

## **WORKING DOCUMENT**

### **THIRD MODIFICATION OF THE RURAL DEVELOPMENT PROGRAMME OF SLOVENIA 2007-2013 (CCI 2007 SI 06 RPO 001)**

#### **RURAL DEVELOPMENT COMMITTEE**

**MEMBER STATE: SLOVENIA**

#### **1. APPROVED PROGRAMME:**

Rural Development Programme of the Republic of Slovenia 2007-2013, Commission Decision C(2007)4136 of 10/09/2007, RDP last modified on 27 October 2008.

#### **2. LEGAL BASIS FOR MODIFICATION:**

Modification related to the first implementation of Article 16a of Regulation (EC) No 1698/2005 according to Article 6(1)(a) of Regulation 1974/2006, as well as other modifications according to Article 6(1)(a) and Article 6(1)(c) of Regulation 1974/2006.

The working document includes:

**A. MODIFICATIONS RELATED TO ART. 6(1)(a) OF R. 1974/2006 FOLLOWING THE ADOPTION OF THE EUROPEAN ECONOMIC RECOVERY PLAN (EERP)**

**B. MODIFICATIONS RELATED TO ART. 6(1)(a) OF R. 1974/2006 OTHER THAN THOSE FOLLOWING THE ADOPTION OF THE EERP**

**C. MODIFICATIONS RELATED TO ART. 6(1)(c) OF R. 1974/2006**

**A. MODIFICATIONS ACCORDING TO ART. 6(1)(a) FOLLOWING THE ADOPTION OF THE EUROPEAN ECONOMIC RECOVERY PLAN**

**3. REASONS JUSTIFYING THE AMENDMENT / STRATEGY CHOSEN**

As a result of the adoption of the European Economic Recovery Plan (EERP), the additional funds need to be programmed in the Rural Development Programme of Slovenia. The reasons justifying the use of additional funds, effects thereof as well as link to the National Strategy Plan (NSP) have been described in 4. Chapter, under the description of each modification.

**4. DESCRIPTION OF THE AMENDMENTS PROPOSED**

**4.1. NEW PRIORITIES / TYPES OF OPERATIONS**

Slovenia receives additional € 11,526,000 under the EAFRD in the framework of the adoption of the EERP. Two thirds of the additional funds shall be devoted to the implementation of operations referred to in Art. 16a (1) (a), (b), (c) and (e) of Council R. 1698/2005 (climate change, renewable energies, water management, dairy) and one third of the funds shall be devoted to broadband Internet infrastructure in rural areas. For the implementation of these operations the EAFRD contribution is 90% and Slovenia shall provide 10 % co-financing.

The additional funds from the EERP (€ 11,526,000 in total) will be used for:

- existing measure 121 – Modernisation of agricultural holdings (EAFRD contribution of € 7,684,000)
- new measure 321 – Basic services for the economy and rural population whereby broadband will be supported (EAFRD contribution € 3,842,000)

**Table 5.3.6**

<b>A / M</b>	<b>Type of operation</b>	<b>Potential effects</b>	<b>"Existing " or "new" type of operation</b>	<b>Reference to the description of the type of operation in the RDP</b>	<b>Output indicator – target*</b>
<b>Axis 1</b>					
<b>M e a s u</b>	Investments aimed at improving the efficiency of nitrogen fertiliser use (e.g. reduced use, equipment, precision agriculture), and improving manure storage	Reduction of methane (CH <sub>4</sub> ) and nitrous oxide emissions (N <sub>2</sub> O)	Existing	Chapter 5.3.1.2.1	Nr of holdings: 28  Total investment value: 440,000
	Investment in preventive mechanisms against adverse effects of climate-related extreme events (e.g. setting up of hail nets)	Reduction of negative effects from extreme weather events on agricultural production potential	Existing	Chapter 5.3.1.2.1	Nr of holdings: 120  Total investment value: 13,000,000
	Investment in biogas production using organic waste (on farm and local	Substitution of fossil fuels, reduction of	Existing	Chapter 5.3.1.2.1	Nr of holdings: 4  Total investment

r e 1 2 1	production)	methane (CH4)			value: 2,880,000
	Investment in water saving technologies (e.g. efficient irrigation systems), Water storage (including water overflow areas), Water saving production techniques (e.g. adapted cropping	Improvement of the capacity to use water more efficiently and to improve the capacity to store water	Existing	Chapter 5.3.1.2.1	Nr of holdings: 10  Total investment value: 1,920,000
	Investment support related to dairy production	Improvement of the competitiveness of the dairy sector	Existing	Chapter 5.3.1.2.1	Nr of holdings: 10  Total investment value: 960,000
<b>Axis 3</b>					
M e a s u r e 3 2 1	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)	/	New	Chapter 5.3.3.2.1	Nr of actions: 2  Total investment value: 2,300,000
	Upgrade of existing broadband infrastructure	/	New	Chapter 5.3.3.2.1	Nr of actions: 1  Total investment value: 1,153,000
	Laying down passive broadband infrastructure (e.g. civil engineering works such as ducts, and other network elements such as dark fibre, etc.) also in synergy with other infrastructures (energy, transport, water, sewerage networks, etc.)	/	New	Chapter 5.3.3.2.1	Nr of actions: 1  Total investment value: 1,158,000

\*Values present an addition to the existing indicators.

#### 4.2. DESCRIPTION OF THE AMENDMENTS PROPOSED TO AXES AND MEASURES

##### 1. Change: Priorities chosen with regard to the Community Strategic Guidelines and the National Strategy Plan

###### a) Description of the proposed change

In RDP, text is added providing an analysis and clarifying for which purposes and operations additional funds shall be allocated. For meeting new challenges (a) climate change, (b) renewable energies, (c) water management, and (e) dairy sector of Article 16a (1) of R. 1698/2005, the operations shall be carried out within the framework of the existing measure 121. The operation in point (g) broadband Internet infrastructure in rural areas under Article 16a of R. 1698/2005 shall be carried out within the framework of the new measure 321.

###### b) The reasons and any implementation problems justifying the change

The change derives from adoption of the EERP.

###### c) The expected effects of the change

See below in change 2. and 3.

**d) The relationship between the change and the NSP**

The NSP has been amended accordingly.

**e) Changes in the text of the RDP - p.81**

**2. Change: Measure 121 Modernisation of agricultural holdings**

**a) Description of the proposed change**

2/3 of additional funds from the EERP shall be allocated to operations within this measure. Support shall be granted for investments for priorities in points (a), (b), (c) and (e) of Article 16a (1) of R. 1698/2005, for the following types of operations:

- investment aimed at improving efficiency of nitrogen fertiliser use and improvement of manure storage
- investment in preventive mechanisms against adverse effects of climate-related extreme events
- investment in biogas production using organic waste
- investment in water saving technologies and storage of water
- investment support related to dairy production.

For renovation of irrigation equipment at least 25% water saving is required.

For investment support related to young farmers:

- the aid intensity is up to 70 % for agricultural holdings located in areas referred to in Article 36(a)(i), (ii) and (iii) of Regulation 1698/2005, or
- up to 60 % for agricultural holdings located outside areas referred to in Article 36(a)(i), (ii) and (iii).

For agricultural holdings in areas referred to in Article 36(a)(i), (ii) and (iii) of R. 1698/2005 the aid intensity amounts up to 60 % of the approved investment value.

**b) The reasons and any implementation problems justifying the change**

As a result of EERP operations referred to in points (a), (b), (c) and (e) under Article 16a (1) of R. 1698/2005 shall be carried out within the framework of this measure.

**c) The expected effects of the change**

Changes resulting from the introduction of new challenges shall impact the implementation of the RDP and indicators. For priorities referred to in Article 16a(1) of R. 1698/2005 indicators shall be introduced.

**d) The relationship between the change and the NSP**

The NSP has been amended accordingly.

**e) Changes in the text of the RDP – p. 109**

**Objectives and indicators:** Priorities referred to in Article 16a(1) of R. 1698/2005

OBJECTIVES		RESULT AND OUTPUT INDICATORS	VALUES	
			Baseline	Target (2010)
Specific	Enhancing the introduction of new products, technologies or production improvements on agricultural holdings	Number of agricultural holdings introducing new products and/or technologies	0	52
	Stabilising the income on agricultural holdings	Agricultural areas where income has been stabilised	0	600ha
		Increase in GVA/MWU on agricultural holdings supported (000)	0	1.3
	Total number of agricultural holdings supported	0	172	
Operational	Increasing the development	Total investment value	0	€ 19.2 million

	capacity of agricultural holdings and the performance of the use of production factors			
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**3. Change: New measure 321 Basic services for the economy and rural population – broadband support**

**a) Description of the proposed change**

Measure 321 shall be introduced based on the additional funds from the EERP.

*Measure description*

Support shall be granted for investments in the setting up of broadband electronic communications in local communities in white areas. Investment will be granted for:

- Creation of and enabling access to broadband infrastructure including backhaul facilities and ground equipment
- Upgrade of existing broadband infrastructure
- Laying down passive broadband infrastructure also in synergy with other infrastructures

All costs related to the setting up of a broadband network, purchase of new equipment and general costs directly related to the preparation and carrying out of the investment shall be approved as eligible costs.

*Target group*

The measure is targeted at local population in settlements without official city status. The beneficiary shall be a local community or several local communities together.

*Demarcation with other Operational programmes*

Each application shall be checked by the intermediate body for implementing the measure under the OP SRDP. If a project has already been co-financed under the OP SRDP it shall not be eligible for funding under the RDP.

*Financial provisions*

The maximum aid rate amounts up to 100 percent of the approved investment value. The maximum support per household in the programming period is € 3,000. General costs related to the preparation and implementation of investments may amount to a maximum 20 % of the total acknowledged investment value.

*State aid*

In Chapter 9, table 9B), the approved state aid notification number has been provided: N172/2009, until 31.12.2013.

**b) The reasons and any implementation problems justifying the change**

Slovenia shall devote 1/3 of the funds obtained under the EERP to the construction of broadband Internet infrastructure in rural areas.

**c) The expected effects of the change**

The measure is aimed at ensuring equal opportunities for rural population and holdings to access information and services by supporting investment in broadband electronic communications. This is especially important in the so called white areas.

OBJECTIVES		RESULT AND OUTPUT INDICATORS	VALUES	
			Baseline	Anticipated (2013)
Specific	Improving the quality of life of rural communities	Number of inhabitants covered by the supported projects	0	375,000
		Share of inhabitants with Internet access	54 %	72 %

<b>Operational</b>	Arranging common areas and facilities for various purposes	Number of projects supported	0	4
		Total investments value	0	€4.611 million

**d) The relationship between the change and the NSP**

The NSP has been amended accordingly.

**e) Changes in the text of the RDP – p. 284**

**4. Chapter 10.2: Complementarity of RDP with Community operations, policies and priorities related to broadband support under measure 321**

**a) Description of the proposed change**

Due to new measure 321, complementarity and delimitation with the development priority Economic-developmental infrastructure under OP SRDP is necessary.

Text on broadband infrastructure shall be added:

Development priority Economic-developmental infrastructure:

Axis 3 measures (supporting purchase and use of ICT technology and "*providing for broadband infrastructure in rural areas*"); support for investments in purchase and modernisation of technological and ICT equipment on agricultural holdings and enterprises (axis 1) is complementary with the information society priority.

**b) The reasons and any implementation problems justifying the change**

Due to introduction of a new measure 321 on broadband infrastructure in the RDP. Demarcation with support under OP SRDP and RDP has been outlined within measure 321 (change 3).

**c) The expected effects of the change**

The change does not affect the Programme implementation and indicators.

**d) The relationship between the change and the NSP**

The NSP has been amended accordingly.

**e) Changes in the text of the RDP – p. 307**

**B. MODIFICATIONS RELATED TO ART. 6(1)(A) OF R. 1974/2006 OTHER THAN THOSE FOLLOWING THE ADOPTION OF THE EERP**

**5. Chapter 6. and 7.: Financial change increasing the total EAFRD Community contribution**

**a) Description of the proposed change**

Chapters 6. and 7. shall be amended to take account of the Commission Decision C(2008)8370 of 17 December 2008 amending Decision 2006/636/EC fixing the annual breakdown by Member State of the amount for Community support to rural development (reform of the common organisation of the market in wine) according to which Slovenia transfers an amount of € 4.2 Mio to rural development. This amount will be included in axis 2, in measure 214 (agri-environment submeasure for steep vineyards).

**b) The reasons and any implementation problems justifying the change**

Additional € 4.2 million are included in the RDP according to Commission Decision C(2008)8370 of 17 December 2008.

**c) The expected effects of the change**

The change shall affect the Programme implementation. The additional funds shall also impact the indicators.

**d) The relationship between the change and the NSP**

The NSP has been amended accordingly.

**e) Changes in the text of the RDP – p. 211**

## **C. MODIFICATIONS RELATED TO ART. 6(1)(C) OF R. 1974/2006**

### **6. Change: References to the legal basis**

#### **a) Description of the proposed change**

Throughout the RDP the numbers of Official Journals of respective legal basis shall be changed, where appropriate; in brackets "as amended" shall be added.

#### **b) The reasons and any implementation problems justifying the change**

The change is necessary due to amendments to legal basis.

#### **c) The expected effects of the change**

No effect on programme implementation.

#### **d) The relationship between the change and the NSP**

The change has no impact on NSP.

#### **e) Changes in the text of the RDP - throughout RDP**

### **7. Chapter 5.1, 5.3.1, 5.3.3: Higher aid intensity rate for operations related to the new challenges**

#### **a) Description of the proposed change**

The aid rate for the implementation of priorities referred to in Article 16a(1) of Council Regulation (EC) No 1698/2005 shall be increased by 10 percentage points when implementing these types of operations in measures 121, 123, 311 and 312. Types of operations have been selected in accordance with Annex II of R. 1698/2005 and included in description of the measures 121, 123, 311 and 312.

#### **b) The reasons and any implementation problems justifying the change**

The change follows the amendment to R. 1698/2005 providing for higher aid intensity rate for types of operations referred to in points (a) to (f) of Art. 16a (1) of R. 1698/2005.

#### **c) The expected effects of the change**

The possibility to increase aid intensity rate by 10 percentage points for new challenges will help the beneficiaries to ensure own contribution in investment. Hence, the beneficiaries will find it easier to decide for investments, which will contribute to addressing the new challenges.

#### **d) The relationship between the change and the NSP**

The change has no impact on NSP.

#### **e) Changes in the text of the RDP – p. 110, 118, 277, 281**

### **8. RDP: Indicators**

#### **a) Description of the proposed change**

Throughout the RDP target and baseline indicators shall be revised and source of data shall be introduced. Increase of indicators due to additional funds as a result of Commission Decision C(2008)8370 of 17 December 2008 is taken into account.

#### **b) The reasons and any implementation problems justifying the change**

Based on the revision of indicators by the Commission, Slovenia has reviewed some baseline and target indicators. The changes are necessary due to a different unit and lack



of coverage of data for the reference year 2006 as well as additional funds. By this modification also the previously submitted indicators tables will be included in the RDP.

**c) The expected effects of the change**

Indicators shall be updated.

**d) The relationship between the change and the NSP**

The change of RDP shall also result in a change of NSP since some baseline and target indicators are included in the NSP as well.

**e) Changes in the text of the RDP - throughout RDP**

<b>9. Chapter 5.2: Measures and expenditure transferred from the previous programming period</b>
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**a) Description of the proposed change**

The total value of commitments undertaken in the previous programming period for measure 131 shall be increased from € 40.4 million to **€ 41.8 million**.

The duration for conducting disbursements for agri-environment measures shall be changed, i.e. the disbursement shall be conducted by the end of 2011 and not in 2007 and 2008.

**b) The reasons and any implementation problems justifying the change**

Given the disbursements for measure 131 were concluded on 31 December 2008, the exact amount disbursed under this measure shall be indicated.

Based on 5-year commitments under measure 214 undertaken by 31 December 2006 the disbursements will be conducted by the end of 2011.

**c) The expected effects of the change**

The change has no effect on the Programme implementation and indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP - p. 93-94.**

<b>10. Chapter 5.3.1: Amendment of Rationale under axis 1</b>
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**a) Description of the proposed change**

Within rationale an addition on low specialisation of individual food processing plants, production of low value-added products and under-exploited potential arising from preserved natural environment, relatively high quality of agricultural raw materials, rich culinary tradition, established hygiene standards in food production and geographic location shall be made.

Additional text on the objective under axis 1 on promoting investment in food processing plants aimed at facilitating the activities related to the incorporation of modern technologies as well as activities related to marketing of agricultural products shall be added.

**b) The reasons and any implementation problems justifying the change**

The text needs to be amended as to describe the situation in food processing.

**c) The expected effects of the change**

The change does not affect the Programme implementation and indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – sp. 96-97**

**11. Chapter 5.3.1: Objectives under axis 1**

**a) Description of the proposed change**

Food processing activity shall be explicitly added to the objective on increasing the labour productivity.

Amended shall also be the objectives related to the promotion of investment in food processing plants aimed at modern technologies and marketing of agricultural products.

**b) The reasons and any implementation problems justifying the change**

Next to agricultural and forestry sector food processing activity shall be added to the objective on increasing the labour productivity under axis 1.

Activities related to marketing of agricultural products are increasingly important as it is essential to properly market and sell the agricultural products.

**c) The expected effects of the change**

The change shall not affect the Programme implementation and indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – see p. 96**

**12. Chapter 5.3.1: Approval of operations under axis 1**

**a) Description of the proposed change**

Based on the adoption of the new national Agriculture Act laying down that funds shall be granted based on "a decision on entitlement to funding", the text of RDP shall be amended accordingly.

**b) The reasons and any implementation problems justifying the change**

Due to new national legal basis it is necessary to amend the RDP text.

**c) The expected effects of the change**

The change only affects the procedure.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – p. 97.**

**13. Chapter 5.3.1: Definition of "project completion" under axis 1**

**a) Description of the proposed change**

A project must be completed prior to submitting the final claim for disbursement of funds and not before the last disbursement of funds as indicated up to now. Detailed provisions shall be outlined in the national implementing rules.

**b) The reasons and any implementation problems justifying the change**

The change is necessary due to carrying out of certain controls.

**c) The expected effects of the change**

The change shall not affect the Programme implementation and indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – p. 98**

**14. Chapter 5.3.1: Combination with state aids – axis 1**

**a) Description of the proposed change**

Within general provisions for measures under axis 1, the provision specifying obtainment of public funds for the same purpose shall be amended. The present provision did not allow for combination with state aids. The amendment will allow combination with state aids, provided the total support level does not exceed the maximum aid rate in Annex I of R. 1698/2005.

**b) The reasons and any implementation problems justifying the change**

The change is necessary since the provisions have been overly restrictive.

**c) The expected effects of the change**

The change shall not affect the Programme implementation and indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – see p. 97**

**15. Chapter 5.3.1: Demarcation of measures in axis 1 within other measures**

**a) Description of the proposed change**

Text laying down demarcation between measures under axis 1 and other axes shall be amended. Demarcation line between measures under axis 1 based on beneficiaries is not feasible as they can be the same in all measures. Detailed demarcation shall be laid down within the measures.

**b) The reasons and any implementation problems justifying the change**

Demarcation shall be established based on the activities/purposes on the measure level.

**c) The expected effects of the change**

The change shall not affect the Programme implementation and indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – p. 99**

**16. Change: Measure 111 Training for persons engaged in agriculture and forestry and food processing**

**a) Description of the proposed change**

The concept of the measure shall be changed. Within rationale of the measure food processing has been added.

Training in the form of seminars, workshops, lectures, practical demonstrations in the field, modules or acquisition of the national vocational qualification certificate shall be supported in accordance with the rules governing the national vocational qualification. Knowledge and skills acquisitions shall comprise the following contents:

- a) optimisation of production processes or technologies, or
- b) introduction of new technologies or products, or
- c) traditional knowledge, or
- d) entrepreneurship, or
- e) information and communication knowledge, facing new challenges, or
- f) information on areas of legislation.

The applicants for support are public and private educational institutions. They are selected based on a call for tender in which the details of the training are specified. The eligible costs include preparation, invitations, training materials, rent of necessary requisites, literature materials, costs of lecturers/demonstrators, cost of translation, use of premises, examinations, issuing certificates and other necessary costs for a quality training. For the participants the training is not payable.

Minimal support is €10,000 per application, maximal support is € 500,000 per application.

Training must not be part of the regular education process that is part of the existing education programmes in the field of secondary or higher level education.

**b) The reasons and any implementation problems justifying the change**

There was a need to outline more explicitly the contents of the training.

**c) The expected effects of the change**

The proposed change shall lead to an increase of participants in training, better quality, better programmes taking into account the needs of the participants. It shall result in higher level of professional qualification and acquired education of farmers and workers.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – p. 101**

<b>17. Change: Measure 112-Setting up of young farmers</b>
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**a) Description of the proposed change**

The verification of the first ownership takeover is to be complemented by the agreement on the transfer of animals.

Young farmers may also apply for support under measure 121 for planned investments within the business plan submitted with the application, the investment has to be carried out within 5 years from decision on granting support for young farmers and not within 5 years from the first ownership takeover. Training plan when necessary remains an obligatory part of the business plan.

In general conditions the text referring to *equivalent of 6 LUs for intensive rearing* shall be replaced by *equivalent of 6 LUs of the same kind*.<sup>1</sup>

In accordance with amendment to R. 1698/2005 the maximum level of financial aid shall be increased from € 40,000 to € 70,000.

**b) The reasons and any implementation problems justifying the change**

The change of verification of the first ownership on the basis of an agreement on the transfer of animals is necessary since young farmers can only take over animals without

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<sup>1</sup> The same amendment has been done for measure 113 – Early retirement.

agricultural land in the case of farms engaged in beekeeping, intensive poultry rearing for meat and egg production, rabbit rearing for meat production, or with intensive rearing of other animals.

The conditions on young farmers applying for support in the framework of measure 121 shall be amended as a result of alignment with Art. 13(3) of R. 1974/2006.

R. 74/2009 provides for an increase in the maximum amount of financial aid., which shall significantly contribute to the decision for take over by the younger generation.

**c) The expected effects of the change**

It shall significantly contribute to the decision for take over by the younger generation.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – p. 104**

**18. Chapter 5.3.1.2.1: Measure 121 - Modernisation of agricultural holdings**

**a) Description of the proposed change**

As regards investments, removal of rocks and removal of bushes on abandoned land shall become eligible expenditure if it is one-off investment. Investments in efficient energy use are added to the eligible types of investments.

Demarcation of investment support for renewable energies with measure 311 shall be amended meaning that energy for own household needs is eligible within measure 121.

The maximum aid shall be increased from € 1,000,000 to € 1,500,000 per project and from € 2,000,000 to € 3,000,000 per beneficiary for the entire programming period.

**b) The reasons and any implementation problems justifying the change**

By increasing the maximum share of aid granted per project the development of large food producers that present an important employer shall be supported. The RDP is amended to implementation needs.

**c) The expected effects of the change**

The support to large food producers is of great importance in the current economic crisis. Larger production enterprises are also very competitive in the European scale.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – p. 110**

**19. Chapter 5.3.1.2.3: Measure 123 Adding value to agricultural and forestry products**

**a) Description of the proposed change**

Provision on marketing of agricultural products shall be added in Rationale of measure.

In measure description point a), the provision specifying that investment may not refer to products skimming and supplementing milk and milk products shall be deleted. Inserted shall be a new point *c) common investments in processing and marketing of products fixed in Annex I and other products the raw material of which are agricultural products, except fish products.*

Text defining the improvement of the overall performance of enterprises shall be amended by stipulating that improvement of general efficiency of the company must be visible from the application (in any form).

Investment for animal rearing shall be added to the measure description.

Differentiation between simple and demanding investments shall be increased from € 80,000 to € 100,000.

Amended shall be delimitation as regards first stage of wood processing, it shall be based on Annex I to R. 2658/87 with all amendments.

The provision on eligible costs for training to work with machinery which is part of the investment and purchase of patents and licences shall be deleted.

Text specifying support for improving the marketing of agricultural products shall be added, which includes investments for product storage, displaying products for sale, offering products for sale, supplying and placing products on the market. Eligible for support shall also be investments in arrangement of sales premises on farms. Investments in the mobile retail units aimed at the marketing of agricultural products shall eligible.

For first stage wood processing the demarcation shall be updated according to amended number in the national statistical classification of activities

The maximum aid for individual types of investments shall be increased from € 1,800,000 to € 2,500,000. The maximum aid per beneficiary throughout the programming period shall be increased from € 4,000,000 to € 6,000,000.

Added shall be a provision laying down that for the enterprise size criteria laid down in Annex 1 to R. 800/2008 shall be taken into account.

**b) The reasons and any implementation problems justifying the change**

Marketing has been gaining on importance. In addition to production, attention must also be dedicated to the manner of placing the products on the market.

Demarcation from other measures was not adequately defined as it is not related to beneficiaries. More adequate definition of delimitation from other measures shall be introduced.

Increase in the maximum aid amount is proposed as a result of initiatives by social partners. The increase can be ensured based on financial funds for this measure.

Adjustments to the actual implementation situation.

**c) The expected effects of the change**

The change shall not significantly affect the Programme implementation and indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – p.118**

<b>20. Chapter 5.2.1.2.5: Measure 125 Improving and developing infrastructure related to the development and adaptation of agriculture</b>
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**a) Description of the proposed change**

Within land consolidations removal of rocks, modification of land configuration, arrangement of field paths, improving access to agricultural land, removal of bushes shall be eligible. Applicants shall be municipalities authorised by land owners to carry out the investment; the final beneficiaries shall be owners or multi-annual leaseholders.

Deleted shall be activity referring to the *construction and arrangement of new infrastructure necessary in relation to the land consolidation* is deleted as it is included in agromeliorations.

Target group for support of large irrigation systems and the upgrading of hydro-amelioration systems shall be limited to legal persons, natural persons are not eligible any more.

Investments in technological modernisation of irrigation systems must ensure at least 25 % saving of water and electricity.

The maximum aid in irrigation systems including the conduction of a water source for irrigation purposes only shall be increased from € 1.500.000 to € 3,000,000.

Indicators shall also be changed.

**b) The reasons and any implementation problems justifying the change**

Extension of the activities to agromeliorations will contribute to a more comprehensive arrangement of consolidated agricultural area.

Change in target group as regards the applicants for support in large irrigation systems and the upgrading of hydro-amelioration systems was necessary due to national legislation.

Increase in the amount of aid for irrigation systems is due to very demanding constructions of water detention reservoirs.

**c) The expected effects of the change**

Due to the introduction of activity agromeliorations the indicators shall be updated.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – p. 123**

<b>21. Chapter 5.3.1.3.3: Measure 133 Supporting producer groups for information and promotion activities</b>
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**a) Description of the proposed change**

Within target group word "OR" shall be added at the end of each listed target group as one target group implements one quality scheme and not all of them.

**b) The reasons and any implementation problems justifying the change**

The change is necessary to avoid misinterpretation.

**c) The expected effects of the change**

Does not affect the Programme implementation and indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – see p. 128**

**22. Chapter 5.3.1.4.2: Measure 142 Supporting setting up and operation of producer groups**

**a) Description of the proposed change**

In accordance with Art. 35(1)(b) of R. 1698/2005 shall be supported jointly placing goods on the market, including preparation for sale, centralisation of sales and supply to bulk buyers.

**b) The reasons and any implementation problems justifying the change**

The change shall clarify types of support in the framework of this measure.

**c) The expected effects of the change**

The change shall not significantly affect the Programme implementation and indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP - p. 135**

**23. Chapters 5.3.2.1.1., 5.3.2.1.2: Measures 211, 212 Natural handicap payments to farmers in mountain areas and payments to farmers in areas with handicaps, other than mountain areas (LFA)**

**a) Description of the proposed change**

Differentiation of LFA compensatory allowances shall be amended. The current differentiation used in the RDP 2004–2006 and RDP 2007–2013 from 2007 until 2009 (inclusive) was based on the classification of agricultural holdings into different classes of the severity of the handicap. Within these classes there may be significant differences between the actual farming conditions on individual agricultural holdings. In order to specify the farming conditions as adequately as possible for each agricultural holding a registry (scoring) of agricultural holdings in LFA has been set up. The scoring of agricultural holdings takes into consideration the following handicap factors:

- standard: soil potential, climatic conditions in relation to altitude, inclination of agricultural land, parcel fragmentation;
- regionally specific: karst surface, floods, erosion, strong winds.

Based on the scoring of agricultural holdings in LFA it has been established that the scoring can provide a very good assessment of handicaps relating to UAA. However, the handicaps that an agricultural holding has due to its location in the region or local community, remoteness and accessibility cannot be assessed. These characteristics have been fairly well grouped in the current classes of severity of the handicap. Thus, a gradual transition to the new LFA payments shall be carried out by laying down the fixed and the variable part of compensatory allowances. The total fixed part of LFA payments shall be gradually reduced to 40 % by 2014. The variable part of the LFA payment shall be calculated on the bases of the scoring and multiplied by the point value. The total variable part of LFA payments shall make up 60 % and shall be achieved by 2014. The point value shall be € 0.43.

**b) The reasons and any implementation problems justifying the change**

From 2004 until the end of 2009, the differentiation was done according to the Slovene LFA elaborate approved in 1990. Changes that have occurred in the meanwhile in the agricultural policy, land policy, structure of agricultural holdings etc have caused out-of-dateness and inconsistency with the actual conditions for farming.

**c) The expected effects of the change**



The change shall have an impact on the implementation of RDP in particular as a result of more accurate and fairer differentiation of compensatory allowances. For some beneficiaries the payment shall reduce and for some it shall increase. The change shall not affect the indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – p. 141**

**24. Chapters 5.3.2.1.1, 5.3.2.1.2, 5.3.2.1.4 : Definition of *force majeure* in Measures 211, 212 Natural handicap payments to farmers in mountain areas and payments to farmers in areas with handicaps, other than mountain areas (LFA), and Measure 214 Agri-environment payments (AE)**

**a) Description of the proposed change**

In Measure 211, 212 and 214, categories of *force majeure* and detailed descriptions of individual cases shall be laid down pursuant to Art. 47 of R. 1974/2006.

**Measures 211 and 212:**

"Categories of force majeure or exceptional circumstances pursuant to Art. 47 of R. 1974/2006 are particularly as follows:

- a) death of the beneficiary;
- b) long-term professional incapacity of the beneficiary;
- c) death of a farm member with at least 0.5 MWU;
- d) long-term professional incapacity of a farm member with at least 0.5 MWU;
- e) expropriation of a large part of the holding if that could not have been anticipated on the day on which the commitment was given;
- f) severe natural disaster seriously affecting land on the holding
- g) accidental destruction of livestock buildings on the holding;
- h) an epizootic disease affecting all or part of the farmer's livestock;
- i) loss or death of livestock as a result of a carnivores attack;
- j) accidental death of livestock (fire, lightning, electric shock, fall, etc.);
- k) diseases and/or pest infestations in permanent crops resulting in destruction of these permanent crops;
- l) change in the size of agricultural land on an agricultural holding, change in the use or method of farming irrespectively of the beneficiary

**For Measure 214 additionally:**

- k) Damage to areas caused by wild animals;

**b) The reasons and any implementation problems justifying the change**

The change is necessary due to need for a more detailed definition of cases of force majeure or exceptional circumstances. The change is also necessary in order to provide for compliance with the provisions of Commission R. No 1974/2006 and Commission document AGRI D/00854 of 15 January 2009 laying down eligibility for payments for AE submeasures when the beneficiaries fail to comply with the requirements due to unintentional or random factors.

**c) The expected effects of the change**

The cases of force majeure or exceptional circumstances shall be laid down more comprehensively for the beneficiaries, and clearer definitions shall enable the Agency for Agricultural Markets and Rural Development to process these cases in an easier manner.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

e) Changes in the text of the RDP – p. 141 and 152

**25. Chapter 5.3.2.1.4: Measure 214 Agri-environment payments – education**

**a) Description of the proposed change**

In general conditions, the word “can” shall be added, which means that after concluding a training the beneficiary may receive a certificate but it is not an obligation. The fulfilment of the request regarding the obligatory participation in educational programmes shall be checked administratively via the computer application “Education register”, which is filled in by the providers of trainings.

**b) The reasons and any implementation problems justifying the change**

The change shall ensure that the beneficiaries have recognised participation in education even if they do not receive a certificate.

**c) The expected effects of the change**

Does not affect the Programme implementation and has no effects on indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – see p.152**

**26. Chapter 5.3.2.1.4: Measure 214 Agri-environment payments – abolition of compulsory set aside**

**a) Description of the proposed change**

In submeasures 214-I/3 Integrated crop production and 214-I/6 Integrated horticulture, requirements for final beneficiaries on compulsory set aside shall be deleted based on amendment to R. 73/2009.

**b) The reasons and any implementation problems justifying the change**

Alignment with amendment to Council R. 73/2009 abolishing the compulsory set aside.

**c) The expected effects of the change**

Does not affect the Programme implementation and has no effects on indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – see p. 166, 181**

**27. Chapter 5.3.2.1.4: Measure 214 Agri-environment payments (AE) – limit values of soil mineral nitrogen**

**a) Description of the proposed change**

In submeasures 214-I/3 Integrated crop production and 214-I/6 Integrated horticulture the provision on the limit value of “*nitrogen from mineral fertilisers in the soil*” is not correct, the provision must refer to “soil mineral nitrogen”.

**b) The reasons and any implementation problems justifying the change**

The existing provision was not exact.

**c) The expected effects of the change**

Does not affect the Programme implementation and has no effects on indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – p.173, 187**

**28. Chapter 5.3.2.1.4: Measure 214 Agri-environment payments – minimum total acreage of orchards**

**a) Description of the proposed change**

In submeasure 214-I/4 Integrated fruit production the minimum total acreage of orchards eligible for payments shall be amended. Initially, the minimum total acreage amounted to at least 0.5 ha for apples and pears and at least 0.3 ha of the total area for other fruit varieties. The amended text shall require a minimum the total orchard area of 0.3 ha for one fruit variety. The minimum eligible acreage of a single orchard is 0.1 ha.

**b) The reasons and any implementation problems justifying the change**

The change is necessary in order to align the conditions with other submeasures under the measure 214 Agri-environment payments.

**c) The expected effects of the change**

Does not affect the Programme implementation and has no effects on indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP - see p. 171**

**29. Chapter 5.3.2.1.4: Measure 214 Agri-environment payments -submeasure Organic farming**

**a) Description of the proposed change**

From 1 January 2010 two options have been set: the submeasure may be implemented with stocking density 0.2-0.5 LU/ha of UAA or with stocking density 0.5-1.9 LU/ha of UAA with two different payment levels (respectively 213,20 € and 227,55 €). The beneficiaries shall thus be able to continue implementing the submeasure until the completion of the commitments undertaken and it shall be easier for new beneficiaries to enter the submeasure.

**b) The reasons and any implementation problems justifying the change**

Due to difficult and specific natural conditions the previously specified minimum livestock density proved to be difficult to achieve by the beneficiaries. In order to preserve the organic farms in Slovenia, allow for the new entrants and to fulfil the EU Organic Farming Action Plan this amendment is necessary.

**c) The expected effects of the change**

Preservation of organic agricultural holdings included in the organic farming controls.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – p. 193**

**30. Chapter 5.3.2.1.4: Measure 214 Agri-environment payments (AE) – submeasure Mountain pastures**

**a) Description of the proposed change**

In submeasure 214-II/1 Mountain pastures the provision on the geographically rounded estate "*which has*" is replaced by "*which can have*" farm facilities (stables, dairies), dwelling buildings (shepherd cottages).

**b) The reasons and any implementation problems justifying the change**

The change is necessary due to alignment with the Rules on farm register.

**c) The expected effects of the change**

Does not affect the Programme implementation and has no effects on indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – see p. 199**

<b>31. Chapter 5.3.2.1.4: Measure 214 Agri-environment payments – submeasure Steep vineyards</b>
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**a) Description of the proposed change**

New submeasure " 214/II/5 Steep vineyards" shall be introduced.

*Intended aims and targets*

It is aimed at promoting the utilisation of vineyards on steep slopes in order preserve landscape features and perform more environmentally friendly practices.

*Type of activities implemented (payments for vineyards on slopes 30-40 %: 326,77 €/ha, for vineyards on slopes > 40 %: 900 €/ha):*

- At least 4 hours of training
- Keeping records on all tasks carried
- Land application of sewage sludge, silt and residues from fish farms is not allowed; applied may be only compost produced on agricultural holdings.
- Applied nitrogen from mineral fertilisers may not exceed 80 kg/ha annually.
- Reduction and careful selection of plant protection products, herbicides, fungicides, insecticides and copper application have been set.
- Max livestock density 1.9 LU/ha and no livestock manure surplus.
- The vineyard must have permanent green cover (except if there are walled up banks; in terraced systems of vine planting the bank must have permanent green cover, while the terrace surface may be utilised)
- Not more than 25 % of the net vineyard surface in the stretch of land below the vines may be without the green cover.
- At least one mowing between the rows and at least one mowing of the banks.
- For the duration of the commitment the vineyard may not be grubbed up. However, it may be renewed.
- The banks must be kept maintained.

**b) The reasons and any implementation problems justifying the change**

Based on Commission Decision 2009/14/EC of 17 December 2008 amending Decision 2006/636/EC fixing the annual breakdown by Member State of the amount for Community support to rural development Slovenia obtained additional € 4.2 Mio which will be used for more environmentally friendly practices in steep vineyards.

**c) The expected effects of the change**

The payments shall contribute towards preservation of landscape, performing more environmentally sustainable winegrowing on steep slopes.

**d) The relationship between the change and the NSP**

NSP has been amended accordingly.

**e) Changes in the text of the RDP – p. 211**

<b>32. Chapter 5.3.2.1.4: New submeasure 214-II/10 Preserving extensive karst pastures</b>
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**a) Description of the proposed change**

New submeasure" 214-II/10 Preserving extensive karst pastures" shall be introduced.

*Intended aims and targets*

The submeasure is aimed at extensive grazing with the objective of preserving the environmental, biotic, cultural and landscape diversity of extensive karst pastures.

*Type of activities implemented (191,40 €/ha) :*

- At least 4 hours of training.
- Keeping of records for all tasks carried out and for pasture log.
- Land application of sewage sludge, silt and residues from fish farms is not allowed; applied may be only compost produced on agricultural holdings.
- Areas shall be maintained through pasture, whereby:
  - it is mandatory to draw up a plan for setting up the pasture and grazing,
  - the area on which animals graze must be bounded by a fence and divided into enclosures;
  - grazing period within an enclosure may not exceed 90 normal pasture days (a normal pasture day is 1 LU/day) per ha of land:
  - pasture should reach minimum 60 normal pasture days per ha;
  - no signs of excessive damage to grazing areas may arise.
- Areas engaged shall be maintained through cleaning, whereby:
  - cleaning may not be carried out from 1 March to 15 August, except with pasture;
  - greening of cleaned areas by spreading local hay flowers shall be allowed;
  - burning shall not be permitted, allowed shall only be controlled burning of scrap wood;
  - existing hedgerows shall be preserved;
  - trimming and thinning of hedgerows shall be carried out every two years; operations may not be performed from 1 March to 30 September;
  - as a priority, Robinia pseudoacacia, Ailanthus altissima, Paliurus spina – christi and Pinus nigra shall be removed;
  - when cleaning mechanically (mulching) only cleaning methods removing the surface vegetation may be applied so that the sod remains undamaged.
- Application of mineral fertilisers containing nitrogen shall not be allowed.
- The application of plant protection products is not allowed.

**b) The reasons and any implementation problems justifying the change**

Preservation of biodiversity of flora and fauna on the geologically typical karst areas.

**c) The expected effects of the change**

Conservation of the environmental, biotic, cultural and landscape diversity of extensive karst pastures, which shall contribute to preservation of grassland use and reduction of fire hazard.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP - p. 228**

### **33. Chapter 5.3.2.1.4: Level of payments for agri-environment submeasures**

#### **a) Description of the proposed change**

In measure 214 Agri-environment payments, table 47 laying down the rates of aid for agri-environment submeasures shall be amended. Payments for the following submeasures are amended: submeasure 214-III/2 Preservation of special grassland habitats (from 66,83 to 121,36), 214-III/3 Preservation of grassland habitats of butterflies (from 66,83 to 121,36), 214-III/4 Preservation of litter meadows (from 143,91 to 198,44).

#### **b) The reasons and any implementation problems justifying the change**

To improve the take up of sub-measures targeting biodiversity.

#### **c) The expected effects of the change**

Enhanced take-up of the submeasures targeting biodiversity.

#### **d) The relationship between the change and the NSP**

The change has no impact on NSP.

#### **d) Changes in the text of the RDP – p. 264**

### **34. Chapter 5.3.3: Measures and activities under axis 3**

#### **a) Description of the proposed change**

In general provisions on the Decision of the National Assembly on the city status granted to the settlements in Slovenia shall be amended since the decision on the city status granted to the settlements was adopted by the Government.

#### **b) The reasons and any implementation problems justifying the change**

The Decision was adopted by the Government and not by the National Assembly.

#### **c) The expected effects of the change**

Does not affect the Programme implementation and has no effects on indicators.

#### **d) The relationship between the change and the NSP**

The change has no impact on NSP.

#### **e) Changes in the text of the RDP – p. 277**

### **35. Chapter 5.3.3: Investment completion in measures under axis 3**

#### **a) Description of the proposed change**

In general provisions under the provision on investment completion shall be amended. In the initial text, an investment had to be completed before the last disbursement of funds, while in the changed text an investment shall be completed prior to submitting the final claim for disbursement of funds.

#### **b) The reasons and any implementation problems justifying the change**

The condition that an investment must be completed before submitting the last claim was amended for easier understanding and to avoid implementation problems.

#### **c) The expected effects of the change**

It shall have positive impacts on the RDP implementation without affecting the indicators.

#### **d) The relationship between the change and the NSP**

The change has no impact on NSP.

e) Changes in the text of the RDP - see p. 278

**36. Chapter 5.3.3: Measure 311 Diversification into non-agricultural activities and Measure 312 Support for the creation and development of micro enterprises**

**a) Description of the proposed change**

In measures 311 and 312 the delimitation for support in renewable energy shall be increased from € 480,000 to up to € 1,000,000. As a result of the change the demarcation with other structural funds shall also be changed (support remains under the minimis rules).

**b) The reasons and any implementation problems justifying the change**

The ongoing evaluation of the RDP implementation has shown that several projects on renewable energies had reached the ceiling of € 480,000. Therefore, the ceiling for renewable energies projects shall be raised to € 1,000,000. The increase shall contribute to better utilisation of renewable energy sources.

**c) The expected effects of the change**

It does not considerably affect the RDP implementation and has no effects on indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

e) Changes in the text of the RDP – see p. 282 and p.285

**37. Chapter 5.3.3.1.1, 5.3.3.1.2: Measure 311 Diversification into non-agricultural activities and Measure 312 Support for the creation and development of micro enterprises**

**a) Description of the proposed change**

In measures 311 and 312 'institute' shall be added as a potential beneficiary in target group (as private institutes or as public-private institutes). Institutes are typically providing social services (child care, care of older people, persons with special needs, etc.).

Next to the decision of the National Assembly of the RS the Government Decision shall be added due to national legislation.

**b) The reasons and any implementation problems justifying the change**

Activities to be supported within the scope of institutes may be carried out in accordance with the national law, which means that the entity (enterprise, institute) must be registered for pursuing this activity.

**c) The expected effects of the change**

It does not significantly affect the RDP implementation and has no effects on indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

e) Changes in the text of the RDP – see p. 281

**38. Chapter 5.3.3.1.1, 5.3.3.1.2: Measure 311 Diversification into non-agricultural activities – sale of foodstuffs**

**a) Description of the proposed change**

In measure description, types of purposes, 'sale of foodstuffs' shall be added. Due to this amendment demarcation has been updated as well.

**b) The reasons and any implementation problems justifying the change**

The change is based on an initiative by social partners. In remote areas a trend of closing food stores has been noted. The change could facilitate relaunching and/or retaining these stores since so far this has not been possible. To the sales activities related to on-farm production activities "*sale of foodstuffs*" will be added.

**c) The expected effects of the change**

It does not significantly affect the RDP implementation and has no effects on indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – p. 277**

<b>39. Chapter 5.3.3.1.1: Measure 311 Diversification into non-agricultural activities and Measure 312 Support for the creation and development of micro enterprises - maximum aid rate</b>
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**a) Description of the proposed change**

In measures 311 and 312 the maximum aid rate shall be increased, i.e. from 50 % to 60 % of the approved investment value.

In measure 312 Support for the creation and development of micro enterprises the minimum amount of aid granted shall be reduced from € 20,000 to € 3,500.

**b) The reasons and any implementation problems justifying the change**

Raising the maximum aid rate from 50 % to 60 % of the approved investment value is a result of the financial and economic crisis as the beneficiaries are having difficulties securing own contribution.

**c) The expected effects of the change**

The change shall result in more efficient implementation of the measures.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – p. 277 and 281**

<b>40. Chapter 5.3.3.1.1, 5.3.3.1.2: Measure 311 Diversification into non-agricultural activities and Measure 312 Support for the creation and development of micro enterprises - demarcation</b>
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**a) Description of the proposed change**

Demarcation with measure 123 Adding value to agricultural and forestry products shall be amended. As regards wood processing measure 123 supports the processing of wood into "*products according to*" the statistical classification of activities (SCA) SORS "*16.100*", while the remaining wood processing is supported within the range of the measures 311 or 312.

**b) The reasons and any implementation problems justifying the change**

Demarcation shall be outlined more clearly and accurately.

**c) The expected effects of the change**

The change does not significantly affect the Programme implementation.



**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – p. 277 and 281**

**41. Chapter 5.3.3.1.1, 5.3.3.1.2: Measure 312 Support for the creation and development of micro enterprises**

**a) Description of the proposed change**

In measure description the provision outlining that sales activities have to be related to the production activities shall be deleted.

The criterion for micro enterprises shall be amended adding that the annual turnover *and or annual balance sheet* total may not exceed € 2,000,000.

**b) The reasons and any implementation problems justifying the change**

It concerns alignment with the RDP modification on the sales activities in this measure. A micro enterprise itself may choose which criterion it shall meet, either the annual balance sheet total or annual turnover. The criterion on less than 10 employees shall remain compulsory.

**c) The expected effects of the change**

The change does not significantly affect the Programme implementation and has no effects on indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – p. 281**

**42. Chapters 5.3.3.2.2, 5.3.3.2.3: Measure 322 Village renewal and development and Measure 323 Conservation and upgrading of the rural heritage – aid rate**

**a) Description of the proposed change**

Measure 322 and 323 the maximum aid rate shall be increased from 50 % to up to 85 %.

Relocation of farms from village centres under measure 322 up to 100 % of the approved investment value may be granted.

**b) The reasons and any implementation problems justifying the change**

The increase in the maximum aid rate is mainly a result of the difficulties of the applicants, in particular smaller municipalities, to provide 50 % co-financing, especially during the recession. Thereby, more efficient uptake of EAFRD shall be ensured.

Farms in village centres are very important. If movement of a farm is necessary for the purpose of village renewal and development the movement shall be 100 % co-financed in order to preserve these farms. Consequently, this shall ensure an overall arrangement of village centres and thus improvement of living conditions for the population.

**c) The expected effects of the change**

With the increase of the maximum it shall be easier for the beneficiaries to provide own contribution.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – p. 286 and 289**

**43. Chapters 5.3.3.2.2, 5.3.3.2.3 : Measure 322 Village renewal and development and Measure 323 Conservation and upgrading of the rural heritage – eligible costs**

**a) Description of the proposed change**

Under measures 322 relocation of farms from the village centres shall become eligible expenditure.

Under measure 323 the relocation costs and contribution in kind shall for the purpose of preservation of cultural heritage in the rural areas shall become eligible expenditure.

**b) The reasons and any implementation problems justifying the change**

Relocation of farms is necessary for the purpose of village renewal and development. This shall ensure an overall comprehensive arrangement of village centres and thus improvement of living conditions for the population.

For the purposes of open air museums the heritage facilities must be moved from initial locations to the open air museum location. Such a movement is accompanied by extensive financial costs.

**c) The expected effects of the change**

The change does not significantly affect the Programme implementation.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – p. 286 and 289**

**44. Chapters 6. and 7.: Financial changes**

**a) Description of the proposed change**

Given the increased needs for funds in technical assistance, the percentage therefore shall be increased from 0.5 % to 1 % (increase for € 4,501,334 of EAFRD contribution), and the share of funds under axis 1 shall be reduced accordingly (in measure 111 decrease by € 2,625,334 and in measure 132 by € 1,876,001).

The implementation of transitional measure 131 Support for EU standards was completed on 31 December 2008. For this measure € 1,068,390 more had been spent than outlined in RDP so far. For this purpose € 1,068,390 of EAFRD were reduced in measure 142.

**c) The expected effects of the change**

The change shall affect the Programme implementation. The funds shall be reduced in those measures where not all available resources are expected to be used up, given the current implementation.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – p. 301**

**45. Chapter 10.1: Information on complementarity with measures financed by other instruments under the CAP, cohesion policy and community aid for fisheries**

**a) Description of the proposed change**

Update of the RDP in view of the complementarity and demarcation with measures financed by other instruments for sugar and wine.

**b) The reasons and any implementation problems justifying the change**

Update of the RDP in view of the complementarity and demarcation with measures financed by other instruments under the CAP.

**c) The expected effects of the change**

The change does not affect the Programme implementation and indicators.

**d) The relationship between the change and the NSP**

The change has no impact on NSP.

**e) Changes in the text of the RDP – p. 309**

**46. Chapter 11.5: Description of the control system**

**a) Description of the proposed change**

In order to make the provision on cross compliance inspections clearer the text was amended. Now, the provision clearly indicates that the inspections shall only refer to measures under axis 2 of RDP, for which this type of inspection is required pursuant to Art. 20 of R. 1975/2006. A description of how reductions and exclusions shall be settled in the case of discovered non-compliance shall be laid down.

**b) The reasons and any implementation problems justifying the change**

The text shall be amended as appropriate, clarified and aligned with the provision of Art. 20 of Commission R. 1975/2006.

**c) The expected effects of the change**

It is expected that the clarified text aligned with Commission R. 1975/2006 shall contribute toward correct implementation of inspections by the Paying Agency.

**d) The relationship between the change and the NSP**

The change shall have no impact on the content of NSP.

**e) Changes in the text of the RDP – p. 321**

**47. Redactional changes**

The necessary redactional changes were done throughout the RDP.

## 5. FINANCING

### 6.1 Annual contributions from the EAFRD

Year	2007	2008	2009	2010	2011	2012	2013	TOTAL
Convergence regions	149,549,387	139,868,094	129,728,049	129,354,946	124,076,091	118,858,866	113,031,296	904,466,729
Funds under Art. 69(5a) of R. 698/2005 – con. regions	0	0	6,780,000	4,746,000	0	0	0	11,526,000
Total EAFRD	149,549,387	139,868,094	136,508,049	134,100,946	124,076,091	118,858,866	113,031,296	915,992,729

### 6.2.1 Financial plan by axis-convergence regions

	Public funds		
	Total	EAFRD co-financing rate (%)	EAFRD contribution
<b>Axis</b>			
Axis 1	393,485,372	75.00	295,114,029
Axis 2	592,890,844	80.00	474,312,675
Axis 3	132,039,136	75.00	99,029,352
Axis 4	33,760,006	80.00	27,008,005
Technical assistance	12,003,557	75.00	9,002,668
<b>Total</b>	<b>1,164,178,915</b>	<b>77.69</b>	<b>904,466,729</b>

### 6.2.1 Financial plan by axes for additionally approved EERP funds

AXIS	Public funding (€)		
	Total	EAFRD co-financing rate (%)	EAFRD contribution
Axis 1	8,537,778	90.00	7,684,000
Axis 2	0	0	0
Axis 3	4,268,889	90.00	3,842,000
Axis 4	0	0	0
Technical assistance	0	0	0
<b>Total</b>	<b>12,806,667</b>	<b>90.00</b>	<b>11,526,000</b>

### 6.3 Indicative budget applying to operations under Art. 16a of R. 1698/2005

Axis/Measure	EAFRD contribution for 2009-2013 period
<i>Axis 1</i>	
Measure 121 Modernisation of agricultural holdings	7,684,000
<b>Total axis 1</b>	<b>7,684,000</b>
<i>Axis 2</i>	
<b>Total axis 2</b>	<b>0</b>
<i>Axis 3</i>	
Measure 321 Basic services for the economy and rural population	3,842,000
- related to priorities in points (a) to (f) of Art. 16a(1) of Regulation (EC) No 1698/2005	0
- related to priorities in point (g) of Art. 16a(1) of Regulation (EC) No 1698/2005	3,842,000
<b>Total axis 3</b>	<b>3,842,000</b>
- related to priorities in points (a) to (f) of Art. 16a(1) of Regulation (EC) No 1698/2005	0
- related to priorities in point (g) of Art. 16a(1) of Regulation (EC) No 1698/2005	3,842,000
<i>Axis 4</i>	
<b>Total axis 4</b>	<b>0</b>
<b>Total Programme</b>	<b>11,526,000</b>
- related to priorities in points (a) to (f) of Art. 16a(1) of Regulation (EC) No 1698/2005	7,684,000
- related to priorities in point (g) of Art. 16a(1) of Regulation (EC) No 1698/2005	3,842,000

## **6. GENERAL ASSESSMENT OF THE RDP MODIFICATION**

Amendments are in line with the National Strategy Plan, with the Council R. 1698/2005 and with the Commission R. 1974/2006. Demarcation with other funds has already been included in the approved RDP, where necessary due to the present RDP modification the demarcation has been updated accordingly.