGGF Guidance Section, applicable in all Member States and to which Regulation (EC) No 1260/1999 applies;

  (ii) measures under the Leader Community Initiative, provided for in Article 20(1)(c) of Regulation (EC) No 1260/1999;

  (iii) rural development measures as provided for in Regulation (EC) No 1257/1999, co-financed by the EAGGF Guarantee Section, applicable in the

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new Member States and to which Articles 29 to 32 of Regulation (EC) No 1260/1999 apply;

(c) 'new Member States' means the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia;

(d) 'current programming period' means the programming period under Regulation (EC) No 1257/1999 ending on 31 December 2006;

(e) 'new programming period' means the programming period under Regulation (EC) No 1698/2005 starting on 1 January 2007;

(f) 'commitments' means legal commitments undertaken to beneficiaries of rural development measures by the Member States;

(g) 'payments' means payments made to beneficiaries of rural development measures by the Member States;

(h) 'multiannual commitments' means commitments relating to:

(i) the following measures: early retirement of farmers and farm workers, agri-environment and animal welfare, meeting standards support to farmers, food quality support to farmers, afforestation of agricultural land, support for semi-subsistence farms and support for setting up producer groups;

(ii) support through interest rate subsidies, support through leasing and support for the setting up of young farmers where the single premium referred to Article 8(2)(a) of Regulation (EC) No 1257/1999 is fractioned into several instalments payable in a period exceeding 12 months from the date of payment of the first instalment.

TITLE II

TRANSITIONAL RULES FOR REGULATION (EC) No 1257/1999

CHAPTER 1

Measures co-financed by the EAGGF Guarantee Section

Article 3

1 Payments made between 16 October and 31 December 2006 under the current programming period shall be eligible under the European Agricultural Fund for Rural Development (EAFRD) pursuant to Article 39(1)(c) of Council Regulation (EC) No 1290/2005[7] only if they are made after the finalisation of payments authorised in accordance with the second sentence of Article 39(1)(a) of that Regulation.

Eligible payments referred to in the first subparagraph shall be declared to the Commission by 31 January 2007, irrespective of Commission approval of the rural development programme concerned. Payment by the Commission shall, however, be made only once the programme has been approved.

2 Expenditure relating to commitments undertaken in the current programming period with payments to be made after 31 December 2006 shall be eligible under the EAFRD in the new programming period.

However, payments relating to non-multiannual commitments undertaken by 31 December 2006 must comply with the eligibility conditions of the new programming period insofar as they extend beyond 31 December 2008.

Rural development programmes for the new programming period must make a provision for expenditure referred to in the first subparagraph.

CHAPTER 2

Measures co-financed by the EAGGF Guidance Section and/or Guarantee Section

Section 1

Common rules

Article 4

1 Without prejudice to Articles 5 and 6, Member States may continue, within the current programming period, to undertake commitments and make payments from 1 January 2007 to the final date of eligibility for expenditure fixed in the Decisions approving Community support for operational programmes or rural development programming documents.

However, for a given type of measures or sub-measures as listed in Annex I, Member States shall start undertaking commitments under Regulation (EC) No 1698/2005 from the date from which no further commitments are undertaken in the current programming period at programme level in accordance with the first subparagraph of this paragraph.

The second subparagraph of this paragraph may not apply for the transition from the Leader Community Initiative to the Leader Axis of the new programming period where the integrated local development strategies, to be implemented by local action groups referred to in Article 62 of Regulation (EC) No 1698/2005 which are selected for the new programming period, are new and/or the same rural territory has not benefited from the Leader Community Initiative.

2 Expenditure relating to commitments undertaken in the current programming period with payments to be made after the final date of eligibility for expenditure of that programming period shall be eligible under the EAFRD in the new programming period subject to Articles 7 and 8.

Article 5

1 In the case of the agri-environment and animal welfare measures in the new Member States, only expenditure linked to commitments undertaken by 31 December 2006 in the current programming period for which payments are to be made after that date shall be eligible under the EAFRD in the new programming period.

2 Expenditure referred to in paragraph 1 shall be eligible under the EAFRD in the new programming period from:

a the final date of eligibility for expenditure of the current programming period, where payments continue after that date; or

b a date earlier than the date referred to in point (a) but after 1 January 2007, where the amount allocated to the programme and/or measure has already been used up.