

# Official Journal of the European Union

L 39



English edition

Legislation

Volume 60

16 February 2017

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<sup>(1)</sup> Text with EEA relevance.

EN

Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

The titles of all other acts are printed in bold type and preceded by an asterisk.

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## II

*(Non-legislative acts)*

## REGULATIONS

**COMMISSION IMPLEMENTING REGULATION (EU) 2017/261****of 15 February 2017****establishing the standard import values for determining the entry price of certain fruit and vegetables**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 <sup>(1)</sup>,

Having regard to Commission Implementing Regulation (EU) No 543/2011 of 7 June 2011 laying down detailed rules for the application of Council Regulation (EC) No 1234/2007 in respect of the fruit and vegetables and processed fruit and vegetables sectors <sup>(2)</sup>, and in particular Article 136(1) thereof,

Whereas:

- (1) Implementing Regulation (EU) No 543/2011 lays down, pursuant to the outcome of the Uruguay Round multilateral trade negotiations, the criteria whereby the Commission fixes the standard values for imports from third countries, in respect of the products and periods stipulated in Annex XVI, Part A thereto.
- (2) The standard import value is calculated each working day, in accordance with Article 136(1) of Implementing Regulation (EU) No 543/2011, taking into account variable daily data. Therefore this Regulation should enter into force on the day of its publication in the *Official Journal of the European Union*,

HAS ADOPTED THIS REGULATION:

*Article 1*

The standard import values referred to in Article 136 of Implementing Regulation (EU) No 543/2011 are fixed in the Annex to this Regulation.

*Article 2*

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

<sup>(1)</sup> OJ L 347, 20.12.2013, p. 671.

<sup>(2)</sup> OJ L 157, 15.6.2011, p. 1.

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

Done at Brussels, 15 February 2017.

*For the Commission,  
On behalf of the President,  
Jerzy PLEWA  
Director-General  
Directorate-General for Agriculture and Rural Development*

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## ANNEX

## Standard import values for determining the entry price of certain fruit and vegetables

(EUR/100 kg)		
CN code	Third country code <sup>(1)</sup>	Standard import value
0702 00 00	IL	337,2
	MA	120,3
	SN	359,5
	TR	130,6
	ZZ	236,9
0707 00 05	MA	64,9
	TR	186,2
	ZZ	125,6
0709 91 00	EG	128,6
	ZZ	128,6
0709 93 10	MA	57,8
	TR	183,0
	ZZ	120,4
0805 10 22, 0805 10 24, 0805 10 28	EG	48,8
	IL	69,5
	MA	48,8
	TN	49,3
	TR	76,6
	ZZ	58,6
	EG	93,2
0805 21 10, 0805 21 90, 0805 29 00	IL	166,2
	JM	122,7
	MA	92,0
	TR	87,8
	ZZ	112,4
	IL	114,7
	MA	103,2
0805 22 00	TR	60,4
	ZZ	92,8
0805 50 10	EG	82,4
	TR	98,8
	ZZ	90,6
0808 10 80	US	105,5
	ZZ	105,5
0808 30 90	CL	121,2
	CN	112,8
	ZA	121,7
	ZZ	118,6

<sup>(1)</sup> Nomenclature of countries laid down by Commission Regulation (EU) No 1106/2012 of 27 November 2012 implementing Regulation (EC) No 471/2009 of the European Parliament and of the Council on Community statistics relating to external trade with non-member countries, as regards the update of the nomenclature of countries and territories (OJ L 328, 28.11.2012, p. 7). Code 'ZZ' stands for 'of other origin'.

# DECISIONS

## COUNCIL DECISION (EU) 2017/262

of 6 February 2017

**determining, for the General Secretariat of the Council, the appointing authority and the authority empowered to conclude contracts of employment, and repealing Decision 2013/811/EU**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the European Union, as laid down by Council Regulation (EEC, Euratom, ECSC) No 259/68 <sup>(1)</sup>, and in particular Article 2 of those Staff Regulations and Article 6 of those Conditions of Employment,

Whereas:

- (1) Under the first subparagraph of Article 240(2) of the Treaty on the Functioning of the European Union, the General Secretariat of the Council comes under the responsibility of a Secretary-General.
- (2) In order to promote administrative simplification and the effective management of staff, the Secretary-General should have broader scope to delegate his powers as regards the application of the Staff Regulations of Officials of the European Union ('the Staff Regulations') and of the Conditions of Employment of Other Servants of the European Union ('the Conditions of Employment') to the Director-General of Administration. Moreover, the Secretary-General should be authorised to delegate to all Directors-General the power to decide on internal reassignments and transfers according to staffing needs within their Directorates-General.
- (3) Council Decision 2013/811/EU <sup>(2)</sup> should be repealed,

HAS ADOPTED THIS DECISION:

### *Article 1*

1. The powers conferred by the Staff Regulations on the appointing authority and by the Conditions of Employment on the authority competent to conclude contracts of employment shall, as regards the General Secretariat of the Council, be exercised:

- (a) by the Council in relation to the Secretary-General;
- (b) by the Council, on a proposal from the Secretary-General, in relation to the application of Articles 1a, 30, 34, 41, 49, 50 and 51 of the Staff Regulations to Directors-General;
- (c) by the Secretary-General in other cases.

2. The Secretary-General is authorised to delegate, in whole or in part, to the Director-General of Administration any or all of his powers as regards the application of the Staff Regulations and of the Conditions of Employment.

<sup>(1)</sup> Council Regulation (EEC, Euratom, ECSC) No 259/68 of 29 February 1968 laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities and instituting special measures temporarily applicable to officials of the Commission (OJ L 56, 4.3.1968, p. 1).

<sup>(2)</sup> Council Decision 2013/811/EU of 17 December 2013 determining for the General Secretariat of the Council the appointing authority and the authority empowered to conclude contracts of employment and repealing Decision 2011/444/EU (OJ L 355, 31.12.2013, p. 91).

3. The Secretary-General is authorised to delegate to all Directors-General the power regarding reassignments and transfers in the interest of the service within their respective Directorates-General in accordance with the first subparagraph of Article 7(1) of the Staff Regulations.

*Article 2*

Decision 2013/811/EU is hereby repealed.

*Article 3*

This Decision shall enter into force on 1 March 2017.

Done at Brussels, 6 February 2017.

*For the Council*  
*The President*  
F. MOGHERINI

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**COMMISSION IMPLEMENTING DECISION (EU) 2017/263****of 14 February 2017****on risk mitigating and reinforced biosecurity measures and early detection systems in relation to the risks posed by wild birds for the transmission of highly pathogenic avian influenza viruses to poultry***(notified under document C(2017) 765)***(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Directive 89/662/EEC of 11 December 1989 concerning veterinary checks in intra-Community trade with a view to the completion of the internal market <sup>(1)</sup>, and in particular Article 9(4) thereof,

Having regard to Council Directive 90/425/EEC of 26 June 1990 concerning veterinary and zootechnical checks applicable in intra-Community trade in certain live animals and products with a view to the completion of the internal market <sup>(2)</sup>, and in particular Article 10(4) thereof,

Having regard to Council Directive 2005/94/EC of 20 December 2005 on Community measures for the control avian influenza and repealing Directive 92/40/EEC <sup>(3)</sup>, and in particular Article 63(3) thereof,

Whereas:

- (1) Avian influenza is an infectious viral disease in birds, including poultry. Infections with avian influenza viruses in domestic poultry cause two main forms of that disease that are distinguished by their virulence. The low pathogenic form generally only causes mild symptoms, while the highly pathogenic form results in very high mortality rates in most poultry species. That disease may have a severe impact on the profitability of poultry farming.
- (2) Directive 2005/94/EC sets out the minimum control measures to be applied in the event of an outbreak of that disease in poultry or other captive birds and also provides for certain preventive measures relating to the surveillance and the early detection of avian influenza.
- (3) Directive 2005/94/EC also provides that detailed rules, required by the epidemiological situation, to supplement the minimum control measures laid down in that Directive, may be adopted by the Commission.
- (4) Wild birds, in particular wild migratory water birds, are known to be the natural host for avian influenza viruses of low pathogenicity which they carry, usually without showing signs of that disease, during their seasonal migratory movements. However, since mid-2005, evidence has established that a highly pathogenic avian influenza (HPAI) virus strain of subtype H5N1 is able to infect wild birds and be spread by them over long distances <sup>(4)</sup>.
- (5) The presence of avian influenza viruses in wild birds poses a continuing threat for the direct and indirect introduction of these viruses into holdings where poultry or other captive birds are kept with the risk of the subsequent spread of the virus from an infected holding to other holdings.

<sup>(1)</sup> OJ L 395, 30.12.1989, p. 13.

<sup>(2)</sup> OJ L 224, 18.8.1990, p. 29.

<sup>(3)</sup> OJ L 10, 14.1.2006, p. 16.

<sup>(4)</sup> Scientific Opinion of the Panel on Animal Health and Welfare of the European Food Safety Authority on a request from the European Commission on Animal health and welfare aspects of avian influenza and the risk of its introduction into the EU poultry holdings (*The EFSA Journal* (2008) 715, 1–161).



- (6) Commission Decision 2005/734/EC <sup>(1)</sup> was adopted following the introduction of the HPAI virus of the H5N1 subtype from South East Asia to Europe by the westward spread of the virus during 2005 in order to reinforce the control measures already laid in Union legislation, in particular in view of the risks posed by the unprecedented intercontinental spread of that HPAI virus by wild birds.
- (7) Decision 2005/734/EC provides for biosecurity and additional risk mitigation measures to reduce the risk of transmission of the HPAI H5N1 virus from wild birds to poultry and other captive birds by preventing direct and indirect contacts between these populations. Decision 2005/734/EC requires Member States to identify the areas of their territory that are at particular risk for the introduction of the HPAI H5N1 virus into holdings where poultry and other captive birds are present, taking into account the epidemiological situation and specific risk factors. Member States are required to apply certain risk mitigation measures in those high risk areas, for example ensure that poultry concerned are confined indoors. Member States are also required to ensure that owners are made more aware of the risks of transmission and of the necessity that biosecurity measures be applied on their holdings.
- (8) Furthermore, Decision 2005/734/EC requires that Member States introduce early detection systems that are aimed at a rapid reporting of any sign of avian influenza in poultry flocks by the owners to the competent veterinary authority which should take into account specific parameters and slight changes in production data.
- (9) Commission Decision 2010/367/EU <sup>(2)</sup> lays down guidelines for the mandatory implementation by Member States of surveillance programmes for avian influenza in poultry and wild birds including sampling and laboratory testing requirements. It also provides for the competent authorities to be notified without delay of any abnormal mortality or significant disease or mortality in wild birds and in particular in wild migratory water birds.
- (10) During the latter part of 2014 and early part of 2015, the HPAI H5N8 virus was introduced into the Union by wild birds. It caused very low mortality in wild birds, but led to serious outbreaks in poultry or other captive birds in several Member States.
- (11) Since the end of October 2016, a very closely related HPAI H5N8 virus strain has been detected in wild migratory birds, mainly found dead, in 20 Member States, namely in Bulgaria, the Czech Republic, Denmark, Germany, Ireland, Greece, Spain, France, Croatia, Italy, Hungary, the Netherlands, Austria, Poland, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom, as well as in nearby third countries such as Switzerland, Serbia and Ukraine. The majority of outbreaks were confirmed in France, Hungary and Bulgaria in certain areas with a high number of holdings keeping ducks and geese.
- (12) The current epidemiological situation is very dynamic and constantly evolving. Movements of migratory birds continue and Member States' ongoing surveillance activities continue to detect the HPAI H5N8 virus in wild birds. The virus will, therefore, remain a threat for poultry and other captive birds in the Union for the coming months and most likely during further seasonal movements of migratory birds with the risk of further virus transmission between holdings in certain high risk settings.
- (13) The European Food Safety Authority (EFSA) is currently preparing a comprehensive scientific opinion on avian influenza to be finalised in September 2017. However, in view of the current HPAI H5N8 epidemic, the EFSA was requested to provide an urgent assessment of the epidemiological situation and preliminary scientific advice on the suitability of the protective measures laid down at Union level that are in place in relation to the risks posed by wild birds infected with HPAI H5N8.
- (14) On 20 December 2016, the Animal Health and Welfare Panel of the EFSA published the statement: 'Urgent request on avian influenza' <sup>(3)</sup> confirming that the strict implementation of biosecurity and risk mitigation

<sup>(1)</sup> Commission Decision 2005/734/EC of 19 October 2005 laying down biosecurity measures to reduce the risk of transmission of highly pathogenic avian influenza caused by Influenza virus A subtype H5N1 from birds living in the wild to poultry and other captive birds and providing for an early detection system in areas at particular risk (OJ L 274, 20.10.2005, p. 105).

<sup>(2)</sup> Commission Decision 2010/367/EU of 25 June 2010 on the implementation by Member States of surveillance programmes for avian influenza in poultry and wild birds (OJ L 166, 1.7.2010, p. 22).

<sup>(3)</sup> EFSA Journal 2017;15(1):4687, 32 pp. doi:10.2903/j.efsa.2016.4687.

measures are the most important means to prevent the transmission of HPAI viruses, of both H5 and H7 subtypes, either directly or indirectly from wild birds into holdings keeping poultry and captive birds. Biosecurity on such holdings should be routine practice and be reinforced during periods of increased risk.

- (15) The EFSA further concluded that passive surveillance of wild birds is the most effective means for the early detection of the presence of HPAI viruses in wild birds and recommends targeting the sampling and testing of wild birds, thereby reinforcing certain provisions concerning wild birds set out in the guidelines on the implementation of the surveillance programmes for avian influenza in wild birds laid down in Annex II to Decision 2010/367/EU.
- (16) The EFSA further refers to the assessment <sup>(1)</sup> performed by the European Centre for Disease Prevention and Control (ECDC) which states that to date, no human infections with the current HPAI H5N8 virus have ever been reported worldwide and that further virus characterisation shows that it is still essentially a bird virus without any specific increased affinity for humans.
- (17) The experience gained by the competent authorities of the Member States in the implementation of the measures laid down in Decision 2005/734/EC show that flexibility should be maintained in order to be able to adapt those measures to the epidemiological situation in the individual Member State.
- (18) In order to target the bird populations that are most at risk and to ensure the effectiveness of the measures laid down in this Decision, certain preventive measures should be targeted at holdings keeping poultry.
- (19) The measures laid down in Decision 2005/734/EC should therefore be reviewed and adapted taking into account the current epidemiological situation in poultry and in wild birds in the Member States, the statement on avian influenza published by EFSA on 20 December 2016 and the experience gained by the Member States in the practical implementation of the measures laid down in that Decision.
- (20) The measures laid down in Decision 2005/734/EC have been amended and prolonged several times and are applicable until 31 December 2017. In the interests of clarity of Union legislation, Decision 2005/734/EC should be repealed and replaced by this Decision.
- (21) The measures laid down in this Decision are to be reviewed, if necessary, in the light of the final outcome of the EFSA's scientific opinion on avian influenza which is to be finalised in September 2017.
- (22) The measures laid down in this Decision should apply until 30 June 2018.
- (23) The measures provided for in this Decision are in accordance with the opinion of the Standing Committee on Plants, Animals, Food and Feed,

HAS ADOPTED THIS DECISION:

#### *Article 1*

### **Subject matter and scope**

This Decision lays down risk mitigating measures and early detection systems in relation to the risks posed by wild birds for the introduction of the highly pathogenic avian influenza (HPAI) into holdings as well measures to raise awareness among owners of such risks and of the necessity to implement or reinforce biosecurity measures on their holdings.

#### *Article 2*

### **Definitions**

For the purposes of this Decision, the definitions set out in Article 2 of Directive 2005/94/EC shall apply.

<sup>(1)</sup> European Centre for Disease Prevention and Control (ECDC), 2016, RAPID RISK ASSESSMENT: Outbreaks of highly pathogenic avian influenza A(H5N8) in Europe: <http://ecdc.europa.eu/en/publications/Publications/risk-assessment-avian-influenza-H5N8-europe.pdf>

*Article 3***Identification of high risk areas for the introduction of HPAI viruses**

Member States shall identify and review the areas of their territory that are at particular risk for the introduction of HPAI viruses into holdings (hereafter referred to as 'high risk areas') as well as the time period for which such risk persists, taking into account the following matters:

- (a) the epidemiological situation on their territory or on the territory of nearby Member States or third countries, in particular with respect to:
  - (i) the detection of HPAI viruses in wild birds or in faeces collected from them;
  - (ii) outbreaks of HPAI in holdings keeping poultry or other captive birds that are most likely related to the detections of HPAI viruses as referred to in (i);
  - (iii) past detections of HPAI viruses as referred to in (i) and (ii) and the risk of reoccurrences;
- (b) the risk factors for the introduction of HPAI viruses into holdings, in particular with respect to:
  - (i) their location along migratory flyways of birds, in particular where the birds are coming from central and eastern Asia, the Caspian Sea, the Black Sea areas, the Middle East and Africa;
  - (ii) the distance between the holding and wet areas, ponds, swamps, lakes or rivers where migratory birds, in particular those of the orders *Anseriformes* and *Charadriiformes*, may gather;
  - (iii) the location of holdings in areas with a high density of migratory birds, particularly water birds;
  - (iv) poultry kept in open-air holdings, where contact between wild birds and poultry cannot be sufficiently prevented;
- (c) additional risk factors for the spread of HPAI viruses within holdings and between such holdings, in particular, where:
  - (i) the location of the holding is in areas with a high density of holdings;
  - (ii) the intensity of movements of poultry, vehicles and persons within and from holdings and other direct and indirect contacts between holdings is high;
- (d) risk assessments in relation to the relevance of the spread of HPAI viruses by wild birds carried out by the European Food Safety Authority's (EFSA) and by national and international risk assessment bodies;
- (e) the results of surveillance programmes carried out in accordance with Article 4 of Directive 2005/94/EC.

*Article 4***Risk mitigation measures**

1. Depending on the specific epidemiological situation on their territory and for the time needed, Member States shall take appropriate and practicable measures to reduce the risk of the transmission of HPAI viruses from wild birds to poultry in high risk areas.
2. The measures referred to in paragraph 1 shall be directed, in particular, at preventing wild birds, and in particular wild migratory water birds, from coming into direct or indirect contact with poultry, and in particular ducks and geese.
3. Member States shall prohibit the following in the high risk areas:
  - (a) the keeping of poultry in the open air;
  - (b) the use of outdoor water reservoirs for poultry;

- (c) the provision of water to poultry from surface water reservoirs that can be accessed by wild birds;
  - (d) the storage of feed for poultry that is unprotected from wild birds or other animals.
4. As further risk mitigation measures, Member States shall prohibit:
- (a) the gathering of poultry and other captive birds at markets, shows, exhibitions and cultural events;
  - (b) the use of decoy birds of the orders *Anseriformes* and *Charadriiformes* ('decoy birds').
5. Member States shall regularly review the measures they have taken pursuant to paragraphs 1 to 4 in order to adjust and adapt them to take account of the epidemiological situation, including the risks posed by wild birds.

#### Article 5

### Awareness raising and biosecurity measures

Member States shall ensure that the necessary measures are in place to raise awareness of the risks of HPAI among stakeholders active in the poultry sector and to provide them with the most appropriate information on biosecurity measures, in particular the measures to be enforced in high risk areas, by the means best suited to bring such information to their attention.

#### Article 6

### Derogations from the risk mitigation measures laid down in Article 4

1. By way of derogation from Article 4(3) and provided biosecurity measures are in place to prevent risk of the transmission of HPAI viruses, the Member States may authorise the following:
- (a) the keeping of poultry in the open air subject to compliance with the following conditions:
    - (i) the poultry are protected against contact with wild birds with nets or roofs or by other appropriate means; or
    - (ii) the poultry are at least supplied with feed and water indoors or under a shelter which sufficiently discourages the landing of wild birds and thereby prevent contact by wild birds with the feed or water intended for the poultry;
  - (b) the use of outdoor water reservoirs where they are required for animal welfare reasons for certain poultry and they are sufficiently screened against wild water birds;
  - (c) the provision of water to poultry from surface water accessed by wild water birds after treatment that ensures the inactivation of avian influenza viruses.
2. By way of derogation from Article 4(4) and provided biosecurity measures are in place to prevent the risk of the transmission of HPAI viruses the Member States, may authorise the following:
- (a) the gatherings of poultry and other captive birds at markets, shows, exhibitions and cultural events;
  - (b) the use of decoy birds:
    - (i) in the framework of a surveillance programme for avian influenza carried out in accordance with Article 4 of Directive 2005/94/EC, research projects, ornithological studies or any other activity approved by the competent authority; or
    - (ii) in accordance with appropriate biosecurity measures and provisions, which are aimed at preventing HPAI virus transmission to poultry.

*Article 7***Early detection systems in poultry flocks**

1. Member States shall introduce or reinforce early detection systems aimed at rapid reporting by the owners to the competent authority of any sign of avian influenza in poultry flocks kept on holdings located in high risk areas.
2. The systems referred to in paragraph 1 shall at least consider a significant drop in feed and water intake and in egg production, the observed mortality rate and any clinical sign or post-mortem lesion suggesting HPAI virus presence taking into account a variation of these parameters in different poultry species and production types.

*Article 8***Increased surveillance in wild birds**

1. The competent authority shall ensure that increased passive surveillance of wild bird populations and further monitoring for dead or sick birds is carried out in accordance with the guidelines on the implementation of surveillance programmes for avian influenza in wild birds set out in Annex II to Decision 2010/367/EU specifically paying attention to the list of target species for sampling and laboratory testing set out in that Decision and other wild bird species having shown to become infected with HPAI viruses.
2. The competent authority may target sampling and laboratory testing of wild birds on species and geographical areas previously unaffected by HPAI.

*Article 9***Compliance and information obligations**

Member States shall keep the Commission informed of the measures that they take to comply with this Decision and if any derogations are granted in accordance with Article 6.

*Article 10***Repeals**

Decision 2005/734/EC is repealed.

*Article 11***Applicability**

This Decision shall apply until 30 June 2018.

*Article 12***Addressees**

This Decision is addressed to the Member States.

Done at Brussels, 14 February 2017.

*For the Commission*  
Vytenis ANDRIUKAITIS  
*Member of the Commission*

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**COMMISSION IMPLEMENTING DECISION (EU) 2017/264****of 14 February 2017****excluding from European Union financing certain expenditure incurred by the Member States under the European Agricultural Guarantee Fund (EAGF) and under the European Agricultural Fund for Rural Development (EAFRD)***(notified under document C(2017) 766)***(Only the Bulgarian, English, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Polish, Portuguese, Slovenian, Spanish and Swedish texts are authentic)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 <sup>(1)</sup>, and in particular Article 52 thereof,

After consulting the Committee on the Agricultural Funds,

Whereas:

- (1) In accordance with Article 31 of Council Regulation (EC) No 1290/2005 <sup>(2)</sup> and as from 1 January 2015 in accordance with Article 52 of Regulation (EU) No 1306/2013 the Commission is to carry out the necessary verifications, communicate to the Member States the results of those verifications, take note of the comments of the Member States, initiate a bilateral discussion so that an agreement may be reached with the Member States in question, and formally communicate its conclusions to them.
- (2) The Member States have had an opportunity to request the launch of a conciliation procedure. That opportunity has been used in some cases and the reports issued on the outcome have been examined by the Commission.
- (3) In accordance with Regulation (EU) No 1306/2013, only agricultural expenditure which has been incurred in a way that has not infringed Union law may be financed.
- (4) In the light of the verifications carried out, the outcome of the bilateral discussions and the conciliation procedures, part of the expenditure declared by the Member States does not fulfil this requirement and cannot, therefore, be financed under the EAGF and the EAFRD.
- (5) The amounts that are not recognised as being chargeable to the EAGF and the EAFRD should be indicated. Those amounts do not relate to expenditure incurred more than twenty-four months before the Commission's written notification of the results of the verifications to the Member States.
- (6) As regards the cases covered by this decision, the assessment of the amounts to be excluded on grounds of non-compliance with Union law was notified by the Commission to the Member States in a summary report on the subject <sup>(3)</sup>.
- (7) This Decision is without prejudice to any financial conclusions that the Commission may draw from the judgments of the Court of Justice of the European Union in cases pending on 31 December 2016,

HAS ADOPTED THIS DECISION:

*Article 1*

The amounts set out in the Annex and related to expenditure incurred by the Member States' accredited paying agencies and declared under the EAGF or the EAFRD shall be excluded from Union financing.

<sup>(1)</sup> OJ L 347, 20.12.2013, p. 549.

<sup>(2)</sup> Council Regulation (EC) No 1290/2005 of 21 June 2005 on the financing of the common agricultural policy (OJ L 209, 11.8.2005, p. 1).

<sup>(3)</sup> Ares(2017)555605, 1 February 2017.

*Article 2*

This Decision is addressed to the Republic of Bulgaria, the Federal Republic of Germany, the Hellenic Republic, the Kingdom of Spain, the French Republic, the Italian Republic, the Republic of Cyprus, the Republic of Latvia, Hungary, the Republic of Austria, the Republic of Poland, the Portuguese Republic, the Republic of Slovenia, the Republic of Finland, the Kingdom of Sweden and to the United Kingdom of Great Britain and Northern Ireland.

Done at Brussels, 14 February 2017.

*For the Commission*  
Phil HOGAN  
*Member of the Commission*

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**Decision: 53****Budget Item: 05040501**

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>SI</b>	Certification	2013	EAFRD debts prematurely declared irrecoverable	ONE OFF		EUR	1 214,10	0,00	1 214,10
					<b>Total SI:</b>	<b>EUR</b>	<b>1 214,10</b>	<b>0,00</b>	<b>1 214,10</b>

Currency	Amount	Deductions	Financial Impact
<b>EUR</b>	<b>1 214,10</b>	<b>0,00</b>	<b>1 214,10</b>

**Budget Item: 05070107**

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>PT</b>	Financial audit — Late payments and payment deadlines	2012	Correction due to late payments	ONE OFF		EUR	– 341 058,21	– 613 918,73	272 860,52
	Financial audit — Overshooting	2012	Correction due to overshooting of ceilings	ONE OFF		EUR	– 2 249 991,75	– 2 249 991,75	0,00
					<b>Total PT:</b>	<b>EUR</b>	<b>– 2 591 049,96</b>	<b>– 2 863 910,48</b>	<b>272 860,52</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>SI</b>	Certification	2013	EAGF IACS known errors	ONE OFF		EUR	285,33	0,00	285,33
					<b>Total SI:</b>	<b>EUR</b>	<b>285,33</b>	<b>0,00</b>	<b>285,33</b>

Currency	Amount	Deductions	Financial Impact
<b>EUR</b>	<b>– 2 590 764,63</b>	<b>– 2 863 910,48</b>	<b>273 145,85</b>



**Budget Item: 6701**

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>AT</b>	Certification	2014	Financial Clearance FY2014	ONE OFF		EUR	– 827 514,15	0,00	– 827 514,15
					<b>Total AT:</b>	<b>EUR</b>	<b>– 827 514,15</b>	<b>0,00</b>	<b>– 827 514,15</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>BG</b>	Certification	2013	Claw-back of EAGF administrative errors	ONE OFF		EUR	– 808 946,28	0,00	– 808 946,28
	Certification	2014	EAGF IACS known error	ONE OFF		EUR	– 23 513,30	0,00	– 23 513,30
	Certification	2013	EAGF IACS overstatements	ONE OFF		EUR	– 12 839,99	0,00	– 12 839,99
					<b>Total BG:</b>	<b>EUR</b>	<b>– 845 299,57</b>	<b>0,00</b>	<b>– 845 299,57</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>CY</b>	Cross Compliance	2014	Deficiencies in all 4 key controls and 2 ancillary controls (control stats, supervision) — Direct Aid — CY 2013	FLAT RATE	10,00 %	EUR	– 516 617,16	0,00	– 516 617,16
	Cross Compliance	2015	Deficiencies in all 4 key controls and 2 ancillary controls (control stats, supervision) — Direct Aid — CY 2014	FLAT RATE	10,00 %	EUR	– 503 559,05	– 8 178,75	– 495 380,30

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Cross Compliance	2013	Deficiencies in all 4 key controls and 2 ancillary controls (control stats, supervision) — Wine — CY 2014	FLAT RATE	10,00 %	EUR	– 29 474,10	0,00	– 29 474,10
	Cross Compliance	2014	Deficiencies in all 4 key controls and 2 ancillary controls (control stats, supervision) — Wine — CY 2014	FLAT RATE	10,00 %	EUR	– 2 023,66	0,00	– 2 023,66
					<b>Total CY:</b>	<b>EUR</b>	<b>– 1 051 673,97</b>	<b>– 8 178,75</b>	<b>– 1 043 495,22</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>DE</b>	Cross Compliance	2013	Deficient evaluation of animals with 2 ear tags missing (SMRs 7, 8) — CY 2012	ONE OFF		EUR	– 38 456,61	0,00	– 38 456,61
	Cross Compliance	2014	Deficient evaluation of animals with 2 ear tags missing (SMRs 7, 8) — CY 2013	ONE OFF		EUR	– 45 384,43	0,00	– 45 384,43
	Cross Compliance	2015	Deficient evaluation of animals with 2 ear tags missing (SMRs 7, 8) — CY 2014	ONE OFF		EUR	– 95 307,89	0,00	– 95 307,89
	Certification	2011	Restructuring of the sugar industry — ineligible amounts	ONE OFF		EUR	– 17 137,39	0,00	– 17 137,39

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Certification	2012	Restructuring of the sugar industry — ineligible amounts	ONE OFF		EUR	– 1 731 625,19	0,00	– 1 731 625,19
	Irregularities	2010	Weaknesses in the debt management procedures	FLAT RATE	5,00 %	EUR	– 1 964 861,71	0,00	– 1 964 861,71
					<b>Total DE:</b>	<b>EUR</b>	<b>– 3 892 773,22</b>	<b>0,00</b>	<b>– 3 892 773,22</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>ES</b>	Fruit and Vegetables — Operational Programmes	2009	conditions for recognition not fulfilled	ONE OFF		EUR	– 33 191,89	– 10 156,42	– 23 035,47
	Scrutiny of transactions	2010	late scrutinies in La Rioja and Andalucía	FLAT RATE	0,50 %	EUR	– 146 150,05	0,00	– 146 150,05
	Scrutiny of transactions	2011	late scrutinies in La Rioja and Andalucía	FLAT RATE	0,50 %	EUR	– 93 858,26	0,00	– 93 858,26
	Scrutiny of transactions	2012	late scrutinies in La Rioja and Andalucía	FLAT RATE	0,50 %	EUR	– 35 460,70	0,00	– 35 460,70
	Scrutiny of transactions	2010	late scrutiny performance — La Rioja	FLAT RATE	0,50 %	EUR	– 2 995,48	0,00	– 2 995,48
	Fruit and Vegetables — Operational Programmes	2009	Ineligible expenditure — environmental measures — Andalucía	ONE OFF		EUR	– 1 531 131,62	– 9 722,69	– 1 521 408,93
	Fruit and Vegetables — Operational Programmes	2010	Ineligible expenditure — environmental measures — Andalucía	ONE OFF		EUR	– 2 159 599,27	– 41 333,00	– 2 118 266,27

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Fruit and Vegetables — Operational Programmes	2011	Ineligible expenditure — environmental measures — Andalucía	ONE OFF		EUR	– 1 456 751,54	– 36 337,16	– 1 420 414,38
	Fruit and Vegetables — Operational Programmes	2012	Ineligible expenditure — environmental measures — Andalucía	ONE OFF		EUR	– 1 499 753,12	– 14 200,84	– 1 485 552,28
	Fruit and Vegetables — Operational Programmes	2013	Ineligible expenditure — environmental measures — Andalucía	ONE OFF		EUR	– 896 215,57	– 2 557,15	– 893 658,42
	Fruit and Vegetables — Operational Programmes	2009	Ineligible expenditure — environmental measures — Aragon	ONE OFF		EUR	– 8 679,88	– 55,12	– 8 624,76
	Fruit and Vegetables — Operational Programmes	2010	Ineligible expenditure — environmental measures — Aragon	ONE OFF		EUR	– 10 681,51	– 534,08	– 10 147,43
	Fruit and Vegetables — Operational Programmes	2011	Ineligible expenditure — environmental measures — Aragon	ONE OFF		EUR	– 28 978,00	– 175,03	– 28 802,97
	Fruit and Vegetables — Operational Programmes	2012	Ineligible expenditure — environmental measures — Aragon	ONE OFF		EUR	– 84 663,69	0,00	– 84 663,69
	Fruit and Vegetables — Operational Programmes	2013	Ineligible expenditure — environmental measures — Aragon	ONE OFF		EUR	– 84 019,25	0,00	– 84 019,25
	Fruit and Vegetables — Operational Programmes	2009	Ineligible expenditure — environmental measures — Balears	ONE OFF		EUR	– 11 860,02	– 75,32	– 11 784,70

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Fruit and Vegetables — Operational Programmes	2010	Ineligible expenditure — environmental measures — Balears	ONE OFF		EUR	– 14 278,97	– 86,25	– 14 192,72
	Fruit and Vegetables — Operational Programmes	2011	Ineligible expenditure — environmental measures — Balears	ONE OFF		EUR	– 233 449,16	– 2 262,89	– 231 186,27
	Fruit and Vegetables — Operational Programmes	2012	Ineligible expenditure — environmental measures — Balears	ONE OFF		EUR	– 13 983,26	– 79,24	– 13 904,02
	Fruit and Vegetables — Operational Programmes	2013	Ineligible expenditure — environmental measures — Balears	ONE OFF		EUR	– 8 720,47	– 113,07	– 8 607,40
	Fruit and Vegetables — Operational Programmes	2009	Ineligible expenditure — environmental measures — Canarias	ONE OFF		EUR	– 22 767,51	– 798,11	– 21 969,40
	Fruit and Vegetables — Operational Programmes	2010	Ineligible expenditure — environmental measures — Canarias	ONE OFF		EUR	– 54 144,30	– 15 229,33	– 38 914,97
	Fruit and Vegetables — Operational Programmes	2011	Ineligible expenditure — environmental measures — Canarias	ONE OFF		EUR	– 83 110,99	– 4 155,55	– 78 955,44
	Fruit and Vegetables — Operational Programmes	2012	Ineligible expenditure — environmental measures — Canarias	ONE OFF		EUR	– 127 228,11	– 1 732,48	– 125 495,63
	Fruit and Vegetables — Operational Programmes	2013	Ineligible expenditure — environmental measures — Canarias	ONE OFF		EUR	– 114 108,33	– 1 463,88	– 112 644,45

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Fruit and Vegetables — Operational Programmes	2009	Ineligible expenditure — environmental measures — Castilla la Mancha	ONE OFF		EUR	– 26 883,50	– 1 712,30	– 25 171,20
	Fruit and Vegetables — Operational Programmes	2010	Ineligible expenditure — environmental measures — Castilla la Mancha	ONE OFF		EUR	– 15 731,99	– 95,02	– 15 636,97
	Fruit and Vegetables — Operational Programmes	2011	Ineligible expenditure — environmental measures — Castilla la Mancha	ONE OFF		EUR	– 37 119,79	– 224,21	– 36 895,58
	Fruit and Vegetables — Operational Programmes	2012	Ineligible expenditure — environmental measures — Castilla la Mancha	ONE OFF		EUR	– 16 217,50	0,00	– 16 217,50
	Fruit and Vegetables — Operational Programmes	2013	Ineligible expenditure — environmental measures — Castilla la Mancha	ONE OFF		EUR	– 29 443,87	0,00	– 29 443,87
	Fruit and Vegetables — Operational Programmes	2009	Ineligible expenditure — environmental measures — Castilla Leon	ONE OFF		EUR	– 26 234,89	– 166,59	– 26 068,30
	Fruit and Vegetables — Operational Programmes	2010	Ineligible expenditure — environmental measures — Castilla Leon	ONE OFF		EUR	– 151 821,60	– 917,00	– 150 904,60
	Fruit and Vegetables — Operational Programmes	2011	Ineligible expenditure — environmental measures — Castilla Leon	ONE OFF		EUR	– 22 932,79	– 138,58	– 22 794,21
	Fruit and Vegetables — Operational Programmes	2012	Ineligible expenditure — environmental measures — Castilla Leon	ONE OFF		EUR	– 32 744,91	0,00	– 32 744,91

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Fruit and Vegetables — Operational Programmes	2013	Ineligible expenditure — environmental measures — Castilla Leon	ONE OFF		EUR	– 68 357,82	0,00	– 68 357,82
	Fruit and Vegetables — Operational Programmes	2009	Ineligible expenditure — environmental measures — Cataluña	ONE OFF		EUR	– 225 773,04	0,00	– 225 773,04
	Fruit and Vegetables — Operational Programmes	2010	Ineligible expenditure — environmental measures — Cataluña	ONE OFF		EUR	– 170 694,03	– 8 534,70	– 162 159,33
	Fruit and Vegetables — Operational Programmes	2011	Ineligible expenditure — environmental measures — Cataluña	ONE OFF		EUR	– 181 248,30	– 9 062,42	– 172 185,88
	Fruit and Vegetables — Operational Programmes	2012	Ineligible expenditure — environmental measures — Cataluña	ONE OFF		EUR	– 192 820,93	0,00	– 192 820,93
	Fruit and Vegetables — Operational Programmes	2013	Ineligible expenditure — environmental measures — Cataluña	ONE OFF		EUR	– 254 597,71	0,00	– 254 597,71
	Fruit and Vegetables — Operational Programmes	2009	Ineligible expenditure — environmental measures Co-munidad Valenciana	ONE OFF		EUR	– 146 386,75	0,00	– 146 386,75
	Fruit and Vegetables — Operational Programmes	2010	Ineligible expenditure — environmental measures Co-munidad Valenciana	ONE OFF		EUR	– 200 166,03	– 31 147,05	– 169 018,98
	Fruit and Vegetables — Operational Programmes	2011	Ineligible expenditure — environmental measures Co-munidad Valenciana	ONE OFF		EUR	– 170 287,72	0,00	– 170 287,72

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Fruit and Vegetables — Operational Programmes	2012	Ineligible expenditure — environmental measures Co-munidad Valenciana	ONE OFF		EUR	– 168 918,35	– 3 707,16	– 165 211,19
	Fruit and Vegetables — Operational Programmes	2013	Ineligible expenditure — environmental measures Co-munidad Valenciana	ONE OFF		EUR	– 153 236,13	– 3 351,18	– 149 884,95
	Fruit and Vegetables — Operational Programmes	2009	Ineligible expenditure — environmental measures — Extremadura	ONE OFF		EUR	– 7 573,50	– 4 869,44	– 2 704,06
	Fruit and Vegetables — Operational Programmes	2010	Ineligible expenditure — environmental measures Extremadura	ONE OFF		EUR	– 41 935,82	– 253,29	– 41 682,53
	Fruit and Vegetables — Operational Programmes	2011	Ineligible expenditure — environmental measures Extremadura	ONE OFF		EUR	– 6 398,76	– 38,65	– 6 360,11
	Fruit and Vegetables — Operational Programmes	2012	Ineligible expenditure — environmental measures — Extremadura	ONE OFF		EUR	– 8 379,93	0,00	– 8 379,93
	Fruit and Vegetables — Operational Programmes	2013	Ineligible expenditure — environmental measures — Extremadura	ONE OFF		EUR	– 4 382,72	0,00	– 4 382,72
	Fruit and Vegetables — Operational Programmes	2009	Ineligible expenditure — environmental measures — La Rioja	ONE OFF		EUR	– 127 765,77	– 9 710,55	– 118 055,22
	Fruit and Vegetables — Operational Programmes	2010	Ineligible expenditure — environmental measures — La Rioja	ONE OFF		EUR	– 185 478,26	– 2 132,67	– 183 345,59



Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Fruit and Vegetables — Operational Programmes	2011	Ineligible expenditure — environmental measures — La Rioja	ONE OFF		EUR	– 282 683,90	– 1 707,41	– 280 976,49
	Fruit and Vegetables — Operational Programmes	2012	Ineligible expenditure — environmental measures — La Rioja	ONE OFF		EUR	– 284 838,08	– 28,74	– 284 809,34
	Fruit and Vegetables — Operational Programmes	2013	Ineligible expenditure — environmental measures — La Rioja	ONE OFF		EUR	– 139 011,79	0,00	– 139 011,79
	Fruit and Vegetables — Operational Programmes	2009	Ineligible expenditure — environmental measures — Murcia	ONE OFF		EUR	– 259 156,57	– 1 645,65	– 257 510,92
	Fruit and Vegetables — Operational Programmes	2010	Ineligible expenditure — environmental measures — Murcia	ONE OFF		EUR	– 416 517,97	– 113 614,89	– 302 903,08
	Fruit and Vegetables — Operational Programmes	2011	Ineligible expenditure — environmental measures — Murcia	ONE OFF		EUR	– 521 156,18	– 3 147,78	– 518 008,40
	Fruit and Vegetables — Operational Programmes	2012	Ineligible expenditure — environmental measures — Murcia	ONE OFF		EUR	– 401 418,38	0,00	– 401 418,38
	Fruit and Vegetables — Operational Programmes	2013	Ineligible expenditure — environmental measures — Murcia	ONE OFF		EUR	– 283 457,53	0,00	– 283 457,53
	Fruit and Vegetables — Operational Programmes	2009	Ineligible expenditure — environmental measures — Navarra	ONE OFF		EUR	– 15 774,57	– 100,17	– 15 674,40

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Fruit and Vegetables — Operational Programmes	2010	Ineligible expenditure — environmental measures — Navarra	ONE OFF		EUR	– 44 467,97	– 268,59	– 44 199,38
	Fruit and Vegetables — Operational Programmes	2011	Ineligible expenditure — environmental measures — Navarra	ONE OFF		EUR	– 215 685,94	– 1 302,74	– 214 383,20
	Fruit and Vegetables — Operational Programmes	2012	Ineligible expenditure — environmental measures — Navarra	ONE OFF		EUR	– 241 224,50	0,00	– 241 224,50
	Fruit and Vegetables — Operational Programmes	2013	Ineligible expenditure — environmental measures — Navarra	ONE OFF		EUR	– 72 761,39	0,00	– 72 761,39
	Fruit and Vegetables — Operational Programmes	2009	Ineligible expenditure — environmental measures — Pais Vasco	ONE OFF		EUR	0,00	0,00	0,00
	Fruit and Vegetables — Operational Programmes	2010	Ineligible expenditure — environmental measures — Pais Vasco	ONE OFF		EUR	– 46 466,16	– 280,65	– 46 185,51
	Fruit and Vegetables — Operational Programmes	2011	Ineligible expenditure — environmental measures — Pais Vasco	ONE OFF		EUR	– 37 334,18	– 225,49	– 37 108,69
	Fruit and Vegetables — Operational Programmes	2012	Ineligible expenditure — environmental measures — Pais Vasco	ONE OFF		EUR	– 18 369,50	0,00	– 18 369,50

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Fruit and Vegetables — Operational Programmes	2013	Ineligible expenditure — environmental measures — Pais Vasco	ONE OFF		EUR	– 18 173,37	0,00	– 18 173,37
	Fruit and Vegetables — Operational Programmes	2009	programme approval and soundness of estimates	FLAT RATE	5,00 %	EUR	– 2 471 338,23	– 410 946,34	– 2 060 391,89
	Fruit and Vegetables — Operational Programmes	2010	programme approval and soundness of estimates	FLAT RATE	5,00 %	EUR	– 2 458 742,85	– 487 812,57	– 1 970 930,28
	Fruit and Vegetables — Operational Programmes	2011	programme approval and soundness of estimates	FLAT RATE	5,00 %	EUR	– 2 824 856,16	– 409 515,20	– 2 415 340,96
	Fruit and Vegetables — Operational Programmes	2012	programme approval and soundness of estimates	FLAT RATE	5,00 %	EUR	– 64 228,60	– 753,71	– 63 474,89
	Fruit and Vegetables — Operational Programmes	2013	programme approval and soundness of estimates	FLAT RATE	5,00 %	EUR	– 4 355,01	0,00	– 4 355,01
	Fruit and Vegetables — Operational Programmes	2009	Recognition of Producer Organisations	ONE OFF		EUR	– 183 847,65	– 9 192,38	– 174 655,27
	Fruit and Vegetables — Operational Programmes	2009	Recognition of Producer Organisations and operational programmes	FLAT RATE	10,00 %	EUR	– 3 922 888,80	– 2 042 758,51	– 1 880 130,29
	Fruit and Vegetables — Operational Programmes	2010	Recognition of Producer Organisations and operational programmes	FLAT RATE	10,00 %	EUR	– 4 917 485,69	– 2 566 722,82	– 2 350 762,87

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Fruit and Vegetables — Operational Programmes	2011	Recognition of Producer Organisations and operational programmes	FLAT RATE	10,00 %	EUR	– 440 969,18	– 220 484,59	– 220 484,59
	Other Direct Aid — POSEI (2014+)	2015	The central Register (RIIA) contains errors that compromise the correctness of the exhaustive administrative cross-checks provided for in Regulation (EU) N°180/2014	FLAT RATE	2,00 %	EUR	– 82 894,34	0,00	– 82 894,34
	Other Direct Aid — POSEI	2013	The central Register (RIIA) contains errors that compromise the correctness of the exhaustive administrative cross-checks provided for in Regulation (EU) N°180/2014 and (EC) N°793/2006	FLAT RATE	5,00 %	EUR	– 280 114,91	– 14 005,75	– 266 109,16
	Other Direct Aid — POSEI (2014+)	2014	The central Register (RIIA) contains errors that compromise the correctness of the exhaustive administrative cross-checks provided for in Regulation (EU) N°180/2014 and (EC) N°793/2006	FLAT RATE	5,00 %	EUR	– 234 195,06	0,00	– 234 195,06
					<b>Total ES:</b>	<b>EUR</b>	<b>– 32 613 727,82</b>	<b>– 6 501 642,40</b>	<b>– 26 112 085,42</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>FR</b>	Other Direct Aid — Article 68-72 of Reg.73/2009	2014	Key control: administrative controls, including cross-checks, to establish the eligibility of the aid (productivity ratio)	ONE OFF		EUR	– 1 297 619,43	0,00	– 1 297 619,43

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Other Direct Aid — Article 68-72 of Reg.73/2009	2015	Key control: administrative controls, including cross-checks, to establish the eligibility of the aid (productivity ratio)	ONE OFF		EUR	– 2 043 712,69	0,00	– 2 043 712,69
	Other Direct Aid — Article 68-72 of Reg.73/2009	2014	Key control: checks on the correctness of the calculation of the aid including application of administrative penalties(difference > 50 %)	ONE OFF		EUR	– 369 979,82	0,00	– 369 979,82
	Other Direct Aid — Article 68-72 of Reg.73/2009	2015	Key control: checks on the correctness of the calculation of the aid including application of administrative penalties(difference > 50 %)	ONE OFF		EUR	– 393 123,12	0,00	– 393 123,12
					<b>Total FR:</b>	<b>EUR</b>	<b>– 4 104 435,06</b>	<b>0,00</b>	<b>– 4 104 435,06</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>GB</b>	Fruit and Vegetables — Operational Programmes	2010	Non-compliance with recognition criteria of producer organisations (100 % exclusion of 10 non-compliant producer organisations)	ONE OFF		EUR	– 1 233 654,04	0,00	– 1 233 654,04
	Fruit and Vegetables — Operational Programmes	2011	Non-compliance with recognition criteria of producer organisations (100 % exclusion of 10 non-compliant producer organisations)	ONE OFF		EUR	– 1 776 039,39	0,00	– 1 776 039,39
	Fruit and Vegetables — Operational Programmes	2012	Non-compliance with recognition criteria of producer organisations (100 % exclusion of 10 non-compliant producer organisations)	ONE OFF		EUR	– 2 327,82	0,00	– 2 327,82

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Fruit and Vegetables — Operational Programmes	2013	Non-compliance with recognition criteria of producer organisations (100 % exclusion of 10 non-compliant producer organisations)	ONE OFF		EUR	– 1 050 108,51	0,00	– 1 050 108,51
	Fruit and Vegetables — Operational Programmes	2010	Non-compliance with recognition criteria of producer organisations (Extrapolation)	ONE OFF		EUR	– 2 905 862,05	0,00	– 2 905 862,05
	Fruit and Vegetables — Operational Programmes	2011	Non-compliance with recognition criteria of producer organisations (Extrapolation)	ONE OFF		EUR	– 3 362 953,03	0,00	– 3 362 953,03
	Fruit and Vegetables — Operational Programmes	2012	Non-compliance with recognition criteria of producer organisations (Extrapolation)	ONE OFF		EUR	– 7 253,20	0,00	– 7 253,20
	Fruit and Vegetables — Operational Programmes	2013	Non-compliance with recognition criteria of producer organisations (Extrapolation)	ONE OFF		EUR	– 446 492,31	0,00	– 446 492,31
	Fruit and Vegetables — Operational Programmes	2010	Weaknesses in key controls in operational programmes of producer organisations	FLAT RATE	10,00 %	EUR	– 789 356,47	– 413 951,61	– 375 404,86
	Fruit and Vegetables — Operational Programmes	2011	Weaknesses in key controls in operational programmes of producer organisations	FLAT RATE	10,00 %	EUR	– 877 758,79	– 513 899,25	– 363 859,54
	Fruit and Vegetables — Operational Programmes	2012	Weaknesses in key controls in operational programmes of producer organisations	FLAT RATE	10,00 %	EUR	– 1 432,06	– 958,11	– 473,95
	Fruit and Vegetables — Operational Programmes	2013	Weaknesses in key controls in operational programmes of producer organisations	FLAT RATE	10,00 %	EUR	– 178 835,64	– 149 660,08	– 29 175,56

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Certification	2006	Weaknesses in the debt management procedures	ONE OFF		EUR	– 406 257,93	0,00	– 406 257,93
	Irregularities	2007	Weaknesses in the debt management procedures	ONE OFF		EUR	– 698,64	0,00	– 698,64
	Irregularities	2008	Weaknesses in the debt management procedures	ONE OFF		EUR	– 9 595,20	0,00	– 9 595,20
	Irregularities	2009	Weaknesses in the debt management procedures	ONE OFF		EUR	– 1 892,62	0,00	– 1 892,62
	Irregularities	2010	Weaknesses in the debt management procedures	ONE OFF		EUR	– 195,28	0,00	– 195,28
	Irregularities	2011	Weaknesses in the debt management procedures	ONE OFF		EUR	– 1 291,27	0,00	– 1 291,27
	Irregularities	2012	Weaknesses in the debt management procedures	ONE OFF		EUR	– 1 880,44	0,00	– 1 880,44
	Irregularities	2013	Weaknesses in the debt management procedures	ONE OFF		EUR	– 2 127,59	0,00	– 2 127,59
	Irregularities	2014	Weaknesses in the debt management procedures	ONE OFF		EUR	– 462,29	0,00	– 462,29
					<b>Total GB:</b>	<b>EUR</b>	<b>– 13 056 474,57</b>	<b>– 1 078 469,05</b>	<b>– 11 978 005,52</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>GR</b>	Certification	2013	Errors detected by the Certification Body in the completeness test of the Annex III table	ONE OFF		EUR	– 131 353,03	0,00	– 131 353,03

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Certification	2014	The known error detected by the Certification Body in the EAGF non-IACS population	ONE OFF		EUR	– 11 875,16	0,00	– 11 875,16
					<b>Total GR:</b>	<b>EUR</b>	<b>– 143 228,19</b>	<b>0,00</b>	<b>– 143 228,19</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>HU</b>	Fruit and Vegetables — Pre-recognised Producer Groups	2013	PGs weakness in Key control OP 2013	FLAT RATE	5,00 %	EUR	– 57 894,35	0,00	– 57 894,35
	Fruit and Vegetables — Pre-recognised Producer Groups	2014	PGs weakness in Key control OP 2013	FLAT RATE	5,00 %	EUR	– 504 307,84	0,00	– 504 307,84
	Fruit and Vegetables — Operational programmes incl withdrawals	2014	POs weakness key control OP 2012&2013. FY 2014	FLAT RATE	7,00 %	EUR	– 199 419,79	0,00	– 199 419,79
	Fruit and Vegetables — Operational Programmes	2013	POs weakness key control OP 2012&2013. FY 2013	FLAT RATE	7,00 %	EUR	– 66 339,25	– 47 385,18	– 18 954,07
					<b>Total HU:</b>	<b>EUR</b>	<b>– 827 961,23</b>	<b>– 47 385,18</b>	<b>– 780 576,05</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>IT</b>	Cross Compliance	2012	Inadequate check of SMR1 and SMR5, leniency of the sanctioning system and application of tolerances, farmer with animals, CY 2011	FLAT RATE	5,00 %	EUR	– 655 096,22	– 1 048,74	– 654 047,48



Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Cross Compliance	2013	Inadequate check of SMR1 and SMR5, leniency of the sanctioning system and application of tolerances, farmer with animals, CY 2012	FLAT RATE	5,00 %	EUR	– 666 277,37	0,00	– 666 277,37
	Cross Compliance	2014	Inadequate check of SMR1, SMR3, SMR5 and MRFF, CY 2013	FLAT RATE	2,00 %	EUR	– 752 819,71	0,00	– 752 819,71
	Cross Compliance	2012	Inadequate check of SMR1, SMR3, SMR5 and MRFF, farmers without animals, CY 2011	FLAT RATE	5,00 %	EUR	– 483 713,21	– 774,38	– 482 938,83
	Cross Compliance	2013	Inadequate check of SMR1, SMR3, SMR5 and MRFF, farmers without animals, CY 2012	FLAT RATE	5,00 %	EUR	– 523 645,95	0,00	– 523 645,95
	Certification	2012	non-respect of payment deadlines	ONE OFF		EUR	– 210 365,00	0,00	– 210 365,00
	Food Aid within the Community	2010	Non respect of public procurement deadlines	ONE OFF		EUR	– 1 197 563,28	0,00	– 1 197 563,28
	Food Aid within the Community	2011	Non respect of public procurement deadlines	ONE OFF		EUR	– 4 573 837,72	0,00	– 4 573 837,72
	Fruit and Vegetables — Operational Programmes	2011	Weaknesses in PO recognition checks: OP2011 — FY2011-2013	FLAT RATE	5,00 %	EUR	– 1 122 952,77	0,00	– 1 122 952,77

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Fruit and Vegetables — Operational Programmes	2012	Weaknesses in PO recognition checks: OP2011 — FY2011-2013	FLAT RATE	5,00 %	EUR	– 3 580 398,29	0,00	– 3 580 398,29
	Fruit and Vegetables — Operational Programmes	2013	Weaknesses in PO recognition checks: OP2011 — FY2011-2013	FLAT RATE	5,00 %	EUR	– 3 853,07	0,00	– 3 853,07
	Fruit and Vegetables — Operational programmes incl withdrawals	2014	Weaknesses in PO recognition checks: OP2011 — FY2014	FLAT RATE	5,00 %	EUR	6 043,13	0,00	6 043,13
	Fruit and Vegetables — Operational Programmes	2012	Weaknesses in PO recognition checks: OP2012 — FY2012-2013	FLAT RATE	2,00 %	EUR	– 464 814,60	0,00	– 464 814,60
	Fruit and Vegetables — Operational Programmes	2013	Weaknesses in PO recognition checks: OP2012 — FY2012-2013	FLAT RATE	2,00 %	EUR	– 1 407 604,32	0,00	– 1 407 604,32
	Fruit and Vegetables — Operational programmes incl withdrawals	2014	Weaknesses in PO recognition checks: OP2012 — FY2014	FLAT RATE	2,00 %	EUR	1 101,64	0,00	1 101,64
					<b>Total IT:</b>	<b>EUR</b>	<b>– 15 635 796,74</b>	<b>– 1 823,12</b>	<b>– 15 633 973,62</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>LV</b>	Cross Compliance	2014	Insufficient number of on-the-spot checks for SMRs 7 & 8, deficient checks of animal movement notifications — Pillar I — CY 2013	ONE OFF		EUR	– 189 485,56	0,00	– 189 485,56

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Cross Compliance	2015	Insufficient number of on-the-spot checks for SMRs 7 & 8, deficient checks of animal movement notifications — Pillar I — CY 2014	ONE OFF		EUR	– 210 598,79	0,00	– 210 598,79
					<b>Total LV:</b>	<b>EUR</b>	<b>– 400 084,35</b>	<b>0,00</b>	<b>– 400 084,35</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>PL</b>	Certification	2014	EAGF Non-IACS error detected in compliance testing of the OTSC	ONE OFF		EUR	– 7 165,39	0,00	– 7 165,39
	Fruit and Vegetables — Exceptional support measures	2011	Incorrect (area/production) yields	ONE OFF		EUR	– 26 377 055,48	– 669 020,35	– 25 708 035,13
	Food Aid within the Community	2010	non-compliance with public procurement rules — plan year 2010	ONE OFF		EUR	– 1 873 784,07	0,00	– 1 873 784,07
	Food Aid within the Community	2011	non-compliance with public procurement rules — plan year 2010	ONE OFF		EUR	– 27 609,40	0,00	– 27 609,40
	Food Aid within the Community	2011	non-compliance with public procurement rules — plan year 2011	ONE OFF		EUR	– 1 442 500,04	0,00	– 1 442 500,04
	Food Aid within the Community	2012	non-compliance with public procurement rules — plan year 2011	ONE OFF		EUR	– 18 723,79	0,00	– 18 723,79

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Food Aid within the Community	2012	non-compliance with public procurement rules — plan year 2012	ONE OFF		EUR	– 329 465,32	0,00	– 329 465,32
	Fruit and Vegetables — Exceptional support measures	2011	Weaknesses regarding notifications and ex-ante controls	FLAT RATE	5,00 %	EUR	– 937 813,75	– 547 965,83	– 389 847,92
					<b>Total PL:</b>	<b>EUR</b>	<b>– 31 014 117,24</b>	<b>– 1 216 986,18</b>	<b>– 29 797 131,06</b>

Currency	Amount	Deductions	Financial Impact
<b>EUR</b>	<b>– 104 413 086,11</b>	<b>– 8 854 484,68</b>	<b>– 95 558 601,43</b>

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Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>BG</b>	Certification	2014	EAFRD IACS known error	ONE OFF		EUR	– 9 930,63	0,00	– 9 930,63
	Certification	2013	EAFRD IACS overstatement and known error	ONE OFF		EUR	– 186 798,27	0,00	– 186 798,27
	Certification	2014	EAFRD Non-IACS known error	ONE OFF		EUR	– 581 320,04	0,00	– 581 320,04
	Certification	2013	EAFRD Non-IACS Most Likely Error	ONE OFF		EUR	– 1 797 022,09	0,00	– 1 797 022,09
	Certification	2014	Financial errors under Measures 121 and 123	ONE OFF		EUR	– 125 203,54	0,00	– 125 203,54

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Certification	2013	Measure 123 — evaluation committee issues	ONE OFF		EUR	– 41 588,29	0,00	– 41 588,29
	Certification	2014	Other EAFRD errors	ONE OFF		EUR	– 11 380,50	0,00	– 11 380,50
					<b>Total BG:</b>	<b>EUR</b>	<b>– 2 753 243,36</b>	<b>0,00</b>	<b>– 2 753 243,36</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>CY</b>	Cross Compliance	2013	Deficiencies in all 4 key controls and 2 ancillary controls (control stats, supervision) — RD — CY 2013	FLAT RATE	10,00 %	EUR	– 1 482,85	0,00	– 1 482,85
	Cross Compliance	2014	Deficiencies in all 4 key controls and 2 ancillary controls (control stats, supervision) — RD — CY 2013	FLAT RATE	10,00 %	EUR	– 117 859,18	0,00	– 117 859,18
	Cross Compliance	2014	Deficiencies in all 4 key controls and 2 ancillary controls (control stats, supervision) — RD — CY 2014	FLAT RATE	10,00 %	EUR	– 150,09	0,00	– 150,09
	Cross Compliance	2015	Deficiencies in all 4 key controls and 2 ancillary controls (control stats, supervision) — RD — CY 2014	FLAT RATE	10,00 %	EUR	– 115 046,28	0,00	– 115 046,28
					<b>Total CY:</b>	<b>EUR</b>	<b>– 234 538,40</b>	<b>0,00</b>	<b>– 234 538,40</b>

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>DE</b>	Cross Compliance	2015	Deficient evaluation of animals with 2 ear tags missing (SMRs 7, 8) — CY 2013	ONE OFF		EUR	– 291,68	0,00	– 291,68
					<b>Total DE:</b>	<b>EUR</b>	<b>– 291,68</b>	<b>0,00</b>	<b>– 291,68</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>ES</b>	Certification	2013	Action Plan measures 122, 223 and 226. Court ruling (not adequately supported)	ONE OFF		EUR	– 33 557,18	0,00	– 33 557,18
	Certification	2012	Errors from previous years for which recoveries have not been initiated	ONE OFF		EUR	– 5 463,58	0,00	– 5 463,58
	Certification	2011	Missing justification of the payment of an invoice	ONE OFF		EUR	– 35,99	0,00	– 35,99
	Certification	2012	MLE for EAFRD Non-IACS population	ONE OFF		EUR	– 347 412,15	0,00	– 347 412,15
					<b>Total ES:</b>	<b>EUR</b>	<b>– 386 468,90</b>	<b>0,00</b>	<b>– 386 468,90</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>FI</b>	Rural Development EAFRD Axis 2 (2007-2013, area related measures)	2013	Measure 214: Verification of eligibility criteria for Organic farming, and assessment of a retroactive nature of an infringement	ONE OFF		EUR	– 2 548,82	0,00	– 2 548,82

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Rural Development EAFRD Axis 2 (2007-2013, area related measures)	2014	Measure 214: Verification of eligibility criteria for Organic farming, and assessment of a retroactive nature of an infringement	ONE OFF		EUR	– 54 037,45	0,00	– 54 037,45
	Rural Development EAFRD Axis 2 (2007-2013, area related measures)	2015	Measure 214: Verification of eligibility criteria for Organic farming, and assessment of a retroactive nature of an infringement	ONE OFF		EUR	– 28 246,38	0,00	– 28 246,38
	Rural Development EAFRD Axis 2 (2007-2013, non area related measures)	2014	Measure 215: Appropriate verification of commitments related to grazing/outdoor access, and assessment of a retroactive nature of an infringement	ONE OFF		EUR	– 38 301,03	0,00	– 38 301,03
	Rural Development EAFRD Axis 2 (2007-2013, non area related measures)	2015	Measure 215: Appropriate verification of commitments related to grazing/outdoor access, and assessment of a retroactive nature of an infringement	ONE OFF		EUR	– 31 769,21	0,00	– 31 769,21
					<b>Total FI:</b>	<b>EUR</b>	<b>– 154 902,89</b>	<b>0,00</b>	<b>– 154 902,89</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>FR</b>	Rural Development EAFRD Axis 1 — Measures with flat rate support (2007-2013)	2013	Non-compliance with Art. 25 of Regulation 65/2011 (OTSC carried out after the final payment)	FLAT RATE	2,00 %	EUR	– 1 258 058,85	– 884 557,22	– 373 501,63

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Rural Development EAFRD Axis 1 — Measures with flat rate support	2014	Non-compliance with Art. 25 of Regulation 65/2011 (OTSC carried out after the final payment)	FLAT RATE	2,00 %	EUR	– 1 539 396,19	0,00	– 1 539 396,19
	Rural Development EAFRD Axis 1 — Measures with flat rate support	2015	Non-compliance with Art. 25 of Regulation 65/2011 (OTSC carried out after the final payment)	FLAT RATE	2,00 %	EUR	– 381 195,39	0,00	– 381 195,39
	Rural Development EAFRD (2014-2020) Measures with flat-rate support	2016	Non-compliance with Art. 25 of Regulation 65/2011 (OTSC carried out after the final payment)	FLAT RATE	2,00 %	EUR	– 1 681 851,57	0,00	– 1 681 851,57
					<b>Total FR:</b>	<b>EUR</b>	<b>– 4 860 502,00</b>	<b>– 884 557,22</b>	<b>– 3 975 944,78</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>GR</b>	Rural Development EAFRD Axis 2 (2007-2013, area related measures)	2013	Eligibility of permanent pasture	ONE OFF		EUR	– 16 790 207,07	– 482,39	– 16 789 724,68
	Rural Development EAFRD Axis 2 (2007-2013, area related measures)	2014	Eligibility of permanent pasture	ONE OFF		EUR	– 4 092 054,10	0,00	– 4 092 054,10
	Certification	2013	Errors detected by the Certification Body in the completeness test of the Annex III table	ONE OFF		EUR	– 80 114,44	0,00	– 80 114,44



Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Rural Development EAFRD (2014-2020) measures subject to IACS	2015	Measures 211 and 212: non eligibility of permanent pasture	ONE OFF		EUR	– 2 075 014,04	0,00	– 2 075 014,04
					<b>Total GR:</b>	<b>EUR</b>	<b>– 23 037 389,65</b>	<b>– 482,39</b>	<b>– 23 036 907,26</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>HU</b>	Rural Development EAFRD Axis 4 LEADER (2007-2013)	2014	Weakness in the project selection process for the third round of applications	FLAT RATE	5,00 %	EUR	– 2 042 124,67	0,00	– 2 042 124,67
	Rural Development EAFRD Axis 4 LEADER (2007-2013)	2015	Weakness in the project selection process for the third round of applications	FLAT RATE	5,00 %	EUR	– 1 664 147,37	0,00	– 1 664 147,37
					<b>Total HU:</b>	<b>EUR</b>	<b>– 3 706 272,04</b>	<b>0,00</b>	<b>– 3 706 272,04</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>IT</b>	Rural Development EAFRD Axis 2 (2007-2013, non area related measures)	2013	Measures 216 and 226: Adequate audit trail (recording of the control work undertaken) for administrative and on-the-spot checks (Ancillary control)	FLAT RATE	2,00 %	EUR	– 15 494,80	0,00	– 15 494,80
	Rural Development EAFRD Axis 2 (2007-2013, non area related measures)	2014	Measures 216 and 226: Adequate audit trail (recording of the control work undertaken) for administrative and on-the-spot checks (Ancillary control)	FLAT RATE	2,00 %	EUR	– 56 911,92	0,00	– 56 911,92

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Rural Development EAFRD (2014-2020) forestry measures	2015	Measures 216 and 226: Adequate audit trail (recording of the control work undertaken) for administrative and on-the-spot checks (Ancillary control)	FLAT RATE	2,00 %	EUR	– 42 742,25	0,00	– 42 742,25
	Rural Development EAFRD (2014-2020) Investment — private beneficiaries	2015	Measures 216 and 226: Adequate audit trail (recording of the control work undertaken) for administrative and on-the-spot checks (Ancillary control)	FLAT RATE	2,00 %	EUR	– 1 353,14	0,00	– 1 353,14
	Rural Development EAFRD (2014-2020) forestry measures	2016	Measures 216 and 226: Adequate audit trail (recording of the control work undertaken) for administrative and on-the-spot checks (Ancillary control)	FLAT RATE	2,00 %	EUR	– 1 739,03	0,00	– 1 739,03
	Certification	2012	non-respect of payment deadlines	ONE OFF		EUR	– 5 006 487,10	– 5 006 487,10	0,00
	Rural Development EAFRD Investment — private beneficiaries	2015	The Italian authorities have not sufficiently crosschecked the various available databases in order to spot the possible double-financed solar panels.	ONE OFF		EUR	– 216 521,27	0,00	– 216 521,27
					<b>Total IT:</b>	<b>EUR</b>	<b>– 5 341 249,51</b>	<b>– 5 006 487,10</b>	<b>– 334 762,41</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>LV</b>	Cross Compliance	2014	Insufficient number of on-the-spot checks for SMRs 7 & 8, deficient checks of animal movement notifications — Pillar II — CY 2013	ONE OFF		EUR	– 125 376,52	0,00	– 125 376,52

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Cross Compliance	2015	Insufficient number of on-the-spot checks for SMRs 7 & 8, deficient checks of animal movement notifications — Pillar II — CY 2013	ONE OFF		EUR	– 3 253,18	0,00	– 3 253,18
	Cross Compliance	2014	Insufficient number of on-the-spot checks for SMRs 7 & 8, deficient checks of animal movement notifications — Pillar II — CY 2014	ONE OFF		EUR	– 83 384,34	0,00	– 83 384,34
	Cross Compliance	2015	Insufficient number of on-the-spot checks for SMRs 7 & 8, deficient checks of animal movement notifications — Pillar II — CY 2014	ONE OFF		EUR	– 2 163,59	0,00	– 2 163,59
					<b>Total LV:</b>	<b>EUR</b>	<b>– 214 177,63</b>	<b>0,00</b>	<b>– 214 177,63</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>PL</b>	Certification	2014	EAFRD Non-IACS error detected in compliance testing of the OTSC	ONE OFF		EUR	– 1 125,27	0,00	– 1 125,27
					<b>Total PL:</b>	<b>EUR</b>	<b>– 1 125,27</b>	<b>0,00</b>	<b>– 1 125,27</b>
Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
<b>SE</b>	Rural Development EAFRD Axis 2 (2007-2013, non area related measures)	2013	Measure 216 — Appropriate evaluation of the reasonableness of costs using a comparison of different offers	FLAT RATE	5,00 %	EUR	– 17 893,40	0,00	– 17 893,40

Member State	Measure	FY	Reason	Type	Correction %	Currency	Amount	Deductions	Financial Impact
	Rural Development EAFRD Axis 2 (2007-2013, non area related measures)	2014	Measure 216 — Appropriate evaluation of the reasonableness of costs using a comparison of different offers	FLAT RATE	5,00 %	EUR	– 207 835,80	– 207 835,80	0,00
	Rural Development EAFRD (2014-2020) Investment — private beneficiaries	2015	Measure 216 — Appropriate evaluation of the reasonableness of costs using a comparison of different offers	FLAT RATE	5,00 %	EUR	– 242 832,60	0,00	– 242 832,60
	Rural Development EAFRD Axis 2 (2007-2013, non area related measures)	2014	Measure 227 — Weaknesses in relation to the verification of public procurement procedure	FLAT RATE	5,00 %	EUR	– 3 525,20	– 3 525,20	0,00
	Rural Development EAFRD (2014-2020) forestry measures	2015	Measure 227 — Weaknesses in relation to the verification of public procurement procedure	FLAT RATE	5,00 %	EUR	– 4 039,15	0,00	– 4 039,15
					<b>Total SE:</b>	<b>EUR</b>	<b>– 476 126,15</b>	<b>– 211 361,00</b>	<b>– 264 765,15</b>
Currency		Amount		Deductions		Financial Impact			
<b>EUR</b>		<b>– 41 166 287,48</b>		<b>– 6 102 887,71</b>		<b>– 35 063 399,77</b>			

**COMMISSION DECISION (EU) 2017/265****of 14 February 2017**

**including the Government of Northwest Territories of Canada as a recognised body in the list referred to in Article 3 of Implementing Regulation (EU) 2015/1850 laying down detailed rules for the implementation of Regulation (EC) No 1007/2009 of the European Parliament and of the Council on trade in seal products**

*(notified under document C(2017) 757)*

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Commission Implementing Regulation (EU) 2015/1850 of 13 October 2015 laying down detailed rules for the implementation of Regulation (EC) No 1007/2009 of the European Parliament and of the Council on trade in seal products <sup>(1)</sup>, and in particular Article 3 thereof,

Whereas:

- (1) Article 3 of Regulation (EC) No 1007/2009 of the European Parliament and of the Council <sup>(2)</sup> sets out the conditions under which seal products resulting from hunts by Inuit or other indigenous communities may be placed on the Union market. Compliance with those conditions must be attested by a recognised body at the time the seal products are placed on the market.
- (2) Article 3 of Implementing Regulation (EU) 2015/1850 sets out the requirements for entities to fulfil in order to be included in a list of recognised bodies for the purposes of Article 3 of Regulation (EC) No 1007/2009.
- (3) The placing on the market of seal products resulting from hunts by Inuit or other indigenous communities has to be accompanied by a document from a recognised body attesting that the conditions set out in Implementing Regulation (EU) 2015/1850 have been fulfilled.
- (4) The Commission received on 22 November 2016 a request by the Government of the Northwest Territories to be authorised as a recognised body for the purposes of Article 3(1a) of Regulation (EC) No 1007/2009. The request was accompanied by documentary evidence required by Article 3 of Implementing Regulation (EU) 2015/1850.
- (5) The Commission carried out an assessment on the basis of the documentary evidence submitted to determine whether the Government of the Northwest Territories satisfied the requirements in order to be a recognised body under Implementing Regulation (EU) 2015/1850.
- (6) The Commission has concluded that the Government of the Northwest Territories fulfils each of the requirements of Article 3(1) of Implementing Regulation (EU) 2015/1850 and that the Government of the Northwest Territories should be listed as a recognised body,

HAS ADOPTED THIS DECISION:

*Article 1*

The Government of the Northwest Territories shall be considered as a recognised body for the purposes of Article 3 of Implementing Regulation (EU) 2015/1850.

<sup>(1)</sup> OJ L 271, 16.10.2015, p. 1.

<sup>(2)</sup> Regulation (EC) No 1007/2009 of the European Parliament and of the Council of 16 September 2009 on trade in seal products (OJ L 286, 31.10.2009, p. 36).

*Article 2*

The content of this Decision shall be published on the Commission's website without delay.

*Article 3*

This Decision is addressed to Government of the Northwest Territories of Canada.

Done at Brussels, 14 February 2017.

*For the Commission*  
Karmenu VELLA  
*Member of the Commission*

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## ACTS ADOPTED BY BODIES CREATED BY INTERNATIONAL AGREEMENTS

### DECISION No 1/2016 OF THE EU-REPUBLIC OF MOLDOVA CUSTOMS SUB-COMMITTEE of 6 October 2016

**replacing Protocol II to the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part, concerning the definition of the concept of 'originating products' and methods of administrative cooperation [2017/266]**

THE EU-REPUBLIC OF MOLDOVA CUSTOMS SUB-COMMITTEE,

Having regard to the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part <sup>(1)</sup>, and in particular Article 38 of Protocol II to that Agreement concerning the definition of the concept of 'originating products' and methods of administrative cooperation,

Whereas:

- (1) Article 144(2) of the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part ('the Agreement') refers to Protocol II to the Agreement ('Protocol II') which lays down the rules of origin and provides for cumulation of origin between the European Union and the Republic of Moldova.
- (2) Most of the provisions on trade and trade-related matters of the Agreement, including Protocol II, have been applied provisionally since 1 September 2014.
- (3) Article 38 of Protocol II provides that the Customs Sub-Committee provided for in Article 200 of the Agreement may decide to amend the provisions of that Protocol.
- (4) The Regional Convention on pan-Euro-Mediterranean preferential rules of origin <sup>(2)</sup> ('the Convention') aims to replace the protocols on rules of origin currently in force among the countries of the pan-Euro-Mediterranean area with a single legal act.
- (5) The Union signed the Convention on 15 June 2011. The Joint Committee of the Convention decided, by Decision No 2 of 21 May 2014 <sup>(3)</sup>, that the Republic of Moldova should be invited to accede to the Convention.
- (6) The Union and the Republic of Moldova deposited their instruments of acceptance with the depositary of the Convention on 26 March 2012 and 31 July 2015 respectively. Consequently, pursuant to Article 10(3) of the Convention, the Convention entered into force in relation to the Union and the Republic of Moldova on 1 May 2012 and on 1 September 2015, respectively.
- (7) Protocol II should therefore be replaced by a new protocol making reference to the Convention,

HAS ADOPTED THIS DECISION:

#### *Article 1*

Protocol II to the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part, concerning the definition of the concept of 'originating products' and methods of administrative cooperation shall be replaced by the text set out in the Annex to this Decision.

<sup>(1)</sup> OJ L 260, 30.8.2014, p. 4.

<sup>(2)</sup> OJ L 54, 26.2.2013, p. 4.

<sup>(3)</sup> OJ L 217, 23.7.2014, p. 88.

*Article 2*

This Decision shall enter into force on the date of its adoption.

It shall apply from 1 December 2016.

Done at Brussels, 6 October 2016.

*For the Customs Sub-Committee*

*The Chairman*  
P. KOVACS

*Secretaries*  
O. ZIKUNA

N. CALENIC

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## ANNEX

**‘PROTOCOL II****CONCERNING THE DEFINITION OF THE CONCEPT OF “ORIGINATING PRODUCTS” AND METHODS OF ADMINISTRATIVE COOPERATION***Article 1***Applicable rules of origin**

1. For the purpose of implementing this Agreement, Appendix I and the relevant provisions of Appendix II to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin <sup>(1)</sup> (“the Convention”) shall apply.
2. All references to the “relevant agreement” in Appendix I and in the relevant provisions of Appendix II to the Convention shall be construed so as to mean this Agreement.

*Article 2***Dispute settlement**

1. Where disputes arise in relation to the verification procedures of Article 32 of Appendix I to the Convention that cannot be settled between the customs authorities requesting the verification and the customs authorities responsible for carrying out that verification, they shall be submitted to the Customs Sub-Committee. The provisions on the dispute settlement mechanism in Chapter 14 (Dispute Settlement) of Title V (Trade and Trade-related Matters) of this Agreement shall not apply.
2. In all cases the settlement of disputes between the importer and the customs authorities of the importing country shall take place under the legislation of that country.

*Article 3***Amendments to the Protocol**

The Customs Sub-Committee may decide to amend the provisions of this Protocol.

*Article 4***Withdrawal from the Convention**

1. Should either the European Union or the Republic of Moldova give notice in writing to the depositary of the Convention of their intention to withdraw from the Convention in accordance with Article 9 thereof, the European Union and the Republic of Moldova shall immediately enter into negotiations on rules of origin for the purpose of implementing this Agreement.
2. Until the entry into force of such newly negotiated rules of origin, the rules of origin contained in Appendix I and, where appropriate, the relevant provisions of Appendix II to the Convention, applicable at the moment of withdrawal, shall continue to apply to this Agreement. However, as of the moment of withdrawal, the rules of origin contained in Appendix I and, where appropriate, the relevant provisions of Appendix II to the Convention shall be construed so as to allow bilateral cumulation between the European Union and the Republic of Moldova only.

<sup>(1)</sup> OJ L 54, 26.2.2013, p. 4.

*Article 5***Transitional provisions — cumulation**

Notwithstanding Articles 16(5) and 21(3) of Appendix I to the Convention, where cumulation involves only EFTA States, the Faroe Islands, the European Union, Turkey, the participants in the Stabilisation and Association Process and the Republic of Moldova, the proof of origin may be a movement certificate EUR.1 or an origin declaration.'

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## III

*(Other acts)*

## EUROPEAN ECONOMIC AREA

## EFTA SURVEILLANCE AUTHORITY DECISION

No 84/16/COL

of 27 April 2016

**amending, for the hundredth-and-first time, the procedural and substantive rules in the field of State aid by introducing new Guidelines for the analysis of the compatibility with the functioning of the EEA Agreement of State aid to promote the execution of important projects of common European interest [2017/267]**

THE EFTA SURVEILLANCE AUTHORITY ('THE AUTHORITY'),

HAVING regard to the Agreement on the European Economic Area ('the EEA Agreement'), in particular to Articles 61 to 63 and Protocol 26,

HAVING regard to the Agreement between the EFTA States on the Establishment of a Surveillance Authority and a Court of Justice ('the Surveillance and Court Agreement'), in particular to Article 24 and Article 5(2)(b),

Whereas:

Under Article 24 of the Surveillance and Court Agreement, the Authority shall give effect to the provisions of the EEA Agreement concerning State aid,

Under Article 5(2)(b) of the Surveillance and Court Agreement, the Authority shall issue notices or guidelines on matters dealt with in the EEA Agreement, if that Agreement or the Surveillance and Court Agreement expressly so provides or if the Authority considers it necessary,

On 20 June 2014, the European Commission adopted a communication setting out 'criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interests' <sup>(1)</sup>. The communication applies from 1 July 2014 until 31 December 2020.

This communication is also of relevance for the European Economic Area,

Uniform application of the EEA State aid rules is to be ensured throughout the European Economic Area in line with the objective of homogeneity established in Article 1 of the EEA Agreement,

According to point II under the heading 'GENERAL' on page 9 of Annex XV to the EEA Agreement, the Authority, after consultation with the Commission, is to adopt acts corresponding to those adopted by the European Commission,

HAVING consulted the European Commission,

HAVING consulted the EFTA States by letter dated 25 January 2016 on the subject,

<sup>(1)</sup> OJ C 188, 20.6.2014, p. 4.

HAS ADOPTED THIS DECISION:

*Article 1*

The substantive rules in the field of State aid shall be amended by introducing new Guidelines for the analysis of the compatibility with the functioning of the EEA Agreement of State aid to promote the execution of important projects of common European interest. The new Guidelines are annexed to this Decision and form an integral part of it.

*Article 2*

Only the English language version of this decision is authentic.

Done at Brussels, 27 April 2016.

*For the EFTA Surveillance Authority*

Sven Erik SVEDMAN

*President*

Frank BÜCHEL

*College Member*

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## ANNEX

**Guidelines for the analysis of the compatibility with the functioning of the EEA Agreement of State aid to promote the execution of important projects of common European interest <sup>(1)</sup>**

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## Eligible costs

**1. Introduction**

1. This Chapter of the Guidelines gives guidance on the assessment under State aid rules of public financing of important projects of common European interest (IPCEIs).

<sup>(1)</sup> These guidelines correspond to the European Commission's communication on criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest, published 20 June 2014 (OJ C 188, 20.6.2014, p. 4).

2. IPCEIs may represent a very important contribution to economic growth, jobs and competitiveness for the European Economic Area (EEA) industry and economy in view of their positive spillover effects on the internal market and the society.
3. IPCEIs make it possible to bring together knowledge, expertise, financial resources and economic actors throughout the EEA, so as to overcome important market or systemic failures and societal challenges which could not otherwise be addressed. They are designed to bring together public and private sectors to undertake large-scale projects that provide significant benefits to the EEA and the citizens of the Contracting Parties.
4. IPCEIs can be relevant for all policies and actions that fulfil common European objectives, in particular as regards the Europe 2020 <sup>(1)</sup> objectives, the European Union's flagship initiatives and key areas for economic growth such as the Key Enabling Technologies <sup>(2)</sup> (KETs).
5. The State Aid Modernisation initiative (SAM) <sup>(3)</sup> calls for State aid to be directed towards objectives of common European interests in line with the priorities of the Europe 2020 agenda, so as to address market failures or other important systemic failures that hinder the promotion of growth and jobs and the development of an integrated, dynamic and competitive internal market. The deployment of IPCEIs often requires a significant participation from public authorities since the market would not otherwise finance such projects. In case public financing of such projects constitutes State aid, this communication sets out the applicable rules so as to ensure that the level playing field in the internal market is preserved.
6. The SAM constitutes a good opportunity to update and consolidate the existing guidance in one single document so as to bring it into line with the Europe 2020 objectives and the SAM goals and to extend it to other fields where it could be of application. These Guidelines therefore replace any existing provisions on IPCEI. In this way, these Guidelines provide the Contracting Parties with dedicated and cross-disciplinary guidance aimed at encouraging the development of important collaborative projects that promote the common European interests.
7. Article 61(3)(b) of the EEA Agreement provides that aid to promote the execution of an important project of common European interest may be considered to be compatible with the functioning of the EEA Agreement. Accordingly, these Guidelines set out guidance as to the criteria the EFTA Surveillance Authority ('the Authority') will apply for the assessment of State aid to promote the execution of IPCEIs. They first define their scope and then provide a list of criteria which the Authority will use to assess the nature and the importance of such projects for the purposes of the application of Article 61(3)(b) of the EEA Agreement. They then explain how the Authority will assess the compatibility of public financing of IPCEIs under State aid rules.
8. These Guidelines do not exclude the possibility that aid to promote the execution of IPCEIs may also be found compatible with the functioning of the EEA Agreement on the basis of other provisions, notably Article 61(3)(c) of the EEA Agreement and their implementing rules. The State aid framework has been modernised with a view to offering the Contracting Parties greater possibilities to subsidise important projects which remedy market failures and cohesion challenges in different areas in order to promote sustainable growth and jobs. However, those provisions may not fully address the relevance, specificities and features of IPCEIs, which may require dedicated eligibility, compatibility and procedural provisions, which are set out in these Guidelines.

## 2. Scope of application

9. These Guidelines apply to IPCEIs in all sectors of economic activity.

<sup>(1)</sup> Communication from the Commission, Europe 2020, 'A strategy for smart, sustainable and inclusive growth', COM(2010) 2020 final, 3 March 2010.

<sup>(2)</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — 'A European strategy for Key Enabling Technologies — A bridge to growth and jobs', COM(2012) 341 final, 26 June 2012.

<sup>(3)</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — EU State Aid Modernisation (SAM), COM(2012) 209 final, 8 May 2012.

10. These Guidelines shall not apply to:

- (a) measures involving aid to undertakings in difficulty, as defined by the rescue and restructuring guidelines <sup>(1)</sup> or any successor guidelines, as amended or replaced;
- (b) measures involving aid to undertakings which are subject to an outstanding recovery order following a previous Authority decision declaring an aid illegal and incompatible with the functioning of the EEA Agreement;
- (c) aid measures which entail by themselves, by the conditions attached to them or by their financing method a non-severable violation of EEA law <sup>(2)</sup>, in particular:
  - aid measures where the granting of aid is subject to the obligation for the beneficiary to have its headquarters in the relevant Contracting Party or to be predominantly established in that Contracting Party,
  - aid measures where the granting of aid is subject to the obligation for the beneficiary to use nationally produced goods or national services,
  - aid measures restricting the possibility for the beneficiary to exploit the research, development and innovation results in other Contracting Parties.

### 3. Eligibility criteria

11. In determining whether a project falls within Article 61(3)(b) of the EEA Agreement, the following criteria will apply:

#### 3.1. Definition of a project

12. The aid proposal concerns a single project which is clearly defined in respect of its objectives as well as the terms of its implementation, including its participants and its funding <sup>(3)</sup>.
13. The Authority may also consider eligible an 'integrated project', that is to say, a group of single projects inserted in a common structure, roadmap or programme aiming at the same objective and based on a coherent systemic approach. The individual components of the integrated project may relate to separate levels of the supply chain but must be complementary and necessary for the achievement of the important European objective <sup>(4)</sup>.

#### 3.2. Common European interest

##### 3.2.1. General cumulative criteria

14. The project must contribute in a concrete, clear and identifiable manner to one or more common European objectives and must have a significant impact on competitiveness of the EEA, sustainable growth, addressing societal challenges or value creation across the EEA.

<sup>(1)</sup> Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty, as adopted by Decision No 321/14/COL (OJ L 271, 16.10.2015, p. 35 and EEA Supplement No 62, 15.10.2015, p. 1). As explained in paragraph 23 of those guidelines, given that its very existence is in danger, a firm in difficulty cannot be considered an appropriate vehicle for promoting other public policy objectives until such time that its viability is assured.

<sup>(2)</sup> See for instance Case C-156/98 *Germany v Commission* EU:C:2000:467, paragraph 78 and Case C-333/07 *Régie Networks v Rhône-Alpes Bourgogne* EU:C:2008:764, paragraphs 94-116.

<sup>(3)</sup> In the case of research and development, when two or more projects are not clearly separable from each other and, in particular when they do not have independent probabilities of technological success, they must be considered as a single project. Aid for a project that merely leads to a change in the location of the project within the EEA without changing the nature, size or scope of the project, will not be considered compatible.

<sup>(4)</sup> Hereafter a single project and an integrated project are referred to as a 'project'.

15. The project must represent an important contribution to the common European objectives, for instance by being of major importance for the Europe 2020 strategy, the European Research Area, the European strategy for KETs <sup>(1)</sup>, the Energy Strategy for Europe <sup>(2)</sup>, the 2030 framework for climate and energy policies <sup>(3)</sup>, the European Energy Security Strategy <sup>(4)</sup>, the Electronics Strategy for Europe, the Trans-European Transport and Energy networks, the Union's flagship initiatives such as the Innovation Union <sup>(5)</sup>, Digital Agenda for Europe <sup>(6)</sup>, the Resource Efficient Europe <sup>(7)</sup>, or the Integrated Industrial Policy for the Globalisation Era <sup>(8)</sup>.
16. The project must normally involve more than one Contracting Party <sup>(9)</sup> and its benefits must not be confined to the financing Contracting Parties, but extend to a wide part of the EEA. The benefits of the project must be clearly defined in a concrete and identifiable manner <sup>(10)</sup>.
17. The benefits of the project must not be limited to the undertakings or to the sector concerned, but must be of wider relevance and application to the European economy or society through positive spillover effects (such as having systemic effects on multiple levels of the value chain, or up- or down-stream markets, or having alternative uses in other sectors or modal shift) which are clearly defined in a concrete and identifiable manner.
18. The project must involve co-financing by the beneficiary.
19. The project must respect the principle of the phasing out of environmental harmful subsidies, as recalled by the Resource Efficiency Roadmap <sup>(11)</sup>.

### 3.2.2. General positive indicators

20. In addition to the cumulative criteria in Section 3.2.1, the Authority will take a more favourable approach where:
  - (a) the project has been designed so as to make it possible for all interested Contracting Parties to participate, having regard to the type of project, the objective pursued and its financing needs;
  - (b) the design of the project involves the European Commission or any legal body to which the European Commission has delegated its powers, such as the European Investment Bank;

<sup>(1)</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — 'A European strategy for Key Enabling Technologies — A bridge to growth and jobs', COM(2012) 341 final, 26 June 2012.

<sup>(2)</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'Energy 2020 — A strategy for competitive, sustainable and secure energy', COM(2010) 639 final, 10 November 2010.

<sup>(3)</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'A policy framework for climate and energy in the period from 2020 to 2030', COM(2014) 15 final, 22 January 2014.

<sup>(4)</sup> Communication from the Commission to the European Parliament and the Council, 'European Energy Security Strategy', COM(2014) 330 final, 28 May 2014.

<sup>(5)</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'Europe 2020 Flagship Initiative — Innovation Union', COM(2010) 546 final, 6 October 2010.

<sup>(6)</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'A Digital Agenda for Europe', COM(2010) 245 final, 26 August 2010, as recognised in the resolution from the 37th Meeting of the EEA Joint Parliamentary Committee on 26 October 2011.

<sup>(7)</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'A resource-efficient Europe — Flagship initiative under the Europe 2020 Strategy', COM(2011) 21, 26 January 2011.

<sup>(8)</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'An Integrated Industrial Policy for the Globalisation Era — Putting Competitiveness and Sustainability as the Centre Stage', COM(2010) 614 final, 28 October 2010.

<sup>(9)</sup> With the exception of interconnected research infrastructures and TEN-T projects that are of fundamentally transnational importance because they are part of a physically connected cross-border network or are essential to enhance cross-border traffic management or interoperability.

<sup>(10)</sup> The mere fact that the project is carried out by undertakings in different countries, or that a research infrastructure is subsequently used by undertakings established in different EEA Member States, is not sufficient for a project to qualify as an IPCEI. The Court of Justice has stated that a project may be described as being of common European interest when it forms part of a transnational European programme supported jointly by a number of governments of the EEA Member States, or arises from concerted action by a number of EEA Member States to combat a common threat. Joined Cases C-62/87 and 72/87 *Exécutif régional wallon and SA Glaverbel v Commission* EU:C:1988:132, paragraphs 22-23.

<sup>(11)</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'Roadmap to a Resource Efficient Europe', COM(2011) 571 final, 20 September 2011.



- (c) the selection of the project involves the European Commission or any legal body to which the European Commission has delegated its power, provided that this body is acting in that purpose as an implementing structure;
- (d) the governance structure of the project involves the European Commission — or any legal body to which the European Commission has delegated its powers — and several Contracting Parties;
- (e) the project involves important collaborative interactions in terms of number of partners, involvement of organisations of different sectors, or the involvement of undertakings of different sizes;
- (f) the project involves co-financing by an EFTA or European Union fund <sup>(1)</sup>.

### 3.2.3. Specific criteria

- 21. R & D&I projects must be of a major innovative nature or constitute an important added value in terms of R & D&I in light of the state of the art in the sector concerned.
- 22. Projects comprising of industrial deployment must allow for the development of a new product or service with high research and innovation content and/or the deployment of a fundamentally innovative production process. Regular upgrades without an innovative dimension of existing facilities and the development of newer versions of existing products do not qualify as IPCEI.
- 23. Environmental, energy or transport projects must either be of great importance for the environmental, energy, including security of energy supply, or transport strategy of the Union or contribute significantly to the internal market, including, but not limited to those specific sectors.

### 3.3. Importance of the project

- 24. In order to qualify as an IPCEI, a project must be important quantitatively or qualitatively. It should either be particularly large in size or scope and/or imply a very considerable level of technological or financial risk.

## 4. Compatibility criteria

- 25. When assessing the compatibility with the functioning of the EEA Agreement of aid to promote the execution of an IPCEI on the basis of Article 61(3)(b) of the EEA Agreement, the Authority will take into account the following criteria <sup>(2)</sup>.
- 26. The Authority will carry out a balancing test to assess whether the expected positive effects outweigh the possible negative effects as set out below.
- 27. In view of the nature of the project, the Authority may consider that the presence of a market failure or other important systemic failures, as well as the contribution to a common European interest, is presumed where the project fulfils the eligibility criteria set out in Section 3 above.

### 4.1. Necessity and proportionality of the aid

- 28. The aid must not subsidise the costs of a project that an undertaking would anyhow incur and must not compensate for the normal business risk of an economic activity. Without the aid the project's realisation should be impossible, or it should be realised in a smaller size or scope or in a different manner that would significantly restrict its expected benefits <sup>(3)</sup>. Aid will only be considered proportionate if the same result could not be achieved with less aid.

<sup>(1)</sup> EFTA or European Union funding centrally managed by the institutions, agencies, joint undertakings or other bodies of the EEA or European Union that is not directly or indirectly under the control of the Contracting Parties does not constitute State aid.

<sup>(2)</sup> According to case law, the Authority enjoys discretion as regards the assessment of the compatibility of IPCEIs. Joined Cases C-62/87 and 72/87, *Exécutif régional wallon and SA Glaverbel v Commission* [1988] ECR I 573, paragraph 21.

<sup>(3)</sup> The aid application must precede the starts of the works, which is either the start of construction works on the investment or the first firm commitment to order equipment or other commitment that makes the investment irreversible, whichever is the first in time. Buying of land and preparatory works such as obtaining permits and conducting preliminary feasibility studies are not considered as start of works.

29. The Contracting Party must provide the Authority with adequate information concerning the aided project as well as a comprehensive description of the counterfactual scenario which corresponds to the situation where no aid is awarded by any Contracting Party. The counterfactual scenario may consist in the absence of an alternative project or in a clearly defined and sufficiently predictable alternative project considered by the beneficiary in its internal decision-making, and may relate to an alternative project that is wholly or partly carried out outside the EEA.
30. In the absence of an alternative project, the Authority will verify that the aid amount does not exceed the minimum necessary for the aided project to be sufficiently profitable, for example by making possible to achieve an IRR corresponding to the sector or firm specific benchmark or hurdle rate. Normal rates of return required by the beneficiary in other investment projects of a similar kind, its cost of capital as a whole or returns commonly observed in the industry concerned may also be used for this purpose. All relevant expected costs and benefits must be considered over the lifetime of the project.
31. The maximum aid level will be determined with regard to the identified funding gap in relation to the eligible costs. If justified by the funding gap analysis, the aid intensity could reach up to 100 % of the eligible costs. The funding gap refers to the difference between the positive and negative cash flows over the lifetime of the investment, discounted to their current value on the basis of an appropriate discount factor reflecting the rate of return necessary for the beneficiary to carry out the project, notably in view of the risks involved. The eligible costs are those laid down in the Appendix <sup>(1)</sup>.
32. Where it is shown, for example by means of internal company documents, that the aid beneficiary faces a clear choice between carrying out either an aided project or an alternative one without aid, the Authority will compare the expected net present values of the investment in the aided project and the counterfactual project, account being taken of the probabilities of the different business scenarios occurring.
33. In its analysis, the Authority will take into consideration the following elements:
  - (a) specification of intended change: the change in behaviour which is expected to result from the State aid, that is to say whether a new project is triggered, or the size, scope or speed of a project is enhanced, has to be well specified by the Contracting Party. The change of behaviour has to be identified by comparing what would be the expected outcome and level of intended activity with and without aid. The difference between the two scenarios shows the impact of the aid measure and its incentive effect;
  - (b) level of profitability: where a project would not in itself be sufficiently profitable for a private undertaking to undertake, but would generate important benefits for the society, it is more likely that the aid has an incentive effect.
34. In order to address actual or potential direct or indirect distortions of international trade, the Authority may take account of the fact that, directly or indirectly, competitors located outside the EEA have received (in the last three years) or are going to receive, aid of an equivalent intensity for similar projects. However, where distortions of international trade are likely to occur after more than three years, given the particular nature of the sector in question, the reference period may be extended accordingly. If at all possible, the Contracting Party concerned will provide the Authority with sufficient information to enable it to assess the situation, in particular the need to take account of the competitive advantage enjoyed by a third country competitor. If the Authority does not have evidence concerning the awarded or proposed aid, it may also base its decision on circumstantial evidence.
35. When gathering evidence, the Authority may use its investigative powers <sup>(2)</sup>.

<sup>(1)</sup> In case of an integrated project, the eligible costs must be detailed at the level of each individual project.

<sup>(2)</sup> See Article 1(3) of Council Regulation (EU) No 734/2013 of 22 July 2013, amending Regulation (EC) No 659/1999 laying down detailed rules for the application of Article 93 of the EC Treaty (OJ L 204, 31.7.2013, p. 15). At the time of the adoption of these guidelines, Regulation (EU) No 734/2013 was under consideration for incorporation into the EEA Agreement. Regulation (EC) No 659/1999 was incorporated into the EEA Agreement by Joint Committee Decision No 164/2001 (OJ L 65, 7.3.2002, p. 46 and EEA Supplement No 13, 7.3.2002, p. 26).

36. The choice of the aid instrument must be made with a view to the market failure or other important systemic failures which it seeks to address. For instance, where the underlying problem is lack of access to finance, Contracting Parties should normally resort to aid in the form of liquidity support, such as loans or guarantees <sup>(1)</sup>. Where it is also necessary to provide the undertaking with a certain degree of risk-sharing, a repayable advance should normally be the aid instrument of choice. Repayable aid instruments will generally be considered as a positive indicator.
37. The energy security and energy efficiency objectives must be taken into account in the analysis where relevant.
38. The Authority will consider more favourably projects that include a significant own contribution by the beneficiaries or by independent private investors. Contribution of tangible and intangible assets, as well as land, shall be accounted at market price.
39. The selection of beneficiaries through a competitive, transparent and non-discriminatory tender will be considered as a positive indicator.

#### 4.2. *Prevention of undue distortions of competition and balancing test*

40. The Contracting Party should provide evidence that the proposed aid measure constitutes the appropriate policy instrument to address the objective of the project. An aid measure will not be considered appropriate if other less distortive policy instruments or other less distortive types of aid instruments make it possible to achieve the same result.
41. For the aid to be compatible, the negative effects of the aid measure in terms of distortions of competition and impact on trade between Contracting Parties must be limited and outweighed by the positive effects in terms of contribution to the objective of the common European interest.
42. In assessing the negative effects of the aid measure, the Authority will focus its analysis on the foreseeable impact the aid may have on competition between undertakings in the product markets concerned, including up- or down-stream markets, and on the risk of overcapacity.
43. The Authority will assess the risk of market foreclosure and dominance, in particular in case of absence or limited dissemination of the research results. Projects involving the construction of an infrastructure <sup>(2)</sup> must ensure open and non-discriminatory access to the infrastructure and non-discriminatory pricing <sup>(3)</sup>.
44. The Authority will assess the potential negative effects on trade, including the risk of a subsidy race between Contracting Parties that may arise in particular with respect to the choice of a location.

#### 4.3. *Transparency*

45. Contracting Parties shall ensure the publication of the following information on a comprehensive State aid website, at national or regional level:
  - (a) the text of the aid measure and its implementing provisions, or a link to it;
  - (b) the identity of the granting authority or authorities;
  - (c) the identity of the individual beneficiary, the form and amount of the aid to each beneficiary, the date of granting, the type of undertaking (SME/large undertaking); the region in which the beneficiary is located (at NUTS level II); and the principal economic sector in which the beneficiary undertaking has its activities (at NACE group level) <sup>(4)</sup>.

<sup>(1)</sup> Aid in the form of guarantees must be limited in time, and aid in the form of loans must be subject to repayment periods.

<sup>(2)</sup> For avoidance of doubt, pilot lines are not considered as infrastructures.

<sup>(3)</sup> Where the project involves an energy infrastructure, it shall be subject to the tariff and access regulation and to the unbundling requirements according to internal market legislation.

<sup>(4)</sup> With the exception of business secrets and other confidential information in duly justified cases and subject to the Authority's agreement (Chapter on professional secrecy in State aid decisions, Decision No 15/04/COL, published in OJ L 154, 8.6.2006, p. 27 and EEA Supplement No 29, 8.6.2006, p. 1).

46. Such requirement can be waived with respect to individual aid awards below EUR 500 000. Such information must be published after the decision to grant the aid has been taken, must be kept for at least 10 years and must be available to the general public without restriction <sup>(1)</sup>. Contracting Parties will not be required to provide the abovementioned information before 1 July 2016.

## 5. Final provisions

### 5.1. Notification obligation

47. According to Article 1(3) in Part I of Protocol 3 of the Agreement between the EFTA States on the Establishment of a Surveillance Authority and a Court of Justice, Contracting Parties must inform the Authority in advance of any plans to grant or alter State aid including aid for an IPCEI.
48. Contracting Parties involved in the same IPCEI are invited, whenever possible, to submit to the Authority a common notification.

### 5.2. Ex post evaluation and reporting

49. The execution of the project must be subject to regular reporting. Where appropriate, the Authority may ask for an *ex post* evaluation to be conducted.

### 5.3. Entry into force, validity and revision

50. These Guidelines will be applied from date of adoption until 31 December 2020.
51. The Authority will apply the principles set out in these Guidelines to all notified aid projects in respect of which it is called upon to take a decision after the Guidelines have been published on the Authority's website, even where the projects were notified prior to its publication.
52. In line with the Chapter on applicable rules for the assessment of unlawful State aid, in Part II of the State aid Guidelines <sup>(2)</sup>, in the case of non-notified aid, the Authority will apply these Guidelines if the aid was granted after its entry into force, and the rules in force at the time when the aid was granted in all other cases.
53. The Authority may decide to amend these Guidelines at any time it is necessary for reasons associated with competition policy or to take account of other policies, international commitments, developments in the markets, or for any other justified reason.

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<sup>(1)</sup> This information shall be published within 6 months from the date of granting. In case of unlawful aid, Contracting Parties will be required to ensure the publication of this information *ex post*, at least within 6 months from the date of the Authority's decision. The information shall be available in a format which allows data to be searched, extracted, and easily published on the internet, for instance in CSV or XML format.

<sup>(2)</sup> Decision No 154/07/COL (OJ L 73, 19.3.2009, p. 23 and EEA Supplement No 15, 19.3.2009, p. 1).

*Appendix***Eligible costs**

- (a) Feasibility studies, including preparatory technical studies, and the costs of obtaining the permissions necessary for the realisation of the project.
- (b) Costs of instruments and equipment (including installations and transport vehicles) to the extent and for the period used for the project. If such instruments and equipment are not used for their full life for the project, only the depreciation costs corresponding to the life of the project, as calculated on the basis of good accounting practice, are considered as eligible.
- (c) Costs of the acquisition (or construction) of buildings, infrastructure and land, to the extent and for the period used for the project. Where these costs are determined with regard to the commercial transfer value or the actually incurred capital costs, as opposed to the depreciation costs, the residual value of the land, building or infrastructure should be deducted from the funding gap, either *ex ante* or *ex post*.
- (d) Costs of other materials, supplies and similar products necessary for the project.
- (e) Costs for obtaining, validating and defending patents and other intangible assets. Costs of contractual research, knowledge and patents bought or licensed from outside sources at arm's length conditions, as well as costs of consultancy and equivalent services used exclusively for the project.
- (f) Personnel and administrative costs (including overheads) directly incurred for the R & D&I activities, including those R & D&I activities related to first industrial deployment <sup>(1)</sup>, or in the case of an infrastructure project, incurred during the construction of the infrastructure.
- (g) In case of aid to a project of first industrial deployment, the capital and operating expenditures (CAPEX and OPEX), as long as the industrial deployment follows on from an R & D&I activity <sup>(2)</sup> and itself contains a very important R & D&I component which constitutes an integral and necessary element for the successful implementation of the project. The operating expenditures must be related to such component of the project.
- (h) Other costs may be accepted if justified, and where they are inextricably linked to the realisation of the project, to the exclusion of operating costs not covered by point (g).

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<sup>(1)</sup> First industrial deployment refers to the upscaling of pilot facilities, or to the first-in-kind equipment and facilities which cover the steps subsequent to the pilot line including the testing phase, but neither mass production nor commercial activities.

<sup>(2)</sup> The first industrial deployment does not need to be carried out by the same entity that carried out the R & D&I activity, as long as the former acquires the rights to use the results from the previous R & D&I activity, and the R & D&I activity and the first industrial deployment are both covered by the project and are notified together.





