

**COMMISSION REGULATION (EC) No 740/2004  
of 21 April 2004**

**amending Regulation (EC) No 141/2004 laying down rules for applying Council Regulation (EC) No 1257/1999 as regards the transitional rural development measures applicable to 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, 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, and in particular the first paragraph of Article 41 thereof,

Whereas:

- (1) Article 33j 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<sup>(1)</sup> provides for specific temporary support to be granted to full-time farmers in Malta. On the basis of the information provided by the Maltese authorities, ceilings must be fixed, within the context of Commission Regulation (EC) No 141/2004<sup>(2)</sup>, for the three types of payment provided for.
- (2) Article 33l(2a) and (2b) of Regulation (EC) No 1257/1999 lays down derogations to certain provisions of the measure relating to compliance with the standards laid down Articles 21a, 21b and 21c of that Regulation. Detailed rules should be laid down for the application of these derogations.
- (3) The list of rural development measures in Annex II to Regulation (EC) No 141/2004 should moreover be aligned with the list laid down in point 8 of Annex II to the draft Commission Regulation 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).
- (4) The financial table in Annex II to Regulation (EC) No 141/2004 also provides for an indication of expenditure on 'Other actions'. The types of action covered by this heading must be specified.

(5) Under Article 33l(4) of Regulation (EC) No 1257/1999 the classification of areas at risk of forest fires must be submitted as part of the rural development plan. Annex III to Regulation (EC) No 141/2004 must therefore be supplemented accordingly.

(6) Regulation (EC) No 141/2004 should therefore be amended accordingly.

(7) 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 141/2004 is hereby amended as follows:

1. in Chapter III, the following Article 5a is added:

*'Article 5a*

**Full-time farmers in Malta**

The amount of the payments provided for in the second subparagraph of Article 33j of Regulation (EC) No 1257/1999 shall not exceed the annual ceiling per holding and per annual work unit laid down in Annex I, point A.'

2. Chapter IV is replaced by the following:

*'CHAPTER IV*

**DEROGATIONS APPLICABLE TO THE NEW MEMBER STATES**

*Article 5b*

**Implementing demanding standards**

1. The costs related to investments required to enable a standard to be met, as referred to in Article 33l(2b) of Regulation (EC) No 1257/1999, shall be fixed by the competent public authority in the form of standard costs. These standard costs shall be calculated on the basis of objective criteria permitting determination of the cost of individual activities, taking account of specific local conditions and avoiding any overcompensation.

<sup>(1)</sup> OJ L 160, 26.6.1999, p. 80. Regulation as last amended by the 2003 Act of Accession.

<sup>(2)</sup> OJ L 24, 29.1.2004, p. 25.

2. A farmer in receipt of support under Article 33l(2b) of Regulation (EC) No 1257/1999 to meet a norm which is already binding shall remain eligible for the compensatory allowances and agri-environment support referred to in Chapters V and VI respectively of Title II to that Regulation during the investment period, subject to compliance with the other conditions for granting that support and provided that the farmer meets the relevant standard at the end of the investment period.

#### Article 6

##### **Agri-environment**

The annual maximum amount per hectare for the maintenance and preservation of rubble walls in Malta provided for in the second subparagraph of Article 33m(2) of Regulation (EC) No 1257/1999 is indicated in Annex I, point B.

#### Article 7

##### **Producer groups in Malta**

1. Only those producer groups comprising a minimum percentage of the producers in the sector and representing a minimum percentage of the production in the sector shall be eligible for the minimum support provided for in the third subparagraph of Article 33d(3) of Regulation (EC) No 1257/1999.

2. The minimum amount of the support, calculated as a function of the minimum cost necessary to form a small producer group, is indicated in Annex I, point C.'

3. The following point 9a is inserted in Chapter V:

#### *'Article 9a*

##### **Applications and checks for the measure implementing of demanding standards**

As regards the support under Article 33l(2b) of Regulation (EC) No 1257/1999, checks on applications to join the scheme, as provided for in Article 59 of Regulation (EC) No 445/2002 (or Article 67 of the new Regulation) must permit verification that the investment is necessary to meet the standard in question. Where the application to join the scheme relates to an annual aid amount in excess of EUR 10 000, checks on this application must include an on-the-spot visit.

The checks on applications for payment provided for in Article 59 of Regulation (EC) No 445/2002 (or 67 of the new Regulation), for the support referred to in the first subparagraph of this Article, must permit verification that the investment has been carried out. Where the application for payment relates to an annual aid amount in excess of EUR 10 000, checks on this application must include an on-the-spot visit.'

4. Annex I is replaced by Annex I to this Regulation.

5. Annex II is replaced by Annex II to this Regulation.

6. Annex III is amended in accordance with Annex III to this Regulation.

#### Article 2

##### **Entry into force**

This Regulation shall enter into force subject to and on the date of 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, 21 April 2004.

*For the Commission*

Franz FISCHLER

*Member of the Commission*

## ANNEX I

## 'ANNEX I

**Table of amounts for the measures specific to Malta**

## A. Ceiling referred to in Article 5a

Subject	EUR	
Aid to full-time farmers		
For irrigated land	766	Per hectare
For non-irrigated land	213	Per hectare
For livestock farms	67	Per livestock unit
Maximum payment per holding	14 500	Per annual work unit

## B. Maximum amount referred to in Article 6

Subject	EUR	
Maximum payment for maintenance and preservation of rubble walls	2 000	Per hectare

## C. Amount referred to in Article 7(2)

Subject	EUR	
Support for establishment of a producer group	63 000	First year
	63 000	Second year
	63 000	Third year
	60 000	Fourth year
	50 000	Fifth year'

## ANNEX II

## 'ANNEX II

**Annual programming** (EU contribution in EUR million)

	2004	2005	2006
Total plan			

**Indicative overall financial table: rural development programmes**

(EUR million)

	Programming period 2004—2006		
	Public expenditure ( <sup>1</sup> )	EU contribution ( <sup>2</sup> )	Private contribution ( <sup>3</sup> )
Priority A			
Measure A1 (e.g. agri-environment) and animal welfare			
Measure A1: projects approved under Regulation (EC) No 1268/1999 ( <sup>4</sup> )			
Measure A2...			
...Measure An			
<b>Total A</b>			
Priority B...			
Measure B1 (e.g. early retirement)			
Measure B2...			
...Measure Bn			
<b>Total B</b>			
Priority C			
Measure C1 (e.g. producer groups)			
Measure C1: projects approved under Regulation (EC) No 1268/1999 ( <sup>4</sup> )			
Measure C2			
...Measure Cn			
<b>Total C</b>			
Priority N			
Measure N1 (e.g. afforestation)			
Measure N1: projects approved under Regulation (EC) No 1268/1999			
Measure N2...			
...Measure Nn			
<b>Total N</b>			
Other actions ( <sup>5</sup> )			
Technical assistance			
Evaluation			
<b>Total other measures</b>			
<b>Total plan — (P) (<sup>6</sup>)</b>			

(<sup>1</sup>) Column reserved for planned expenditure (in terms of public expenditure), presented for indicative purposes

(<sup>2</sup>) Column reserved for the Community contribution planned for each measure. The Community contribution pertaining to the expenditure to be paid shall be calculated using the rates and rules laid down in the programme for each measure. The Community contribution may be calculated as a function of the eligible public expenditure (column 2/column 1) or as a function of the total eligible cost (column 2/(column 1 + column 3)).

(<sup>3</sup>) Column reserved for planned expenditure (in terms of private contributions), presented for indicative purposes, where such a contribution is planned for the measure.

- (<sup>4</sup>) Expenditure programmed under Article 33(5) of the 2003 Act of Accession.
- (<sup>5</sup>) Expenditure programmed under Article 33(5) of the 2003 Act of Accession for measures for which there is no corresponding measure in the context of Regulation (EC) No 1257/1999.
- (<sup>6</sup>) The basis for the calculation is the financial programming table annexed to the Commission decision approving the programming document, as last amended.

If the same measure is listed under more than one priority the Member State shall provide, for financial management purposes, an additional table consolidating all expenditure linked to that measure. That additional table shall have the same structure as the above table and the same order as the list below.

The various 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 restrictions
- (f) agri-environment and animal welfare
- (g) improving 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, setting up and providing farm advisory and information services
- (m) marketing of quality agricultural products, including the setting-up of quality schemes
- (n) basic services for the rural economy and populations
- (o) renovation and development of villages and protection and conservation of the 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) development and improvement of infrastructure connected with the development of agriculture
- (s) encouragement for 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
- (x) implementing demanding standards
- (y) use of farm advisory services
- (z) participating in food quality schemes
- (aa) promotion of high-quality products
- (ab) semi-subsistence farms undergoing restructuring
- (ac) producer groups
- (ad) technical assistance
- (ae) complements to direct payments
- (af) complements to State aid in Malta
- (ag) full-time farmers in Malta.

Measures (j) to (v) may be defined as a single measure: (j) encouraging the adjustment and development of rural areas.

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## ANNEX III

Annex III to Regulation (EC) No 141/2004 is hereby amended as follows:

1. The following point II is added to part I:

*'II. Full-time farmers in Malta*

A. Main features:

— none.

B. Other elements:

— definition of full-time farmer.'

2. Section 3 is replaced by the following:

**'3. Derogations applicable to all new Member States**

*I. Implementation of binding standards*

A. Main features:

— list of standards for which the investment costs shall be taken into account and description of the investments required.

B. Other information:

— standard costs of investment for each eligible standard including details of the calculations justifying that standard cost,

— duration of the period(s) of investment for each eligible standard and justification of the choice,

— provisions allowing verification that the investments supported in the context of the measure "Implementation of binding standards" are not eligible for support under Chapter I of Title II of Regulation (EC) No 1257/1999,

— In addition to point 12(2) of Annex II to Regulation (EC) No 445/2002 (or of the new Regulation), indication of implementation of Article 9a of this Regulation.

*II. Improving the processing and marketing of agricultural products*

A. Main features:

— none.

B. Other elements:

— list of undertakings benefiting from a period of transition as referred to in Article 33l(3) of Regulation (EC) No 1257/1999.

*III. Forestry*

A. Main features:

— none.

B. Other elements:

— classification of territory by degree of forest fire risk.'

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