TREATY OF ACCESSION: PROTOCOL, ANNEX VIII

DRAFT LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Delegations will find attached the draft Treaty of Accession of Bulgaria and Romania to the European Union: **PROTOCOL, ANNEX VIII**.

ANNEX **VIII**

RURAL DEVELOPMENT
(REFERRED TO IN ARTICLE 33 OF THE PROTOCOL)

SECTION I: TEMPORARY ADDITIONAL RURAL DEVELOPMENT MEASURES FOR BULGARIA AND ROMANIA

A. Support for semi-subsistence farms undergoing restructuring

(1) Support for semi-subsistence farms undergoing restructuring shall contribute to the following objectives:

(a) to help ease rural transition problems as the agricultural sector and rural economy of Bulgaria and Romania are exposed to the competitive pressure of the single market;

(b) to facilitate and encourage the restructuring of farms not yet economically viable.

For the purpose of this Annex, "semi-subsistence farms" shall mean farms which primarily produce for their own consumption, but also market a proportion of their output.

(2) To benefit from the support, the farmer must present a business plan which:

(a) demonstrates the future economic viability of the farm;

(b) contains details of the investments required;

(c) describes specific milestones and targets.

(3) Compliance with the business plan referred to in point (2) shall be

reviewed after three years. If the interim objectives set out in the plan have not been achieved by the time of the three-year review, no further support shall be granted but there will be no requirement on these grounds to repay monies already received.

(4) Support shall be paid annually in the form of a flat-rate aid up to the maximum eligible amount specified in Section I G and for a period not exceeding five years.

B. Producer groups

(1) Flat-rate support shall be granted in order to facilitate the establishment and administrative operation of producer groups which have as their objectives:

(a) adapting the production and output of the producers who are members of such groups to market requirements;

(b) jointly placing goods on the market, including preparation for sale, the centralisation of sales and supply to bulk buyers; and

(c) establishing common rules on production information, with particular regard to harvesting and availability.

(2) The support shall be granted only to producer groups which are formally recognised by the competent authorities of Bulgaria or Romania between the date of accession and 31 December 2009 on the basis of either national or Community law.

(3) The support shall be granted in annual instalments for the first five years following the date on which the producer group was recognised. It shall be calculated on the basis of the group's annual marketed production and shall not exceed:

(a) 5%, 5%, 4%, 3% and 2% of the value of the production up to EUR 1 000 000 marketed respectively in the first, second, third, fourth and fifth year, and

(b) 2,5%, 2,5%, 2,0%, 1,5% and 1,5% of the value of the production exceeding EUR 1 000 000 marketed respectively in the first, second, third, fourth and fifth year.

In any case, support shall not exceed the maximum eligible amounts laid down in Section I G.

C. Leader + type measures

(1) Support may be granted for measures which are related to the acquisition of skills intended to prepare rural communities to conceive and implement local rural development strategies.

These measures may include in particular:

(a) technical support for studies of the local area, and territory diagnosis taking into account the wishes expressed by the population concerned;

(b) information and training of the population to encourage an active participation in the development process;

(c) building representative local development partnerships;

(d) drawing up integrated development strategies;

(e) financing research and preparing applications for support.

(2) Support may be granted for the adoption of integrated territorial rural development strategies, of a pilot nature, prepared by local action

groups in accordance with the principles laid down in items 12, 14 and 36 of the Commission Notice to the Member States of 14 April 2000 laying down guidelines for the Community initiative for rural development (Leader+) [1]. This support shall be limited to regions where there is already sufficient administrative capacity and experience of local rural development type approaches.

(3) The local action groups referred to in point (2) may be eligible to participate in inter-territorial and transnational cooperation actions in accordance with the principles laid down in items 15 to 18 of the Commission Notice referred to in point (2).

(4) Bulgaria and Romania and local action groups shall be given access to the Observatory of rural areas provided for in item 23 of the Commission Notice referred to in point (2).

D. Farm advisory and extension services

Support shall be granted for the provision of farm advisory and extension services.

E. Complements to direct payments

(1) Support may be granted to farmers eligible for complementary national direct payments or aids under Article 143c of Council Regulation (EC) No 1782/2003 [2].

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[1] OJ C 139, 18.5.2000, p. 5.

[2] Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and amending Regulations (EEC) No 2019/93, (EC) No 1452/2001, (EC) No 1453/2001, (EC) No 1454/2001, (EC) 1868/94, (EC) No 1251/1999, (EC) No 1254/1999, (EC) No 1673/2000, (EEC) No 2358/71 and (EC) No 2529/2001 (OJ L 270, 21.10.2003, p. 1). Regulation adapted by Council Decision 2004/281/EC of 22.3.2004 adapting the Act concerning the conditions of accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the

Republic of Poland, the Republic of Slovenia and the Slovak Republic and the adjustments to the Treaties on which the European Union is founded, following the reform of the common agricultural policy (OJ L 93, 30.3.2004, p. 1) and Regulation last amended by Council Regulation (EC) No 864/2004 of 29.4.2004 (OJ L 161, 30.4.2004, p. 48).

(2) The support granted to a farmer in respect of the years 2007, 2008, 2009 shall not exceed the difference between:

(a) the level of direct payments applicable in Bulgaria or Romania for the year concerned in accordance with Article 143a of Council Regulation (EC) 1782/2003, and

(b) 40% of the level of direct payments applicable in the Community as constituted on 30 April 2004 in the relevant year.

(3) The Community contribution to support granted under this paragraph in Bulgaria or Romania in respect of each of the years 2007, 2008, and 2009 shall not exceed 20% of its respective annual allocation. However Bulgaria or Romania may decide to replace this 20% annual rate with the following rates: 25% for 2007, 20% for 2008 and 15% for 2009.

(4) Support granted to a farmer under this Article shall be counted as complementary national direct payments or aids, as applicable, for the purposes of applying the maximum levels set out in Article 143c(2a) of Council Regulation (EC) No 1782/2003.

F. Technical assistance

(1) Support may be granted for the preparation, monitoring, evaluation and control measures which are necessary for the implementation of the rural development programming documents.

(2) The measures referred to in point (1) shall include in particular:

(a) studies;

(b) measures of technical assistance, the exchange of experience and information aimed at partners, beneficiaries and the general public;

(c) installation, operation and interconnection of computerised systems for management, monitoring and evaluation;

(d) improvements in evaluation methods and exchange of information on best practice in this field.

G. Table of amounts for the temporary additional rural development measures for Bulgaria and Romania

Measure	EUR	
Semi-subsistence farms	1 000	per farm/per year
Producer groups	100 000 100 000 80 000 60 000 50 000	For the first year For the second year For the third year For the fourth year For the fifth year

SECTION II: SPECIFIC PROVISIONS CONCERNING INVESTMENT SUPPORT FOR BULGARIA AND ROMANIA

(1) Investment support to agricultural holdings under the regulations concerning rural development in force on the date of accession shall be granted to agricultural holdings for which economic viability at the end of the realisation of the investment can be demonstrated.

(2) The total amount of support for investment in agricultural holdings, expressed as a percentage of the volume of eligible investment, shall be limited to a maximum of either 50% and in less-favoured areas 60%, or the percentages established in the relevant rural development regulation in force on the date of accession, whichever is the higher. Where investments are undertaken by young farmers, as defined by the relevant rural development regulation in force on the date of accession, these percentages may reach a maximum of either 55% and, in less-favoured areas, 65%, or the percentages established in the relevant rural development regulation in force on the date of accession, whichever is the higher.

(3) Support for investment to improve the processing and marketing of agricultural products under the relevant rural development regulation in force on the date of accession shall be granted to enterprises which have been granted a transitional period after accession in order to meet the minimum standards regarding the environment, hygiene and animal welfare. In this case, the enterprise shall comply with the relevant standards by the end of the specified transitional period or the end of the investment period, whichever is the earlier.

SECTION III: SPECIFIC PROVISION CONCERNING EARLY RETIREMENT SUPPORT FOR BULGARIA

(1) Farmers in Bulgaria who have been allocated a milk quota shall be eligible for the early retirement scheme on condition that they are less than 70 years old at the time of the transfer.

(2) The amount of support shall be subject to the maximum amounts set out in the relevant rural development regulation in force on the date of accession and shall be calculated in relation to the size of the milk quota and the total farming activity on the holding.

(3) Milk quotas allocated to a transferor shall be returned to the national milk quota reserve with no additional compensation payment.

SECTION IV: SPECIFIC FINANCIAL PROVISIONS FOR BULGARIA AND ROMANIA FOR 2007-2013

(1) For the programming period 2007-2013, Community support granted in Bulgaria and Romania for all rural development measures shall be implemented pursuant to the principles laid down in Articles 31 and 32 of Council Regulation (EC) No 1260/1999.

(2) In the areas covered by Objective 1, the financial contribution of the Community may amount to either 85% for agri-environment and animal welfare measures, and 80% for other measures, or the percentages established in the regulations concerning rural development in force on the date of accession, whichever is the higher.