



EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate G. Horizontal aspects of rural development

G.1. Consistency of rural development

Brussels, 5/3/2013
G.1/LV/ (2013) 346260

Subject: Proposed substance of the empowerments given by the proposal for a Regulation of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) – see attached document.

Version 3

RELEVANT PROVISION OF THE PROPOSAL	SUBSTANCE OF THE EMPOWERMENT PROVISIONS	COMMENTS
<p>Article 2 Definitions</p> <p>2. As regards the definition of young farmer laid down in paragraph 1(u), the Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the conditions under which a legal person may be considered a 'young farmer', including the setting of a grace period for the acquisition of occupational skills. (u) "young farmer": farmer who is less than 40 years of age at the moment of submitting the application, possesses adequate occupational skills and competence and is setting up for the first time in an agricultural holding as head of the holding;</p>	<p>As regards young farmer:</p> <ul style="list-style-type: none"> • occupational skills need to be defined by MS in the RDP. • Possibility of a grace period of 36 months to comply with the requirement for occupational skills. • Specific conditions may be applied in a situation where a young farmer is not established as sole head of the agricultural holding. Those conditions must be equivalent to those required for a young farmer setting up as sole head of a holding. Where there is no sole head of the holding, the eldest of the partners must be less than 40 years old. 	<p>Reference to young <u>farmer</u> or young <u>person</u> may have to be updated, following the discussions of the legislators.</p> <p>DG AGRI pointed out to IE PRES that the text of the empowerment requires a linguistic revision so that it reads "...considered a 'young farmer' and the setting of grace period..."</p>
<p>Article 6 Consistency</p> <p>2. No support under this Regulation shall be granted to operations supported under common market organizations. The Commission shall be empowered to adopt delegated acts, in accordance with Article 90 to define exceptions from this rule.</p>	<p>N/A</p>	<p>Under consideration.</p> <p>Article 55(8) of CPR refers to expenditure.</p>

<p>Article 12 Amendment of rural development programmes</p> <p>2. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the criteria defining a major reset of quantified targets referred to in paragraph 1(a)(i).</p>	<p>N/A</p>	<p>Under consideration.</p> <p>The Presidency proposal stipulates in the basic act that:</p> <p>- a change in the programme strategy through a <u>change of more than 50% in any result indicator linked to a focus area</u></p>
<p>Article 15 Knowledge transfer and information actions</p> <p>5. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the minimum qualifications of bodies providing knowledge transfer services and the duration and content of farm exchange schemes and farm visits.</p>	<p>Minimum qualifications of bodies providing knowledge transfer services:</p> <p>The beneficiary shall provide evidence of the qualification of its staff in the provision of knowledge transfer services.</p> <p>The beneficiary shall provide evidence of sufficient staff related to the extent of the provision of knowledge transfer services.</p> <p>Farm exchange schemes</p> <p>The content should be defined by MS, focusing in particular on farming methods/technologies, farm diversification, farms participating in the supply chain, developing new business opportunities and new (agricultural) technologies.</p> <p>The duration of these exchanges shall be between 1 and 6 months.</p>	

<p>Article 16 Advisory services, farm management and farm relief services</p> <p>9. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the further specification of the minimum qualifications of the authorities or bodies providing advice.</p>	<p>The beneficiary shall provide evidence of the qualification of its staff in the provision of advisory services.</p> <p>The beneficiary shall provide evidence of sufficient staff related to the extent of the provision of advice.</p>	
<p>Article 17 Quality schemes for agricultural products and foodstuffs</p> <p>4. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the specific Union quality schemes to be covered by paragraph 1(a). 1. Support under this measure shall cover new participation by farmers in: (a) quality schemes for agricultural products, cotton or foodstuffs established by Union legislation;</p>	<p>Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs</p> <p>Organic products: Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91</p> <p>Wine: Title II, Chapter I, Section 2 of the REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a common organisation of the markets in agricultural products (Single CMO Regulation)</p> <p>Aromatized wines: Chapter III of the REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine</p>	

	products	
<p>Article 19 Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions</p> <p>6. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the definition of eligible costs under this measure.</p>	N/A	<p>Under consideration.</p> <p>The simple replacement is described in Article 46(4).</p>
<p>Article 20 Farm and business development</p> <p>8. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the minimum content of business plans and the criteria to be used by Member States for setting the thresholds referred to in paragraph 4.</p> <p>4. Support under paragraph 1(a) shall be conditional on the submission of a business plan. Implementation of the business plan has to start within six months from the date of the decision granting the aid. Member States shall define upper and lower thresholds for allowing agricultural holdings access to support under paragraphs 1(a)(i) and 1(a)(iii) respectively. The lower threshold for support under paragraph 1(a)(i) shall be significantly higher than the upper threshold for support under paragraph 1(a)(iii). Support shall,</p>	<p>Business plan - young farmers</p> <p>The business plan referred to in Article 20(4) shall describe at least:</p> <p>(a) the initial situation of the agricultural holding;</p> <p>(b) milestones and targets for the development of the activities of the holding;</p> <p>(c) details of the action required for the development of the activities of the agricultural holding, such as investments, training, advice or any other activity.</p> <p>Business plan – new non-agricultural activities in rural areas</p> <p>The business plan referred to in Article 20(4) shall describe at least:</p>	

<p>however, be limited to holdings coming under the definition of micro- and small enterprises.</p> <p>*1. (a) business start-up aid for:</p> <p>(i) young farmers;</p> <p>(iii) the development of small farms;</p>	<p>(a) the initial economic and financial situation of the agricultural holding or of a non-agricultural micro- and small-enterprise in rural area applying for support;</p> <p>(b) milestones and targets for the development of the new activities of the agricultural holding or micro- and small- enterprise;</p> <p>(c) details of the action required for the development of the activities of the agricultural holding or micro- and small- enterprise, such as details of investments, training, advice or any other action required for the development of the new activities.</p> <p>Business plan - small farms</p> <p>The business plan referred to in Article 20(4) shall describe at least:</p> <p>(a) the initial situation of the agricultural holding;</p> <p>(b) details of action that could support the achievement of economic viability, such as investments, training, co-operation or any other action.</p> <p>Thresholds</p> <p>In order to bring about the structural adjustment, MS should define thresholds referred to in Article 20(4) for criteria of production potential, measured in Standard Output or its equivalent.</p> <p>When rented land is counted in the estimation of the threshold level, it must be ensured that it is rented for</p>	
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	at least 5 years counting from the date of application.	
<p>Article 21 Basic services and village renewal in rural areas</p> <p>4. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the definition of the types of renewable energy infrastructure that shall be eligible for support under this measure.</p>	<p>Member States shall establish minimum criteria for energy efficiency for supported investments.</p> <p>Investments in installations for the primary purpose of bio-energy electricity production from biomass are excluded from support if they do not utilize a minimum percentage of heat energy, to be determined by the Member States.</p> <p>Member States shall establish thresholds for the maximum proportions of food and feed crops (excluding waste, residues and by-products) used for bioenergy production, including biofuels, for different types of installations.</p>	<p>It is aimed to ensure a high level of energy efficiency for all supported investments.</p> <p>In line with the objectives of the EU to improve energy efficiency and to promote combined heat and power¹, specific rules apply in the case of power generation from biomass, such as in biogas plants or wood power plants. The energy efficiency of plants generating power only is generally inferior to that of combined heat and power plants (co-generation) or those for heat only. For this reason, no support shall be granted for installations primarily aimed at electricity production if they don't utilise a minimum percentage of heat energy. No fixed percentage is</p>

¹ Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency

		<p>set, and Member States are to determine the minimum percentage of heat energy to be used.</p> <p>For installations related to the production of bioenergy, including biofuels, it is aimed to allow the setting of limits for the utilisation of food and feed crops. These conditions are aimed to incentivise the utilisation of non-food and feed crop based biomass, such as waste and residues, as well as ligno-cellulosic biomass. This should limit negative implications on food and feed prices and indirect land use changes associated with bioenergy production, and thereby also enhance the environmental performance of the bioenergy production.</p> <p>The limitation of the use of food and feed crops for bioenergy production under Article 21 applies to individual installations. Member States should consider the overall contribution of bioenergy derived from food and feed crops to their national renewable energy targets when setting these limitations. The Commission recently proposed changes to the Renewable Energy Directive (2009/28/EC) and the</p>
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		<p>Fuel Quality Directive (98/70/EC)² which limit the contribution of biofuels produced from food and feed crops to the renewable energy targets.</p> <p>Practical examples concern the utilisation of feedstocks in biogas installations, where a maximum percentage of silage maize or other food and feed crops shall be set. Member States shall also utilise this provision in order to regulate, for instance, the utilisation of edible plant oil for the on-farm production of biodiesel.</p>
<p>Article 22 Investments in forest area development and improvement of the viability of forests</p> <p>3. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the conditions for establishing the occurrence of a natural disaster or of pests and diseases outbreaks, and the definition of eligible types of preventive actions.</p>	N/A	<p>Under consideration.</p> <p>Article 25(3) already gives a full account for the disasters and outbreaks and Article 25(1) gives an account of preventive actions.</p>
<p>Article 23 Afforestation and creation of woodland</p> <p>2. [...] Species planted shall be adapted to the environmental and climatic conditions of the area and answer to minimum environmental requirements. [...]</p> <p>3. The Commission shall be empowered to adopt delegated acts in accordance with Article 90</p>	Member States shall define sensitive habitats such as peatlands, wetlands where the selection of species, areas and methods to be used shall avoid the inappropriate afforestation. On sites designated as Natura 2000 pursuant to Directives 92/43/EEC and 2009/147/EC only afforestation consistent with the management objectives of the sites concerned and	

² Proposal for a Directive of the European Parliament and of the Council amending Directive 98/70/EC relating to the quality of petrol and diesel fuels and amending Directive 2009/28/EC on the promotion of the use of energy from renewable sources. COM(2012) 595 final.

<p>concerning the definition of the minimum environmental requirements referred to in paragraph 2.</p>	<p>approved by the national authority in charge shall be allowed.</p> <p>The selection of species, varieties, ecotypes and provenances, and of trees shall furthermore take account of the need for resilience to climate change and to natural disasters, as well as the pedologic and hydrologic condition of the area concerned.</p>	
<p>Article 29 Agri-environment- climate</p> <p>10. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the annual extension of the commitments after the initial period of the operation, conditions applicable to commitments to extensify or manage differently livestock farming, to limit fertilisers, plant protection products or other inputs, to rear local breeds in danger of being lost to farming or to preserve plant genetic resources as well as concerning definition of eligible operations under paragraph 9.</p> <p>9. Support may be provided for the conservation of</p>		<p>Under consideration:</p> <p>Empowerment concerning the annual extension may not be necessary as the basic act is sufficiently clear.</p> <p>Empowerment concerning the limit on fertilizers and pesticides may be redundant given the provisions of Article 69.</p>

genetic resources in agriculture for operations not covered by the provisions under paragraphs 1 to 8

Commitments to extensify shall comply with at least the following conditions:

- ~~grassland management shall continue;~~
- ~~the whole of the grazed area per livestock unit shall be maintained, avoiding over-grazing and under-grazing utilisation;~~
- management and maintenance of the whole grazed area of the holding to avoid over- and under-grazing shall be ensured
- livestock density shall be defined taking account of all grazing livestock kept on the farm or, in the case of a commitment to limit nutrient leaching, all animals kept on the farm which are relevant to the commitment in question.

To rear local breeds in danger of being lost to farming or to preserve plant genetic resources and the eligible operations in relation to conservation of genetic resources in agriculture:

- Support may relate to the following commitments:
- (a) to rear farm animals of local breeds ~~indigenous to the area and~~ in danger of being lost to farming;
 - (b) to preserve plant genetic resources naturally adapted to the local and regional conditions and under threat of genetic erosion.

The concept of "manage differently livestock farming" has had a very limited application hence it is proposed to delete it.

Proposal for replacement of the two first conditions in order to simplify the text

The notion of "local breeds" shall be read in the meaning of the FAO definition on *locally adapted breeds*: "breeds which have been in the country for a sufficient time to be genetically adapted to one or more of traditional production systems or environments

The species of farm animals eligible for the support are: cattle, sheep, goat, equidae, pigs, avian.

in the country".

The conditions are largely based on the content of the current Annex II of R.1974/2006.

The conditions to determine the list of local breeds in danger of being lost to farming:

- the number of breeding females concerned must be stated;**
- that number and the endangered status of the listed breeds shall be certified by a duly recognised scientific body;**
- a duly recognised technical body must register and keep up-to-date the herd or flock book for the breed;**
- evidence that the body concerned possesses the necessary skills and knowledge to identify animals of the breeds in danger.**

The evidence of complying with the conditions shall be included in the programme.

The conditions to determine the list of plant genetic resources under threat of genetic erosion:

- evidence of genetic erosion based upon scientific results and indicators for the occurrence of landraces/primitive (local) varieties, their population diversity and the prevailing agricultural practices at local level.**

Support under Article 29(9) of (RD) Regulation (EC) may cover operations carried out by other beneficiaries than those referred to in Article 29(2) of that Regulation.

Activities entering in agri-environment-climate commitments referred to in Article xxx (*text above*) of this Regulation shall not be eligible for support under Article 29(9) of (RD) Regulation.

No support shall be granted under Article 29(9) of (RD) Regulation for activities eligible under the EU framework programme for research and innovation.

The operations for the conservation of genetic resources in agriculture eligible for support under Article 29(9) of (RD) Regulation shall include the following:

- (a) targeted actions: actions promoting the ex situ and in situ conservation, characterisation, collection and utilisation of genetic resources in agriculture, including web-based inventories of genetic resources currently conserved in situ, including in situ/on-farm conservation, and of ex situ collections (gene banks) and databases;
- (b) concerted actions: actions promoting the exchange of information for the conservation, characterisation, collection and utilisation of genetic resources in Community agriculture, among competent organisations in the Member States;
- (c) accompanying actions: information, dissemination

It is proposed to delete this text as this aspect will be covered by the basic act.

and advisory actions involving non-governmental organisations and other relevant stakeholders, training courses and the preparation of technical reports.

For the purposes of this Article, the following definitions shall apply:

- (a) 'in situ conservation' means the conservation of genetic material in ecosystems and natural habitats and the maintenance and recovery of viable population of species or feral breeds in their natural surroundings and, in the case of domesticated animal breeds or cultivated plant species, in the farmed environment where they have developed their distinctive properties;
- (b) 'in situ/on-farm conservation' means in situ conservation and development at farm level;
- (c) 'ex situ conservation' means the conservation of genetic material for agriculture outside their natural habitat;
- (d) 'ex situ collection' means a collection of genetic material for agriculture maintained outside their natural habitat.

<p>Article 34 Animal welfare</p> <p>4. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the definition of the areas in which animal welfare commitments shall provide upgraded standards of production methods.</p>	<p>A farmer can be compensated for the additional costs and income foregone resulting from commitments going beyond the mandatory requirements, in particular in the following areas:</p> <ul style="list-style-type: none"> • water and feed closer to their natural needs; • housing conditions, such as space allowances, bedding, natural light; • outdoor access; • absence of systematic mutilations, isolation or permanent tethering; • prevention of pathologies mainly determined by farming practices or/and keeping conditions. 	
<p>Article 35 Forest-environmental and climate services and forest conservation</p> <p>4. Support may be provided to private entities, municipalities and their associations for the conservation and promotion of forest genetic resources for operations not covered under paragraphs 1, 2 and 3.</p> <p>5. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the types of operations eligible for support under paragraph</p>	<p>1. No support shall be granted under Article 35 (4) of (RD) Regulation for activities eligible for support under the EU framework programme for research and innovation.</p> <p>2. Operations for the conservation and promotion of genetic resources in forestry eligible for support under Article 35 (4) of (RD) Regulation shall include the following:</p> <p>(a) targeted actions: actions promoting the <i>ex situ</i> and <i>in situ</i> conservation, characterisation, collection and utilisation of genetic resources in forestry, including web-based inventories of genetic resources currently conserved <i>in situ</i>, including <i>in situ</i>/on-holding conservation, and of <i>ex situ</i> collections (gene banks) and databases;</p>	

	<p>(b) concerted actions: actions promoting the exchange of information for the conservation, characterisation, collection and utilisation of genetic resources in EU forestry, among competent organisations in the Member States;</p> <p>(c) accompanying actions: information, dissemination and advisory actions involving non-governmental organisations and other relevant stakeholders, training courses and the preparation of technical reports.</p> <p>3. For the purposes of this Article, the following definitions shall apply:</p> <p>(a) ‘<i>in situ</i> conservation’ means the conservation of genetic material in ecosystems and natural habitats and the maintenance and recovery of viable population of species in their natural surroundings;</p> <p>(b) ‘<i>in situ/on-holding</i> conservation’ means <i>in situ</i> conservation and development at the level of the forest holding;</p> <p>(c) ‘<i>ex situ</i> conservation’ means the conservation of genetic material for forestry outside its natural habitat;</p> <p>(d) ‘<i>ex situ</i> collection’ means a collection of genetic material for forestry maintained outside its natural habitat.</p>	
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<p>Article 36 Co-operation</p> <p>10. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the further specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets that will be eligible for support, as well as concerning the conditions for granting aid to the types of operation listed in paragraph 2.</p> <p>2. Co-operation under paragraph 1 shall relate in particular to the following:</p> <p>(a) pilot projects;</p> <p>(b) the development of new products, practices, processes and technologies in the agriculture, food and forestry sectors</p> <p>(c) co-operation among small operators in organising joint work processes, sharing facilities and resources;</p> <p>(d) horizontal and vertical co-operation among supply chain actors for the establishment of logistic latforms to promote short supply chains and local markets;</p> <p>(e) promotion activities in a local context relating to the development of short supply chains and local markets;</p> <p>(f) joint action undertaken with a view to mitigating or adapting to climate change;</p> <p>(g) collective approaches to environmental projects and ongoing environmental practices;</p> <p>(h) horizontal and vertical cooperation among supply chain actors in the sustainable production of biomass for use in food, energy production and industrial processes.</p>	<p>6 (1) (b) – Clusters</p>	<p>General comment, especially relevant to support for clusters, pilot projects and technological development:</p> <p>It may be necessary to use delegated acts to give precision on categories of eligible costs etc. The intention is not to make rural development rules conform exactly to state aid rules, but rather to take a similar approach where this is necessary to avoid potentially serious problems.</p> <p>This assessment will become easier as work progresses on the revision of the Research and Development State Aid Guidelines – a process which has been launched and in which DG AGRI is participating.</p> <p>See general comment, above, on state aid rules.</p>
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<p>(i) implementation, in particular by public-private partnerships other than those defined in Article 28(1)(b) of Regulation (EU) No [CSF/2012], of local development strategies addressing one or more of the Union priorities for rural development;</p> <p>(j) drawing up of forest management plans or equivalent instruments.</p>	<p>[Some elements of a common approach with state aid rules may be needed in terms of eligible costs.]</p> <p>36 (2) (a) – Pilot projects [Some elements of a common approach with state aid rules may be needed in terms of eligible costs.]</p> <p>36 (2) (b) – Development of new products, processes and technologies in the agriculture, food and forestry sectors</p> <p><i>Costs for cooperation for the development of new products, practices, processes and technologies in the agriculture, food and forestry sectors shall concern preparatory operations, such as design, product, process or technology development and tests and tangible and/or intangible investments related to the cooperation, before the use of the newly developed</i></p>	<p>The definition of "cluster" currently included in the Presidency compromise proposal of 7 December 2012 is taken from the current Research and Development State Aid Guidelines. However, the definition in the Guidelines may change – and quite possibly become more flexible in terms of membership of the cluster.</p> <p>See general comment on state aid rules.</p> <p>It might be appropriate to use some elements from the present wording of Article 20 of Commission Regulation (EC) 1974/2006 (see left), however, further adjustments are envisaged in order to tackle issues such as running costs.</p>
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	<p><i>products, processes and technologies for commercial purposes.</i></p> <p>36 (2) (c) – Co-operation among small operators in organising joint work processes, sharing facilities and resources</p> <p>[For the purposes of support under this point, "small operator" should mean a micro-enterprise as defined in EU Recommendation 2003/361.]</p> <p>36 (2) (d) – Horizontal and vertical co-operation among supply chain actors for the establishment of logistic platforms to promote short supply chains and local markets</p> <p><u>Short supply chains</u></p> <p>Further specification of the characteristics of short supply chain shall be described in the Rural Development Programme.</p> <p><u>Local markets</u></p> <p>Further specification of the characteristics of local market shall be described in the Rural Development Programme.</p>	<p>Experts' views are sought as to what specifications can be added on top of Article 2(1)(t)</p> <p>Experts' views are sought as to what specifications can be put in the Programmes. In principle, this should be limited by a geographical area which has definable boundaries and which might consist of administrative</p>
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	<p>36 (2) (e) - Promotion activities in a local context relating to the development of short supply chains and local markets</p> <p>Further specification of the characteristics of promotion activities in a local context shall be described in the Rural Development Programme.</p> <p>36 (2) (f) - Joint action undertaken with a view to mitigating or adapting to climate change</p> <p>Further specification of the characteristics of joint action undertaken with a view to mitigating or adapting to climate change shall be described in the Rural Development Programme.</p> <p>36 (2) (h) - Horizontal and vertical co-operation among supply chain actors in the sustainable production of biomass for use in food, energy production and industrial processes</p> <p>Further specification of the characteristics of horizontal and vertical co-operation among supply chain actors in the sustainable production of biomass for use in food, energy production and industrial processes shall be described in the Rural Development Programme.</p>	<p>units.</p> <p>These specifications must be consistent with the specifications of short supply chains and local markets.</p> <p>These specifications must be consistent with the text of the delegated acts related to Article 21.</p> <p>These specifications must be consistent with the text of the delegated acts related to Article 21.</p>
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<p>Article 37 Risk management</p> <p>4. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the minimum and maximum duration of the commercial loans to mutual funds referred to in Articles 39(3)(b) and 40(4).</p> <p>39(3) The financial contributions referred to in Article 37(1)(b) may only relate to: (b) the amounts paid by the mutual fund as financial compensation to farmers. In addition, the financial contribution may relate to interest on commercial loans taken out by the mutual fund for the purpose of paying the financial compensation to farmers in case of crisis.</p> <p>40(4) The financial contributions referred to in Article 37(1)(c) may only relate to the amounts paid by the mutual fund as financial compensation to farmers. In addition, the financial contribution may relate to interest on commercial loans taken out by the mutual fund for the purpose of paying the financial compensation to farmers in case of crisis. No contribution by public funds shall be made to initial capital stock.</p>	<p>Definition of the minimum and maximum duration of commercial loans to mutual funds: Where the source of the financial compensation to be paid by the mutual fund is a commercial loan, its minimum and maximum duration shall be between 1 and 5 years respectively.</p>	
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<p>Article 43 Preparatory support</p> <p>2. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the definition of the eligible costs of the actions under paragraph 1.</p> <p>1. Support under Article 31(a) of Regulation (EU) No [CSF/2012] shall cover:</p> <p>(a) a “LEADER start-up kit” consisting of capacity building actions for groups who did not implement LEADER in the 2007-2013 programming period and support for small pilot projects;</p> <p>(b) capacity building, training and networking with a view to preparing and implementing a local development strategy.</p>	<p>N/A</p>	<p>Under consideration.</p> <p>CPR,proposes Art. 31 (1)</p> <p><i>1. Support for local development shall include:</i></p> <p><i>(a) the costs of preparatory support including:</i></p> <p><i><u>(i) targeted actions to support the capacity building and formation of new groups and support for small pilot projects;</u></i></p> <p><i><u>(ii) capacity building, training and networking with a view to preparing and implementing a local development strategy;</u></i></p>
<p>Article 45 Running costs and animation</p> <p>3. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the definition of the eligible costs of the actions under paragraph 2.</p> <p>2. Costs for the animation of the territory referred to in Article 31(d) of Regulation (EU) No [CSF/2012] are costs to cover actions to inform about the local development strategy as well as project development</p>	<p>N/A</p>	<p>Under consideration.</p> <p>Council proposes to include costs in the CPR.</p> <p><i>(e) animation of the <u>community-led</u> local development strategy <u>in order to facilitate exchange between stakeholders to</u></i></p>

<p>tasks. --- (EU) No [CSF/2012] Article 31(d): running costs and animation of the local development strategy up to the limit of 25 % of the total public expenditure incurred within the local development strategy.</p>		<p><u>provide information and to promote the strategy and to support potential beneficiaries to develop operations and prepare applications.</u></p>
<p>Article 46 Investments</p> <p>6. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the conditions under which other costs connected with leasing contracts, second hand equipment and simple replacement investments may be considered as eligible expenditure.</p>	<p>Other costs connected with the leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges, shall not be eligible expenditure;</p> <p>Member States may establish the conditions under which the purchase of second-hand equipment may be regarded as eligible expenditure. This derogation is applicable only for micro, small and medium-sized enterprises within the meaning of Commission Recommendation 2003/361/EC.</p> <p>Simple replacement investments shall not be eligible expenditure.</p>	
<p>Article 47 Rules for area related payments</p> <p>6. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning conditions applicable in case of partial transfer of a holding, the definition of other situations in which reimbursement of the aid shall not be required.</p>	<p>The conditions applicable in case of partial transfer of a holding, defining other situations in which reimbursement of the aid shall not be required.</p> <p>Art.X+1 1. When a beneficiary increases the area of the holding during the period for which a commitment given as a condition for the grant of assistance runs, Member</p>	

	<p>States may provide for the commitment to be extended to cover the additional area for the remainder of the period of the commitment in accordance with paragraph 2, or for the original commitment to be replaced by a new one in accordance with paragraph 3.</p> <p>2. The extension referred to in paragraph 1 may be granted only under the following conditions:</p> <ul style="list-style-type: none">(a) it is of benefit to the measure concerned;(b) it is justified in terms of the nature of the commitment, the length of the remaining period and the size of the additional area;(c) it does not impede the effectiveness of checks to ensure compliance with the conditions for the grant of assistance. <p>The extension of the existing commitment respects the original duration of such commitment.</p> <p>3. The new commitment referred to in paragraph 1 shall cover the whole area concerned under terms at least as strict as those of the original commitment.</p> <p>Replacement of the original commitment by a new one requires a new period for which the new commitment is undertaken regardless the duration of the implementation of the original commitment.</p> <p>Art.X</p> <p>1. Member States may recognise, in particular, the following categories of force majeure or exceptional</p>	
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	<p>circumstances as listed in Article 2 of the Horizontal Regulation.</p> <p>2. Cases of force majeure or exceptional circumstances shall be notified in writing by the beneficiary, or any person entitled through or under him to the competent authority, together with relevant evidence to the satisfaction of that authority, within 10 working days from the date on which the beneficiary, or the person entitled through or under him, is in a position to do so.</p> <p>Art. X+2 (on conversion)</p> <p>1. Member States may authorise one commitment to be converted into another during the period of its operation, provided that all the following conditions are fulfilled:</p> <p>(a) any such conversion is of significant benefit to the environment or to animal welfare or to both;</p> <p>(b) the existing commitment is substantially reinforced;</p> <p>(c) the approved rural development programme includes the commitments concerned.</p> <p>A new commitment shall be undertaken for the duration as specified in Art.29(5), Art.30(3), and Art.35(2) regardless the duration of the implementation of the original commitment.</p> <p>2. Member States may allow commitments under Articles 29, 30 and 35 to be adjusted during the period for which they apply, provided that the approved rural development programme includes</p>	
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	<p>scope for such adjustment and that the adjustment is duly justified having regard to the objectives of the commitment which are not weakened.</p> <p>The adjustment of the existing commitment respects the original duration of such commitment.</p> <p>Such adjustments may also take the form of an extension of the duration of the commitment.</p>	
<p>Article 51 Funding technical assistance</p> <p>4. The Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the further definition of control actions that shall be eligible for support under paragraph 3.</p> <p>3. At the initiative of the Member States up to 4% of the total amount of each rural development programme may be devoted to the tasks referred to in Article 52 of Regulation (EC) No [CSF/2012], as well as costs related to preparatory work for the delimitation of areas facing natural constraints referred to in Article 33(3). Costs relating to the certification body referred to in Article 9 of Regulation (EU) No HR/2012 shall not be eligible under this paragraph. Within the 4% limit an amount shall be reserved for establishing and operating the national rural network referred to in Article 55.</p>	<p>N/A</p>	<p>To be discussed shortly.</p>

<p>Article 95 Transitional provisions In order to facilitate the transition from the system established by Regulation (EC) No 1698/2005 to the system established by this Regulation, the Commission shall be empowered to adopt delegated acts in accordance with Article 90 concerning the conditions under which support approved by the Commission under Regulation (EC) No 1698/2005 may be integrated into support provided for under this Regulation, including for technical assistance and for the ex-post evaluations.</p>	<p>See a separate document</p>	
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