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## COMMISSION DECISION

of

### **approving the programme for agriculture and rural development of the Republic of Croatia under the instrument for pre-accession assistance (IPA)**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA)<sup>1</sup>, and in particular Article 7(3) thereof,

Whereas:

- (1) Article 7 of Regulation (EC) No 1085/2006 lays down the conditions for drawing up and adopting multi-annual programmes under the instrument for pre-accession assistance ("IPA").
- (2) Article 184 of Commission Regulation (EC) No 718/2007 of 12 June 2007<sup>2</sup> implementing Council Regulation (EC) No 1085/2006 lays down the detailed provisions for drawing up the multi-annual programme for agriculture and rural development under IPA ("the programme").
- (3) In accordance with the provisions laid down in Article 184(5) of Regulation (EC) No 718/2007, the Republic of Croatia submitted its final proposal for the programme to the Commission on 19 December 2007. The programme covers the entire period of IPA implementation and includes the elements referred to in Article 184(2) of that Regulation and in particular a description of the axes and measures under the rural development component of IPA proposed to be implemented and an indicative financing plan comprising the Community contribution and the matching national public funding for each axis.
- (4) Pursuant to Article 185(1) of Regulation (EC) No 718/2007, the Commission has appraised the programme proposal and determined that it is consistent with that Regulation. The programme proposal should therefore be approved.
- (5) In accordance with Article 6 of Regulation (EC) No 1085/2006 a multi-annual indicative planning document for Croatia was adopted by the Commission on 20 June 2007, establishing the basis for assistance under IPA for the period 2007-2009, including the indicative financial allocation per component.

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<sup>1</sup> OJ L 210, 31.7.2006, p. 82.

<sup>2</sup> OJ L 170, 29.6.2007, p. 1.

- (6) Article 8 of Regulation (EC) No 718/2007 provides that Commission decisions adopting multi-annual or annual programmes shall meet the requirements necessary to constitute financing decisions in accordance with Article 75(2) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>3</sup>. The annual Community contribution for the period 2007-2009 should therefore be established and be set out in a financing agreement.
- (7) Article 39(2) of Regulation (EC) No 718/2007 provides that a financing agreement establishing multi-annual legal commitments, should be concluded with Croatia. Such an agreement should be approved on behalf of the Community.
- (8) This decision is without prejudice to the adoption of any Commission decision under Article 14 of Commission Regulation (EC) No 718/2007 conferring management of aid on a decentralised basis to designated bodies and authorities in Croatia, nor to the modification of the programme required by such a decision.
- (9) The measures provided for in this Decision are in accordance with the opinion of the Rural Development Committee,

HAS DECIDED AS FOLLOWS:

#### *Article 1*

The programme for agriculture and rural development for the Republic of Croatia under the instrument for pre-accession assistance, as submitted to the Commission on 19 December 2007, is hereby approved.

#### *Article 2*

The maximum amounts of the Community contribution under the rural development component of IPA for 2007-2009 are set out in the financing plan in Annex I. These amounts are subject to the availability of funds in the Commission's budget for the year at stake.

#### *Article 3*

1. The financing agreement between the European Community and the Republic of Croatia providing for the conclusion of multi-annual legal commitments under IPA for 2007-2009, is hereby approved on behalf of the Community.

The text of the financing agreement is attached as Annex II to this Decision.

2. The Director-General for Agriculture and Rural Development Directorate-General is hereby designated to sign the financing agreement with the Republic of Croatia in order to bind the Community.

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<sup>3</sup> OJ L 248, 16.9.2002, p. 1. Regulation as last amended by Regulation (EC, Euratom) No 1525/2007 (OJ L 343, 27.12.2007, p. 9).

Done at Brussels,

*For the Commission*  
*M. FISCHER BOEL*  
*Member of the Commission*

## ANNEX I

**Maximum amounts of the annual Community contribution under the rural development component of IPA for 2007-2009 (IPARD) (in EUR) (budget-line 050502)**

### Annual Contribution from IPARD (in EUR)

Year	2007	2008	2009
<b>Total IPARD</b>	<b>25.500.000</b>	<b>25.600.000</b>	<b>25.800.000</b>

### Financial plan by axis (in EUR total period):

Axis	Public contribution		
	Total public	IPARD contribution rate (%)	IPARD amount
Axis 1	68.348.000	75	51.261.000
Axis 2	0	0	0
Axis 3	30.424.000	75	22.818.000
Technical Assistance	3.526.250	80	2.821.000
<b>Total</b>	<b>102.298.250</b>		<b>76.900.000</b>

**ANNEX II**

**Financing agreement between the European Community and the Republic of Croatia  
providing for the conclusion of multi-annual legal commitments under  
IPA for 2007-2009**

***IPARD ASSISTANCE UNDER COMPONENT V OF THE  
INSTRUMENT FOR PRE-ACCESSION IPA***

**MULTI-ANNUAL FINANCING AGREEMENT  
2007 - 2009**

*between*

***THE COMMISSION OF THE EUROPEAN COMMUNITIES ON  
BEHALF OF THE EUROPEAN COMMUNITY***

*and*

***THE REPUBLIC OF CROATIA***

## **MULTI-ANNUAL FINANCING AGREEMENT 2007 - 2009**

The Commission of the European Communities, hereinafter referred to as “the Commission”, acting for and on behalf of the European Community, hereinafter referred to as “the Community”

of the one part, and

The Government of the Republic of Croatia acting for and on behalf of the Republic of Croatia, hereinafter referred to as “Croatia”

of the other part,

and together jointly referred to as “the Contracting Parties”,



Whereas:

- (1) A new Instrument for Pre-Accession Assistance was established by Council Regulation (EC) No 1085/2006<sup>1</sup> (hereinafter referred to as "IPA Regulation"). Under its component V (hereinafter referred to as "IPARD") it provides for a Community financial contribution to support pre-accession measures for rural development in candidate countries.
- (2) According to Annex I of the IPA Regulation Croatia is eligible to be a beneficiary under IPARD.
- (3) Under Article 7(1) of the IPA Regulation assistance under this Regulation shall be provided through multi-annual programmes, established by country and by component in accordance with the priorities defined in the multi-annual indicative planning documents.
- (4) A multi-annual indicative planning document was established by Croatia following a three-year perspective according to Article 6(5) of the IPA Regulation. On 20 June 2007 the Commission adopted the multi-annual indicative planning document for Croatia in accordance with Article 6(6) of the IPA Regulation.
- (5) Croatia has approved a rural development plan and submitted it to the Commission for approval as a multi-annual programme.
- (6) The plan submitted by Croatia has been approved in accordance with Article 7(3) of the IPA Regulation as a multi-annual programme under the rural development component of IPA by Commission Decision No C(2008)690 of 25 February 2008 (hereinafter referred to as "the programme").
- (7) According to Article 8(1) of Commission Regulation (EC) No 718/2007<sup>2</sup> implementing the IPA Regulation (hereinafter referred to as "Implementing Regulation") this decision constitutes the financing decision in accordance with Article 75(2) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>3</sup> (hereinafter referred to as "Financial Regulation").
- (8) In accordance with Article 8(3) of the Implementing Regulation the multi-annual programme forms an integral part of the financing decision.
- (9) For the implementation of the assistance Article 17(2) of the IPA Regulation provides for the conclusion of subsidiary agreements between the Commission and Croatia.
- (10) A framework agreement was concluded with Croatia on 17 December 2007 in accordance with Article 7(1) of the Implementing Regulation.

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<sup>1</sup> OJ L 210, 31.7.2006, p. 82.

<sup>2</sup> OJ L 170, 29.6.2007, p. 1.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1. Regulation as last amended by Regulation (EC, Euratom) No 1525/2007 (OJ L 343, 27.12.2007, p. 9).

- (11) A sectoral agreement for IPARD was concluded with Croatia on [...] in accordance with Article 7(4) of the Implementing Regulation.
- (12) According to Article 8(4) of the Implementing Regulation financing agreements shall lay down provisions by which the beneficiary country accepts the assistance of the Community and agrees to the rules and procedures concerning disbursement related to such assistance. It also shall lay down the terms on which the assistance is managed, including the relevant methods and responsibilities for implementing the annual or multi-annual programme.
- (13) The framework agreement as concluded between the Commission and Croatia is setting out the rules for cooperation concerning EC financial assistance to Croatia. The sectoral agreement, concluded between the Commission and Croatia complements the provisions of the framework agreement and covers the specific provisions applicable for the implementation of the programme.
- (14) According to Article 3 of the Commission Decision approving the programme the financing agreement between the European Community and Croatia shall provide for the conclusion of multi-annual legal commitments under IPA for 2007 – 2009.
- (15) It is therefore necessary to set out the Community financial commitments for the execution of the Programme for Croatia for the years 2007 – 2009 and to state the period of validity of these commitments in accordance with Article 166(3)(a) of the Financial Regulation,

HAVE AGREED AS FOLLOWS:

*Article 1*  
*Objective*

This Agreement sets out the Community financial commitments for Croatia for the years 2007, 2008 and 2009.

*Article 2*  
*Commitment*

1. The financial contribution of the Community for each of the years 2007, 2008 and 2009 is limited to euros 25.500.000, 25.600.000 and 25.800.000 respectively. These commitments are valid only for the execution of the programme, in conformity with the framework agreement and the sectoral agreement concluded between the Community and Croatia.
2. The Community's budget commitments shall be made in annual instalments. The budget commitment for the first instalment shall follow the adoption of the programme by the Commission. The budget commitments for subsequent instalments shall be made by the Commission, before 1 May of each year, on the basis of the decision of the Commission adopting the programme.
3. The budget commitments are subject to the availability of funds in the Commission's budget.

*Article 3*  
*Period of de-commitment*

The Commission shall automatically de-commit any portion of a budget commitment for the programme where, by 31 December of the third year following year *n* being the one in which the budget commitment was made:

- It has not been used for the purpose of pre-financing in accordance with Article 31 of the sectoral agreement; or
- It has not been used for making interim payments in accordance with Article 33 of the sectoral agreement; or
- No declaration of expenditure has been presented in relation to it.

*Article 4*  
*Entry into force*

This Agreement shall enter into force on the date when both Contracting Parties have notified each other of the completion of all necessary formalities for its entry into force.

*Article 5*  
*Signature*

This Agreement shall only be drawn up in English.

Done at Brussels and at Zagreb, respectively, this ...(date) ...in the year two thousand and .....

*For the Commission of the European Communities:*

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**Jean-Luc DEMARTY**  
**Director General for Agriculture and Rural Development**

*For the Government of the Republic of Croatia:*

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