COMMISSION REGULATION (EC) No 27/2004

of 5 January 2004

laying down transitional detailed rules for the application of Council Regulation (EC) No 1257/1999 as regards the financing by the EAGGF Guarantee Section of rural development measures in the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia

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 [1], and in particular Article 2(3) thereof,

Having regard to the Act of Accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia [2], and in particular the first paragraph of Article 41 thereof,

Whereas:

(1) Articles 47a(2) and (3) and 47b 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) and amending and repealing certain Regulations [3], as amended by the Act of Accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia, lay down special rules for the financing by the EAGGF Guarantee Section of the rural development measures referred to in Article 47a(1) of that Regulation. In particular, they lay down that certain provisions of Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds [4], as last amended by that Act of Accession, should apply.

(2) These rules enter into force on the accession of the new Member States. In order to facilitate the transition between the existing rules on the operation of the EAGGF Guarantee Section, laid down in particular in Council Regulation (EC) No 1258/1999 of 17 May 1999 on the financing of the common agricultural policy [5] and the rules of application, and the special rules laid down by Regulation (EC) No 1257/1999, implementing measures should be laid down.

(3) Since the new Member States have not adopted the single currency, special provisions should be laid down on, among other things, the exchange rate to be used for declarations of expenditure, in derogation from Commission Regulation (EC) No 2808/98 of 22 December 1998 laying down detailed rules for the application of the agrimonetary system for the euro in agriculture [6].

(4) Commission Regulation (EC) No 445/2002 of 26 February 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) [7] lays down financial provisions that are incompatible with the special rules laid down in Articles 47a and 47b of Regulation (EC) No 1257/1999. Those provisions should not be applied to the rural development programming documents of the new Member States.

(5) Articles 33h and 33i of Regulation (EC) No 1257/1999 provide respectively for part-financing under rural development programming of complements to direct payments and complements to State aid in Malta. Given the very specific nature of these measures, special provisions should be laid down for their administration and control.

(6) Since the accession of the new Member States will take place on 1 May 2004 rather than at the beginning of the year, special measures should be laid down for the submission of applications for support for aid to less-favoured areas in 2004 so as to ensure that the new Member States fulfil their obligations as regards controls.

(7) The measures provided for in this Regulation are in accordance with the opinion of the Committee for the European Agricultural Guidance and Guarantee Fund,

HAS ADOPTED THIS REGULATION:

Article 1

Field of application

This Regulation lays down transitional detailed rules for the application of the financial provisions laid down in Articles 47a and 47b of Regulation (EC) No 1257/1999 applicable to the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia (hereafter referred to as the 'new Member States').

[1] OJ L 236, 23.9.2003, p. 17.
[2] OJ L 236, 23.9.2003, p. 33.
[3] OJ L 160, 26.6.1999, p. 80.
[4] OJ L 161, 26.6.1999, p. 1.
[5] OJ L 160, 26.6.1999, p. 103.
[6] OJ L 349, 24.12.1998, p. 36. Regulation last amended by Regulation (EC) No 816/2003 (OJ L 116, 13.5.2003, p. 12).
[7] OJ L 74, 15.3.2002, p. 1. Regulation last amended by Regulation (EC) No 963/2003 (OJ L 138, 5.6.2003, p. 32).

Article 2

Eligibility of expenditure

1. For the purposes of the second subparagraph of Article 30(2) of Regulation (EC) No 1260/1999, the final date for the eligibility of expenditure laid down in the Commission decisions approving the rural development programming documents of the new Member States shall relate to payments made by the paying agencies referred to in Article 4 of Regulation (EC) No 1258/1999.

2. Without prejudice to Article 33(5) of the Act of Accession, only expenditure relating to operations selected for part-financing under Regulation (EC) No 1257/1999 in accordance with the selection criteria and procedures laid down and which have been subject to Community rules over the whole period during which they have been incurred shall be eligible.

Article 3

Payments

1. References to the paying authority in Article 32 of Regulation (EC) No 1260/1999 shall be understood as being references to the paying agencies referred to in Article 4 of Regulation (EC) No 1258/1999.

2. For the purpose of Article 32(1) of Regulation (EC) No 1260/1999, interim payments and payments of the final balance shall relate to payments actually made by the paying agencies.

3. For the application of Article 32(3) of Regulation (EC) No 1260/1999, interim payments under rural development programming documents shall be subject to the following conditions:

(a) submission to the Commission of the latest annual implementation report due, provided for in the third subparagraph of Article 48(2) of Regulation (EC) No 1257/1999;

(b) submission of the latest annual accounts due as required under Article 6(1)(b) of Regulation (EC) No 1258/1999.

4. For the purposes of Article 32(4) of Regulation (EC) No 1260/1999, the final balance under rural development programming documents shall be paid on the basis of the latest clearance of accounts decision provided for in Article 7(3) of Regulation (EC) No 1258/1999.

5. Certified payment applications shall be presented in accordance with the model given in the Annex hereto.

Article 4

Paying agencies

1. Each paying agency shall keep accounts covering exclusively the use of the funds made available to it to defray expenditure on the measures provided for in the rural development programming documents.

2. The paying agencies shall ensure that the Community contribution is paid to the beneficiary at the same time as or after the national contribution is paid.

Article 5

Use of the euro

Commission decisions, commitments, declarations of expenditure in support of payment applications and payments shall be expressed in euro in accordance with Commission Regulation (EC) No 643/2000 [1].

However, in the case of the measure provided for in Articles 33h of Regulation (EC) No 1257/1999, the new Member States shall convert expenditure incurred in national currency into euro using the exchange rate applicable to direct support schemes.

Article 6

Statements and forecasts of expenditure

Articles 47, 48 and 49 of Regulation (EC) No 445/2002 shall not apply to the rural development programming documents of the new Member States.

Article 7

Clearance of accounts

1. For the purposes of Article 5(1) of Commission Regulation (EC) No 1663/95 [2], the accounts referred to in Article 4(1) thereof shall include:

(a) annual expenditure summarised by rural development measure;

(b) a table showing the differences between the expenditure declared under (a) and that declared for the purpose of the interim payments referred to in Article 3(3) of this Regulation;

(c) a table, extracted from the debtors' ledger, showing the total debts identified but not yet recovered at the end of the financial year for rural development measures.

2. For the purposes of the second subparagraph of Article 7(1) of Regulation (EC) No 1663/95, amounts recoverable or payable under the clearance of accounts decision referred to in Article 7(3) of Regulation (EC) No 1258/1999 shall be deducted from or added to subsequent payments made by the Commission.

[1] OJ L 78, 29.3.2000, p. 4.
[2] OJ L 158, 8.7.1995, p. 6. Regulation last amended by Regulation (EC) No 2025/2001 (OJ L 274, 17.10.2001, p. 3).

Article 8

Complements to direct payments

1. Notwithstanding Article 58 of Regulation (EC) No 445/2002, payments by the paying agency relating to the complement to direct payments provided for in Article 33h of Regulation (EC) No 1257/1999 shall be made on the basis of the payment application submitted for the complementary national direct payment or the complementary national direct aid provided for in Article 1c of Council Regulation (EC) No 1259/1999 [1]. In the case of the new Member States who apply Article 1a of Regulation (EC) No 1259/1999, the paying agency shall ensure that the complement to direct payments is paid at the same time as or after the Community direct payment under the support schemes referred to in Article 1 of Regulation (EC) No 1259/1999.

2. Notwithstanding Articles 59 to 64 of Regulation (EC) No 445/2002, the Member States shall apply Council Regulation (EEC) No 3508/92 [2] and Commission Regulation (EC) No 2419/2001 [3] in the case of the measure provided for in Article 33h of Regulation (EC) No 1257/1999.

Article 9

Complements to State aid in Malta

Notwithstanding Article 58 of Regulation (EC) No 445/2002, payments by the paying agency relating to the complements to State aid in Malta provided for in Article 33i of Regulation (EC) No 1257/1999 shall be made on the basis of the payment application submitted for State aid.

Article 10

Transitional provisions for 2004

Beneficiaries must submit applications for the compensatory allowances provided for in Chapter V of Regulation (EC) No 1257/1999 for 2004 to the competent authorities before 1 July 2004 or by a later date to be laid down by the new Member States compatible with their control obligations under Section 6 of Chapter II of Regulation (EC) No 445/2002.

Article 11

Entry into force

This Regulation shall enter into force on 1 May 2004 subject to the entry into force of the Treaty of Accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia.

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

Done at Brussels, 5 January 2004.

For the Commission
Franz FISCHLER
Member of the Commission

[1] OJ L 160, 26.6.1999, p. 113.
[2] OJ L 355, 5.12.1992, p. 1.
[3] OJ L 327, 12.12.2001, p. 11.