COMMISSION REGULATION (EC) No 963/2003

of 4 June 2003

amending Regulation (EC) No 445/2002 laying down detailed rules for the application of Council Regulation (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)

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 Articles 34, 45 and 50 thereof,

Whereas:

(1) In the light of the experience gained in applying Commission Regulation (EC) No 445/2002 [2], the Member States and the Commission have found that some of its provisions should be simplified.

(2) In order to make the monitoring of rural development programmes more flexible, Regulation (EC) No 445/2002 should be simplified, in particular as concerns the procedure for amending programming documents and the indicative overall financial table.

(3) It has been found that the time limit for notifying cases of *force majeure* and providing the relevant evidence may be too short in certain cases. Member States should therefore be given the right to extend that time limit.

(4) Since the beginning of the programming period standard unit costs have frequently been fixed for certain investments part-financed under the first, second and sixth indents of Article 30(1) and under Article 31 of Regulation (EC) No 1257/1999. In the interests of clarity and in order to simplify the management of those measures, provision should be made from 2000 onwards to allow the exemption of beneficiaries from the requirement to present invoices under 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 part-financed by the Structural Funds [3]. The conditions by which Member States may apply such standard costs should also be laid down in order to ensure efficient management.

(5) To facilitate the financial administration of rural development programmes, the conditions for amending the financing of measures should be relaxed so that only substantial amendments to the financing of programmes are subject to the management committee procedure.

(6) Provision should be made for the possibility of exceeding the limit on submitting amendments to programming documents to the Commission in cases where such amendments are the result of a natural disaster or other exceptional occurrence with a major impact on the Member State's programming.

(7) The procedure should be changed for amendments to rural development programming documents and single programming documents under Objective 2 in the case of rural development measures financed by the EAGGF Guarantee Section which do not require approval from the Commission. Communication of financial amendments to the Commission should be rapid and efficient, as should the Commission's examination of other amendments.

(8) To ensure effective and regular monitoring, the Member States should make a consolidated and updated electronic version of their programming documents available to the Commission.

(9) The deadline for submitting the annual progress reports provided for in Article 48(2) of Regulation (EC) No 1257/1999 should be the date provided for in the context of multiannual assistance under Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds [4], as amended by Regulation (EC) No 1447/2001 [5].

(10) In order to give the Member States more flexibility as regards the Community's contribution to the financing of evaluation, the minimum level of co-financing for *ex post* evaluation should be abolished.

(11) The fact that investment measures are often implemented over several years should be taken into account in order to ensure optimal on-the-spot checking in terms of both the choice of beneficiary and the period of inspection and avoid checks which are not relevant.

[1] OJ L 160, 26.6.1999, p. 80.
[2] OJ L 74, 15.3.2002, p. 1.
[3] OJ L 193, 29.7.2000, p. 39.
[4] OJ L 161, 26.6.1999, p. 1.
[5] OJ L 198, 21.7.2001, p. 1.

(12) The technical constraints of aid schemes for forestry measures other than afforestation of agricultural land make superfluous the sanctions provided for in Articles 30 and 31 and Article 32(1) of Commission Regulation (EC) No 2419/2001 of 11 December 2001 laying down detailed rules for applying the integrated administration and control system for certain Community aid schemes established by Council Regulation (EEC) No 3508/92 [1], as amended by Regulation (EC) No 2550/2001 [2].

(13) Article 44 of Regulation (EC) No 2419/2001 providing for exceptions from the application of reductions in and exclusions from aid applies to support granted on the basis of land area or number of animals. In the interests of consistency, those exceptions should be extended to other rural development measures.

(14) Information on the effect of former accompanying measures under Council Regulation (EEC) No 2078/92 [3], Council Regulation (EEC) No 2079/92 [4], and Council Regulation (EEC) No 2080/92 [5], where such measures form part of the financial programming for 2000 to 2006, should be included in the annual report provided for in Article 48(2) of Regulation (EC) No 1257/1999. In addition, the expenditure arising under such measures should be included in the information which Member States are required to supply by 30 September each year as provided for in Article 47 of Regulation (EC) No 445/2002. Taking into account those matters, the requirements as regards financial monitoring provided for in Article 17 of Commission Regulation (EC) No 746/96 [6], Articles 1 and 2 of Commission Regulation (EC) No 1404/94 [7] and Articles 1 and 2 of Commission Regulation (EC) No 1054/94 [8] should be deleted.

(15) It appears that the requirement of approval by the Commission for amendments to some of the main features of support measures referred to in Annex II to Regulation (EC) No 445/2002 has made the management of programmes cumbersome. That Annex should therefore be amended so that such changes may be decided by the Member States and notified to the Commission.

(16) Regulation (EC) No 445/2002 should therefore be amended accordingly.

(17) 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 445/2002 is hereby amended as follows:

1. in Article 33(2), the following sentence is added:

   'That deadline may be extended by 20 working days so long as that possibility is provided for in the programming document.';

2. in Section 1 of Chapter II, the following Article 39a is added:

   '*Article 39a*

   1. Member States applying standard unit costs for establishing the cost of certain forestry investments under the first, second and sixth indents of Article 30(1) and under Article 31 of Regulation (EC) No 1257/1999 may exempt beneficiaries from the requirement to present receipted invoices or accounting documents of equivalent probative value for the investments concerned as provided for in point 2 of Rule 1 of the Annex to Regulation (EC) No 1685/2000.

   2. The costs referred to in paragraph 1 may be applied provided the following conditions are fulfilled:

   (a) the costs are calculated by the competent public authorities on the basis of objective criteria permitting determination of the cost of individual activities, taking account of specific local conditions and avoiding any overcompensation;

   (b) the part-financed investments are made between the date the aid application is submitted and the date final payment of that aid is made.';

3. Article 44 is amended as follows:

   (a) paragraph 2 is amended as follows:

      (i) points (b), (c) and (d) are replaced by the following:

         'b) the main features of the support measures as referred to in Annex II;

         c) the overall amount of Community support and the overall total eligible cost or eligible public expenditure fixed in the decision approving the programming document;

         d) the distribution of the financial allocation made for the measures contained in the programming document, where it exceeds:

            — 15 % of the total eligible cost of the programme concerned for the entire programming period, if the Community contribution is based on the total eligible cost,

[1] OJ L 327, 12.12.2001, p. 11.
[2] OJ L 341, 22.12.2001, p. 105.
[3] OJ L 215, 30.7.1992, p. 85, repealed by Regulation (EC) No 1257/1999.
[4] OJ L 215, 30.7.1992, p. 91, repealed by Regulation (EC) No 1257/1999.
[5] OJ L 215, 30.7.1992, p. 96, repealed by Regulation (EC) No 1257/1999.
[6] OJ L 102, 25.4.1996, p. 19, repealed by Regulation (EC) No 1750/1999.
[7] OJ L 154, 21.6.1994, p. 8, repealed by Regulation (EC) No 1750/1999.
[8] OJ L 115, 6.5.1994, p. 6, repealed by Regulation (EC) No 1750/1999.

— 20 % of the total eligible public expenditure for the programme concerned for the entire programming period, if the Community contribution is based on the eligible public expenditure,

calculated on the basis of the financial table annexed to the Commission Decision approving the programming document, as last amended.'

(ii) point (e) and the second subparagraph are deleted;

(b) paragraph 3 is replaced by the following:

'3. The amendments referred to in paragraph 2 shall be submitted to the Commission in a single proposal per programme no more than once per calendar year.

The first subparagraph shall not apply where amendments are required as a result of a natural disaster or other exceptional occurrence with a major impact on the Member State's programming.';

(c) paragraph 4 is replaced by the following:

'4. Amendments of a financial nature which are not covered by paragraph 2(d) and amendments to the Community contribution rate as referred to in the first indent of point 9(2) B of Annex II shall be communicated to the Commission together with the financial table amended in accordance with point 8 of Annex II. They shall enter into force on the date on which they are received by the Commission.

The amendments of a financial nature referred to in the first subparagraph when totalled over a calendar year may not exceed the ceilings provided for in paragraph 2(d).';

(d) in paragraph 5, 'at least two months' is replaced by 'at least three months';

4. in Section 2 of Chapter II, the following Article 45a is added:

'*Article 45a*

Member States shall make available to the Commission a consolidated electronic version of their programming documents, updated following each amendment. They shall provide the Commission with the electronic address at which the consolidated versions of programming documents can be consulted and shall inform it each time they are updated.

Furthermore, Member States shall keep an electronic version of all the previous versions of their programming documents.';

5. in Article 51, the second sentence of the second paragraph is deleted;

6. in Article 53(1), '30 April of each year' is replaced by '30 June of each year';

7. in Article 61, the following sentence is added to the second paragraph:

'For investment support measures under Title II, Chapters I, VII, VIII and IX of Regulation (EC) No 1257/1999, Member States may provide that on-the-spot checks concern only those projects in the process of completion.';

8. Article 62 is replaced by the following:

'*Article 62*

Articles 30 and 31 and Article 32(1) of Regulation (EC) No 2419/2001 shall apply to area payments. Those provisions shall not apply to support under forestry measures other than afforestation of agricultural land.

Articles 36, 38 and 40 of that Regulation shall apply to support based on livestock.';

9. the following Article 62a is inserted:

'*Article 62a*

1. Article 44 of Regulation (EC) No 2419/2001 shall apply to support granted to all rural development measures.

2. In the event of undue payment, the beneficiary under a rural development measure shall be under an obligation to repay the amount concerned in accordance with Article 49 of Regulation (EC) No 2419/2001.';

10. in Article 65, paragraph 2 is replaced by the following:

'2. The Regulations and Decisions repealed by Regulation (EC) No 1750/1999, with the exception of Article 17 of Commission Regulation (EC) No 746/96 (*), Articles 1 and 2 of Commission Regulation (EC) No 1404/94 (**) and Articles 1 and 2 of Commission Regulation (EC) No 1054/94 (***), shall continue to apply to actions approved by the Commission before 1 January 2000 under the Regulations referred to in Article 55(1) of Regulation (EC) No 1257/1999.

(*) OJ L 102, 25.4.1996, p. 19.
(**) OJ L 154, 21.6.1994, p. 8.
(***) OJ L 115, 6.5.1994, p. 6.';

11. in Article 66, the following paragraph is added:

'Article 39a(1) shall apply from 1 January 2000.';

12. Annex II is amended in accordance with the Annex to this Regulation.

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*.

However, point (3)(a) and point (12) of Article 1 of this Regulation shall not apply to amendments to rural development programming documents and rural development measures funded by the EAGGF Guarantee Section contained in single programming documents under Objective 2 which had been received by the Commission before the entry into force of this Regulation and which have not yet been the subject of a Commission decision by that date.

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

Done at Brussels, 4 June 2003.

For the Commission
Franz FISCHLER
Member of the Commission