

WORKING DOCUMENT
RURAL DEVELOPMENT COMMITTEE

MEMBER STATE: Italy **REGION:** Lazio

1. **APPROVED PROGRAMME:** Programma di sviluppo rurale 2007-2013 della Regione Lazio – C(2008)708 - 15/02/2008. CCI 2007IT06RPO005
2. **LEGAL BASIS FOR THE MODIFICATION**
 - Modification related to the first implementation of Article 16a of Regulation (EC) No 1698/2005, to changes in the total Community contribution for the entire programming period and to the alteration of the Community co-financing rates – Modifications under Article 6, paragraph 1, letter a) of Regulation (EC) No 1974/2006.
 - Other modifications – under Article 6, paragraph 1, letter c), of Regulation (EC) No 1974/2006

3. REASONS JUSTIFYING THE AMENDMENT / STRATEGY CHOSEN

1) Amendments following the adoption of the Health Check and the European Recovery Package, the allocation of modulation and CMO wine additional funds and to the alteration of the Community co-financing rates.

2) Amendments necessary to ensure a better implementation of the programme and/or following modifications of the legal and administrative framework

Amendments following the adoption of the Health Check and European Recovery Package, the allocation of modulation and CMO wine additional funds and the alteration of the Community co-financing rates – Modifications under Article 6, paragraph 1, letter a), of Regulation (EC) No 1974/2006

Following the adoption of HC and the ERP and in coherence with the revised CSG, the Italian NSP, first presented to the Commission on July 13 takes into account all the new priorities, including broadband infrastructure.

In this context, RDP Lazio has been assigned a total of 29,090,000 € in terms of EAFRD additional contribution, of which 17,105,000 € for new challenges and broadband and 11,985,000 € from modulation/CMO Wine.

The RDP Lazio includes already priorities and actions to meet all the "new challenges". Consequently, the proposed modification does not concern the introduction of new actions or operations (with the exception of broadband), but the reinforcement and/or modification of existing ones. An assessment of which priorities have to be reinforced has been carried out following the revision of the CSG and the NSP.

The additional resources will be allocated to the following priorities: 13.89 % for climate change, 14.25 % for renewable energies, 8.09 % for water management, 43.93 % for

biodiversity and 19.84 % for broadband internet infrastructure in rural areas. The restructuring of the milk and dairy sector is treated as a priority, but the region has decided to address it by allocating only additional ordinary resources. With regard to innovation in connection to the first 4 challenges (points (a) to (d) of Article 16a, 1 of Council Regulation (EC) No1698/2005), the Region considers it to be already present as a horizontal priority throughout the approved RDP of Lazio.

The financial distribution of the overall additional resources is: 46% for Axis 1, 34 % for Axis 2 and 20% for Axis 3. The HC emphasis is on measure 214 (58% of HC resources), while the ordinary additional resources are assigned mainly to Axis 1, measures 121 and 123. This confirms the initial prevalence of Axis 1 and slightly increases the share of Axis 2, but does not significantly shift the overall balance.

	Pre-Modification Spending Rates	Post-Modification Spending Rates
Axis 1	47.00%	46.90%
Axis 2	31.96%	32.15%
Axis 3	11.28%	12.08%
Axis 4	6.00%	5.45%
Technical assistance	3.76%	3.42%

4 DESCRIPTION OF THE AMENDMENTS PROPOSED:

4.1 New priorities / types of operations

Climate change

Lazio ranks as fifth among Italian regions with regard to emissions of greenhouse gasses (it is mentioned that for 2005, the amount of emissions was of 36 million tons of CO₂, equal to 8% of total national emissions). Data (provided for 2000) show agriculture as being responsible for 7.5% of total emissions in the region. For the same year, the total amounts of greenhouse gases emissions were: CO₂ - 27.625.793, CH₄ - 114.000 Mg and N₂O - 6.127 Mg, agriculture being the main sector responsible for the methane and nitrous oxide emissions. There is a Regional Energy Plan which provides for a 25% reduction in greenhouse gas emissions by 2020. It provides for an increase to 3% of electricity from renewable sources by 2012 and to 13% by 2020; advancing production of thermal energy through biomasses, solar, geothermal and biofuel, as well as increasing of the use of biofuel, hybrid technology and railways in transportation. With regard to the reduction of agricultural greenhouse emissions, the Region proposes the decrease of fertilizer input, biogas and biomass energy production, as well as support for less intensive forms of agriculture, minimum tillage and support for conversion of agricultural land to pastures. It also sets forth support for the replacement of obsolete agricultural machines as a means of reducing emissions.

Renewable energies

Like the rest of Italy, the Region relies on imports of gas and oil to cover the 35% deficit in its internal production of energy. Of the total amount consumed (data from 2005), 4% was from renewable sources (hydropower and biomass). The Regional Energy Plan of Lazio provides for an increase to 20% in production of electricity from renewable energy sources by 2020, to be realised by building new renewable energy production facilities, coupled with an increase in efficiency of consumption and energy saving. The region considers there is an insufficiently used potential for thermal energy production through biomass (from woody plants, but also sugar beet and corn, as well as from biogas and solar energy).

Water management

Lazio is one of the Italian regions with good levels of water availability, but with a percentage of water lost due to infrastructure shortcomings of 30.2%, higher than the Italian average of 28.5%. The Region intends to intervene to enhance availability of the resource, without increasing irrigated areas. It identifies the need for an increased storage capacity and for upgrading water infrastructure, together with better technologies and practices for water saving.

With regard to water quality, the Region specifies that it carries out annual monitoring activities in accordance to the Nitrates Directive 91/676/CEE.

Biodiversity

The region identifies positive developments with regard to several birds listed in Annex 1 of the Birds Directive (Council Directive 79/409/EEC) and provides an update on regional implementation measures for the "Natura 2000" Directive. The Region also specifies that it has delimited the special protection zones for directive 79/409/CEE and the areas of Community importance in accordance with directive 92/43/CEE. Nevertheless, emphasis for the new HC 'Biodiversity' challenge is placed on the conservation of agricultural genetic diversity and combating genetic erosion in this area.

Broadband internet infrastructure in rural areas

Access to good quality ICT infrastructure is seen as one of the basic needs for the development of rural areas. The Lazio Region specifies that it shall direct the ERP amounts dedicated to broadband internet infrastructure to localities where ADSL network coverage is non-existent and to areas where it is inadequate (ADSL light/'LITE' – 640 kbps) - in zones classified as C and D. The region intends to support network upgrade in ADSL LITE localities and to support new infrastructure in yet-unconnected localities. The objective of the Italian NSP is to secure access to all citizens to internet connection up to 20 Mbit/sec (minimum 2 Mbit/sec).

- Table 5.3.6 provided in the RDP

Axis/Measure	Type of operation	Potential effects	"Existing" or "new" type of operation	Reference to the description of the type of operation in the RDP	Output indicator – target

<i>Climate Change Priority (article 16 bis , reg. CE 1698/05, par. 1 letter a)</i>					
Axis 2 Measure 214	Soil management practices	Reduction of nitrous oxide (N2O), carbon sequestration, reduction of negative effects of climate change on soil	Existing	chapter 5.3.2.1.4 – Measure 214 - Action 3 "Soil management"	No. of farm holdings supported 23 Total area supported 453 Physical area supported 437 No. of contracts 30
Axis 2 Measure 214	Land use change	Reduction of nitrous oxide (N2O), carbon sequestration	Existing	chapter 5.3.2.1.4 - Measure 214 - Action 4 " conversion of arable land to pastures "	No. of farm holdings supported 9 Total area supported 177 Physical area supported 171 No. of contracts 11
Axis 2 Measure 214	Improve efficiency of nitrogen fertiliser use	Reduction of methane (CH4) and nitrous oxide (N2O) emissions	Existing	chapter 5.3.2.1.4 - Measure 214 - Action 11 " Stabilising and enhancing soil organic matter "	No. of farm holdings supported 30 Total area supported 592 Physical area supported 569 No. of contracts 38
<i>Renewable Energies Priority (article 16 bis, reg. CE 1698/05, par. 1 letter b)</i>					
Axis 3 Measure 311	Biogas production using organic waste (on farm and local production)	Substitution of fossil fuels, reduction of methane (CH4)	Existing	chapter 5.3.3.1.1 – Measure 311 - Action 4 – Support for energy production from renewable sources	No. of farm holdings supported 6 Total volume of investment 972,485
Axis 3 Measure 311	Processing of agricultural/forest biomass for renewable energy	Substitution of fossil fuels	Existing	chapter 5.3.3.1.1 – Measure 311 - Action 4 - Support for energy production from renewable sources	No. of farm holdings supported 12 Total volume of investment 1,994,970.00
Axis 3 Measure 311	Installations/infrastructure for renewable energy using biomass and other renewable energy sources (solar and wind power, geothermal)	Substitution of fossil fuels	Existing	chapter 5.3.3.1.1 – Measure 311 - Action 4 - Support for energy production from renewable sources	No. of farm holdings supported 6 Total volume of investment 972,485.00
Axis 3 Measure 321	Processing of agricultural/forest biomass for renewable energy	Substitution of fossil fuels	Existing	chapter 5.3.3.2.1 – Measure 321; Services and actions supported. Action b) – point B Operations financed with HC resources, Renewable energies priority	Number of actions supported 6 Total volume of investment 639,000.00
Axis 3 Measure 3211	Installations/infrastructure for renewable energy using biomass and other renewable energy sources (solar and wind power, geothermal)	Substitution of fossil fuels	Existing	chapter 5.3.3.2.1 – Measure 321; Services and actions supported. Action b – point B) Operations financed with HC resources, Renewable energies priority	Number of actions supported 6 Total volume of investment 639,000.00
Axis 3 Measure 321	Small networks for distributing energy produced from renewable sources	Substitution of fossil fuels	Existing	chapter 5.3.3.2.1 – Measure 321; Services and actions supported. Action b – point B) Operations financed with HC resources, Renewable energies priority	Number of actions supported 12 Total volume of investment 1,279,000.00
<i>Water Management Priority (article 16 bis , reg. CE 1698/05, par. 1 letter c)</i>					
Axis 1 Measure 125	Water storage	Improvement of the capacity to use water more efficiently and to improve the capacity to store water	Existing	chapter 5.3.1.2.5 - Measure 125 Action 3 – Types of possible interventions, point B) Operations financed with HC resources, Water management priority	Number of actions supported 20 Total volume of investment 3,075,471.00

<i>Biodiversity Priority (article 16 bis , reg. CE 1698/05, par. 1 letter d)</i>					
Axis 2 Measure 214	Organic production	Conservation of species-rich vegetation types, protection and maintenance of grasslands	Existing	chapter 5.3.2.1.4 – Measure 214 Action 2 "Organic farming"	No. of farm holdings supported 122 Total area supported 2431 Physical area supported 2341 No. of contracts 157
Axis 2 Measure 214	Conservation of genetic diversity	Conservation of genetic diversity	Existing	chapter 5.3.2.1.4 – Measure 214 Actions 8 e 9 "animal biodiversity" and "plant biodiversity"	No. of farm holdings supported 72 Total area supported 1434 Physical area supported 1381 No. of contracts 92 Livestock Units 777
<i>Broadband Infrastructures in Rural Areas Priority (article 16 bis , reg. CE 1698/05, par. 1 letter g)</i>					
Axis 3 Measure 321	Creation of and enabling access to broadband infrastructure including backhaul facilities and ground equipment (e.g. fixed, terrestrial wireless, satellite-based or combination of technologies) Upgrade of existing broadband infrastructure	n.d. (**)	New New	chapter 5.3.3.2.1 – Measure 321, Action C – Technological ICT networks chapter 5.3.3.2.1 – Measure 321, Action C – Technological ICT networks	Number of actions supported 14 Total volume of investment 3,770,000 Number of actions supported 7 Total volume of investment 1,885,000

4.2 Description of the amendments proposed to axes and measures

Amendments following the adoption of the Health Check and the European Recovery Package

Measure 125 - Infrastructure related to the development and adaptation of agriculture and forestry

Existing operations placed under one new priority – Water management.

Under Action 3, "Improvement of rural water availability, hydro-forest works and energy supply," the types of operations foreseen are: investments for the restructuring of the existing rural water network, the construction of rural potable water aqueducts for agricultural production purposes, as well as the construction of small reservoirs for the storage of surface waters for irrigation purposes, with a view to water saving and using the resource more efficiently.

Output, result and impact indicators recalculated to account for new amounts.

Measure 214 - Agri-environmental payments

Several existing operations have been placed under two of the new the new priorities – Climate change and biodiversity:

Climate change will be addressed under Action 3, "soil management" through support for permanent green cover in arboriculture areas and for cover crops. Action 4 "conversion of arable land to pastures" is also among those allocated HC resources under the Climate Change priority, relevant operations being. Also, under Action 11 "Stabilising and enhancing soil organic matter", operations include support for organic fertilizing, green manure intercropping and crop rotation with leguminous plants.

With regard to biodiversity, HC resources are allocated to Action 2, "Organic farming." The conservation of genetic diversity is considered under Actions 8 and 9 "Animal and plant biodiversity", with operations concerning *in situ* and *ex-situ* conservation, information gathering and promotion throughout the Region with regard to local varieties of animals and plants.

Output, result and impact indicators recalculated to account for new amounts

Measure 311 - Diversification into non-agricultural activities

Existing operations placed under one new priority – renewable energies:

Under Action 4 "Support for production from renewable sources", operations regard biogas production using organic waste, processing of agricultural/forest biomass for renewable energy and installations/infrastructure for renewable energy using biomass and other renewable energy sources (solar and wind power, geothermal), up to a limit of 1 MW.

Output, result and impact indicators recalculated to account for new amounts.

Action 4 Support for energy production from renewable sources – a 10% increase of support rate from January 1, 2010 (for investors in less favoured areas, from 40% to 50% and for investors in other areas, from 35 to 45%).

Measure 321 - Basic services for the economy and rural population

Existing and new operations placed under the new priorities:

Renewable energies – Action b) "Small scale infrastructures" - existing

Relevant operations regard support for equipment for the production of thermal energy and cogeneration from biomass, as well as for installations for renewable energy to be used in public buildings or structures, up to a limit of 1 MW, including machines and equipment for biomass harvesting and transportation. Small networks for the distribution of energy obtained under this action shall also be supported. Priority shall be given to cogeneration-related interventions.

Broadband internet infrastructure in rural areas: – Action c) "Technological ICT networks" - new

Emphasis is on the connection between the objectives of the measure and the overall renewed RDP strategy with regard to the new action c) Broadband internet infrastructure in rural areas.

The operations considered regard support for public broadband infrastructure (Type A), as well as support to the end users (public administration, rural population and companies) for the acquisition of decoders and dishes for satellite connection in highly marginal rural areas where land infrastructure would be unfeasible (Type B). All interventions under this action are to be carried out in digital divide, C and D, areas. The list of municipalities where interventions are foreseen is available and it is specified that the ERDF does not intervene for this type of operations in those municipalities. It is specified that there are no similar interventions supported through other RDP measures. Type A interventions regard the creation of new infrastructure, upgrade of existing infrastructure or laying passive infrastructure. The overall objective is to secure access to all citizens to internet connection up to 20 Mbit/sec (minimum 2 Mbit/sec).

Beneficiaries: the Region or its delegated body (in compliance with public procurement laws) for Type A interventions. Public administration bodies, individuals and companies in rural areas, for Type B interventions.

Aid intensity is 100% of the costs. *De minimis* rule will be applied.

Output, result and impact indicators recalculated to account for new amounts.

Other modifications – under Article 6, paragraph 1. letter c) of Regulation (EC) No 1974/2006

Analysis

The environmental analysis has been updated to take into consideration the latest developments in the national legislation concerning the implementation of 'Natura 2000', Nitrates and Birds Directive.

Chapter 5.2.7.3- Advance payments

Following the modification of article 56 of R. 1974/2006 on advance payments, there is a possibility to increase the amount of advance payments up to 50% of the public aid related to the investments for which the individual decision to grant support is taken in 2009 or in 2010. This possibility has been taken up and modifications introduced for investments under measures 121, 123, 311 and 321 (the respective fiches have also been changed accordingly).

Measure 112 - Setting up of young farmers

Increase of single premium to 40 000 euros in both D and non-D areas (from earlier 35,000 euros in D areas and 30,000 euros in non-D areas).

Increase of combined support (single premium plus interest rate subsidy) to 65,000 euros (from 55,000 EUR).

Output and result indicators recalculated accordingly.

Measure 121 - Modernisation of agricultural holdings

New objective added on support for integrated supply chains and possibly on-farm sale of agricultural products.

Support for HC priorities listed among the objectives of the measure.

Output, result and impact indicators updated

Measure 122 - Improving the economic value of the forest

Change in the types of beneficiaries: Municipalities or their associations for type 1 and 2 interventions (investments for the recovery of forest soil and investments for the economic improvement of forests) and private operators or their associations, for all types of interventions. For type 3 interventions (i.e. investments for the upgrade and repair of forestry infrastructure), beneficiaries can be only private operators and their associations.

Measure 123 - Adding value to agricultural and forestry products

Support for HC priorities listed among the objectives of the measure.

Introduces and absolute priority for operations related to the new challenges.

Output, result and impact indicators recalculated to account for new amounts.

Measure 213 – Natura 2000 payments

Change in eligibility requirement with regard to the ratio between livestock units and number of hectares of fodder-producing areas for permanent pastures (from 0.5-2 to 0.2-2/ha).

Adds sub-measure 214.2 – "Organic farming" among those that can be cumulated with premia under this measure.

Removes the provision of a maximum of 30 hectares/holding eligible for premia under this measure.

Measure 214.8 and 214.9 - Agri-environmental payments. Protection of plant and animal agricultural biodiversity

214.8 - Animal

One variety added – *Suino Apulo-Calabrese* (191 breeding females at EU level).

214.9. Plant

23 new varieties added

Measure 224 – Natura 2000 payments

Update of the measure sheet following the adoption of new conservation measures in the special protection zones (provisions regarding biodiversity 'islets', shortening of the periods where forest interventions with engine tools are prohibited for fauna reproduction reasons, prohibition to pave forest roads etc).

Measure 311 - Diversification into non-agricultural activities

Modifications in the description of the types of investments supported under Action a) "support to multi-functionality", specifying that activities in the social field shall be carried out in collaboration with competent social services or with private entities approved and certified by the competent public bodies. The types of investments remain unchanged (diversifications towards social and educational services and pet-related services).

Increase of 5-10% of aid intensity in the case of young farmer has been removed due to its non-compliance with Art. 8 of Council Regulation 1698/2005 ('Equality between men and women and non-discrimination'). Maximum aid intensity rates remain in place for beneficiaries from less favoured areas.

The Region specifies that state aid for intervention under Action 4 – 'Support for energy production from renewable sources' until 31.12.2010 is in accordance with Aid no. 248/2009 approved by decision C (20409) 4277 of 28.05.2009. The maximum investment threshold is fixed at 2,500,000 euros.

Chapter 9 - The elements needed for the appraisal under competition rules

The table corresponding to point 9B of Annex II to R 1974/2006 has been modified to include aid no. 248/2009 approved by decision C(2009) 4277 of 28.05.2009 in relation to measure 311, Action 4 ("Support for energy production from renewable sources"). *De minimis* is specified for the remaining actions of the measure, as well as for measure 125 "Infrastructure related to the development and adaptation of agriculture and forestry."

Chapter 10.2 (complementarity with first pillar)

Following the modification of CMO fruit and vegetables as well as the revision of the NSP on demarcation with first pillar instruments, the chapter has been modified accordingly:

Olive oil: it is specified that the EAFRD supports exclusively structural actions and equipment where the investment costs exceed EUR 5,000.

Intervention costs exceeding EUR 10,000 are financed through the RDP for non-productive investments, for members of Producers Organizations.

It is specified that a PO member using a piece of machinery or another production device bought for collective use and financed through the CMO shall not be able to benefit from RDP support as an individual beneficiary for the acquisition of the same good or machinery.

Fruit and vegetables (F&V):

It is specified that the RDP intervenes exclusively:

For production: all types of operations in the case of enterprises that are not members of producer organisations (POs).

For members of POs, for investment costs superior to EUR 25,000 extendable to EUR 50,000, should the investment concern exclusively the establishment of tree plantations.

It is specified that collective investments to be carried out by several agricultural holdings members of POs that do not possess the minimum requisites for support under measure 121 shall be financed by the F&V CMO.

Moreover, the RDP intervenes:

For processing and marketing, in the case of measure 123, for all non-members of POs, for all types of intervention; for POs or their members, for interventions above EUR 300,000.

For training and information activities, should such activities be financed through the PO Operational Programme, the members of these POs cannot access support through measures 111 and 133 of the RDP.

Farm advisory and technical assistance activities on production and environment-related issues for PO members shall be financed through the F&V CMO. Farm advisory activities (measure 114) on conditionality, work safety and possible production-related issues unconnected to F&V shall be financed by the RDP.

With regard to agro-environment measures, these shall be financed exclusively through the RDP. POs can support agro-environment operations only in the case of integrated production and only in areas not covered by the 'Integrated production' action under measure 214.1 and outside nitrates vulnerable zones (NVZ) in accordance with Directive 91/676/CEE.

It is specified that technical means employed in Organic farming are not eligible for support from the CMO, as they are already taken into account in the cost calculation for the RDP premia for the 'Organic farming' action.

Moreover, it is specified that in any case, any overlapping between agro-environment commitments supported through the Operational Programmes of the CMOs (for all POs members, be it POs of the Region Lazio or from other regions) and commitments supported through the RDP is excluded.

The RDP does not intervene in case of advisory and technical assistance activities on production- and environment-related themes for PO members.

Non-productive investments: the same demarcation as for investments under Axis 1 is applied, while the threshold for demarcation is EUR 10,000.

A measure-specific demarcation overview table is provided in this section.

Specific support (article 68 of Regulation n.73/09): the following specific support measures will be implemented in Italy: a) measures for improving the quality of agricultural products (for beef, sheep meat, olive oil, milk, tobacco, sugar and *danae racemosa* – Alexandrian laurel), b) a measure for supporting specific agricultural activities entailing additional agri-environment benefits c) crop, animal and plant

insurance premiums. By the entry into force of the specific national support under article 68 (January 2010), the Region will define clear demarcation criteria with similar operations financed under the RDP.

5. THE EXPECTED IMPACTS OF THE AMENDMENTS

Impact on the programme implementation and on the indicators (also on the basis of quantified result and impact indicators).

The reported result and impact indicators revised following HC/RP are:

COMMON RESULT INDICATORS

Axis/Objective	Indicator	Unit	Target
Improving the competitiveness of agriculture and forestry	(1) Number of participants that successfully ended a training activity related to agriculture and/or forestry	n.	14.121
	(2) Increase in GVA in supported holdings/enterprises	Euro	127.646.000
	(3) Number of holdings / enterprises introducing new products and/or new techniques	n.	1854
	(4) Value of agricultural production under recognized quality label/standards	M euro	558,3
Improving the environment and the countryside by supporting land management	(5) ea under successful agricultural land management contributing to:	Ha	91099
	a) biodiversity and maintenance of HNV agricultural and forestry habitats		79368
	b) improving water quality		79873
	c) mitigating climate change		79368
	d) improving soil quality		24617
Improving the quality of life in rural areas and encouraging diversification of economic activity	(6) Increase in Non-agricultural gross value added in supported business	Euro	4.286.120
	(7) Gross number of jobs created	n.	450
	(8) Increase in no. of tourists	n.	47.381
	(9) Population in rural areas benefiting from improved services	n.	562.990
	(10) Increase in internet penetration in rural areas	n.	131.333
	(11) No. of participants who successfully finished a training course	n.	4134

COMMON IMPACT INDICATORS

	Indicator	Description	Unit	Target
1	Economic growth	Net additional added value for region	Euro	86.709.213,86
			%	+0,05%
2	Employment creation	Net additional full time equivalent jobs FTE	n.	1.626
			%	+0,06%
3	Labour productivity ()	Change in GVA per full time equivalent	Euro	+ 345
			%	0,01%

4	Reversing biodiversity decline	Change in trend in biodiversity decline measured by farmland bird species population	%	11,2
5	Maintenance of high nature value farming and forestry areas	Increase in HNV areas	Ha	3.084
6	Improvement in water quality (change in gross nutrient balance n kg/ha	- change in gross nutrient balance	%	.- 2,2 kg/ha
		- Change in the N load of the areas (*)	%	-25 kg/ha di SOI
7	Contribution to combating climate change	increase in production of renewable energy	TOE	2 KTOE
		Reduction in the annual greenhouse gas emissions of the agricultural sector (*)	%	-0.35%
(*) Alternative indicators or integrating a common indicator				

6 ASSESSMENT

General assessment of the modification

- *Justification and description that amendments are in line with the National strategy plan, notably in relation with the priorities chosen.*

The choices made by the Region in terms of new challenges are justified. They are coherent with the Italian NSP and the CSG.

- *Verification that the changes are in conformity with the Council Regulation (EC) No 1698/2005 and with the Commission Regulation (EC) No 1974/2006.*

The modifications comply with the relevant requirements of Regulation (EC) No 1698/2005 and Regulation (EC) No 1974/2006.

- *Appraisal of respect of competition rules, especially in case of support broadband infrastructure. In this case, mention also the conditions for demarcation with EFRD.*

Support for broadband infrastructure will be granted according to the *de minimis* rule. Demarcation with EFRD intervention is based on localisation of interventions (list of eligible municipalities is available).

7 FINANCING

Tables 6.1., 6.2 and 6.3 provided in the RDP.

Table 6.1. Annual contributions from the EAFRD (in EUR)

Year	2007	2008	2009	2010	2011	2012	2013	TOTAL 2007/2013
Non-Convergence Regions	39,751,000	39,517,000	39,695,000	40,915,000	47,011,000	46,867,000	46,613,000	300,369,000
Additional funds from Article 69(5a) of Regulation (EC) No 1698/2005 – non-convergence region			1,996,000	3,673,000	2,903,000	3,786,000	4,747,000	17,105,000

Total	39,751,000	39,517,000	41,691,000	44,588,000	49,914,000	50,653,000	51,360,000	317,474,000
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Table 6.2.1: Financial plan by axis (in EUR total period)

AXIS	Total public	EAFRD contribution rate (%)	EAFRD amount
Axis I	328,053,102	44.97%	147,525,480
Axis II	209,471,650	44.00%	92,167,526
Axis III	73,931,170	44.00%	32,529,715
Axis IV	39,325,091	44.00%	17,303,040
Technical assistance	24,643,725	44.00%	10,843,239
Total	675,424,738	44.47%	300,369,000

The region specifies that the changes that appear in the co-financing rates are due to the need to guarantee the same actual level of financial contribution specified in the beginning of the programming period.

Additional funds from Article 69(5a) of Regulation (EC) No 1698/2005

AXIS	Total public	EAFRD contribution rate (%)	EAFRD amount
Axis I	2,306,588	60%	1,383,953
Axis II	16,484,333	60%	9,890,600
Axis III	9,717,412	60%	5,830,447
Axis IV	0	-	0.00
Technical assistance	0	-	0.00
Total	28,508,333	60%	17,105,000

Table 6.3. Indicative budget related to operations referred to in Article 16a of Regulation (EC) 1698/2005 between 1 January 2009 and 31 December 2013 (Article 16a(3b) up to the amounts specified in Article 69(5a) of Regulation (EC) No 1698/2005).

Axis	Measure		EAFRD contribution for 2009-2013
Axis I	125	Infrastructure related to the development and	1,383,953

		adaptation of agriculture and forestry	
TOTAL AXIS I			1,383,953
Axis II	214	Agri-environmental payments	9,890,600
TOTAL AXIS II			9,890,600
Axis III	311	Diversification into non-agricultural activities	980,265
Axis III	321	Basic services for the economy and rural population	4,850,182
		— Related to priorities listed in Article 16a(1), points (a) to (f) of Regulation (EC) No 1698/2005	1,457,1812
		—Related to priorities listed in Article 16a(1), point (g) of Regulation (EC) No 1698/2005	3,393,000
<i>TOTAL AXIS III</i>			5,830,447
TOTAL			17,105,000