Commission Regulation (EC) No 1360/2005 of 18 August 2005 amending Regulation (EC) No 817/2004 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)

COMMISSION REGULATION (EC) No 1360/2005

of 18 August 2005

amending Regulation (EC) No 817/2004 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)

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 34 thereof,

Whereas:

(1) Article 23 of Regulation (EC) No 1257/1999 provides that the Community may fund farmers who enter into agri-environmental commitments, but that these are to involve more than the application of usual good farming practice. Some of the agri-environmental commitments, given for a five-year period, expire before 31 December 2006. With the introduction of the principle of cross-compliance provided for in Chapter 1 of Title II of Council Regulation (EC) No 1782/2003, establishing common rules for direct support schemes under the common agricultural policy[(2)], the obligations which apply to farmers in the absence of agri-environmental commitments are different. New rules will apply to the agri-environmental measure for the next rural development programming period 2007 to 2013.

(2) Instead of signing new five-year-contracts under rules applicable to the current programming period, Member States may wish to extend agri-environment contracts with farmers currently in force so that the last year of the commitment does not start later than 31 December 2006.

(3) Greater flexibility should be provided in the framework of Commission Regulation (EC) No 817/2004[(3)] in cases where farmers have transferred significant parts of the area for which the initial agri-environment commitment was given, while ensuring that the environmental benefits of the commitment are continued.

(4) Regulation (EC) No 817/2004 should therefore be amended accordingly. The amendments should apply as from 1 January 2005, when some of the initial contracts might have expired.

Changes to legislation: *There are currently no known outstanding effects for the Commission Regulation (EC) No 1360/2005. (See end of Document for details)*

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

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 817/2004 is amended as follows:

1) In Article 21, the following paragraph is added:

3. Where agro-environmental commitments expire before the end of the programming period fixed in Article 42 of Regulation (EC) No 1257/1999, Member States may extend them provided that the last year of the commitment does not start later than 31 December 2006.

The Member States may authorise adaptations to the areas of the holding covered by the commitment to take into account a transfer of a part of the beneficiary's holding to another person during the extension period, provided that those adaptations do not reduce by more than 50 % the area covered by the commitment.

2) The first and second paragraphs of Article 36 are replaced by the following:

Where all or part of a holding of the beneficiary is transferred to another person during the period for which a commitment given as a condition for the grant of assistance runs that other person may take over the commitment for the remainder of the period. If the commitment is not taken over, the beneficiary shall reimburse the assistance granted.

Member States, applying the principle of proportionality, may choose not to require such reimbursement in the following cases:

(a) if a beneficiary who has already honoured a significant part of the commitment concerned definitively ceases agricultural activities and it is not feasible for a successor to take over the commitment;

(b) if the transfer of a part of the holding of a beneficiary occurs during a period of extension of the commitment in accordance with Article 21(3) and if the transfer does not exceed 50 % of the area covered by the commitment before the extension.

Article 2

This Regulation shall enter into force on the seventh day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2005. However, the first sub-paragraph of paragraph 3 of Article 21 of Regulation (EC) No 817/2004, as added by Article 1(1) of this Regulation, shall not affect the validity of commitments extended before the date of entry into force of this Regulation.

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