

COMMISSION IMPLEMENTING REGULATION (EU) No 615/2014**of 6 June 2014****laying down detailed rules for the application of Regulation (EU) No 1306/2013 of the European Parliament and of the Council and Regulation (EU) No 1308/2013 of the European Parliament and of the Council in respect of work programmes to support the olive oil and table olives sectors**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 ⁽¹⁾, and in particular, Articles 57(2), 58(4), 62(2), 63(5), 64(7) and 66(4) thereof,

Having regard to Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 ⁽²⁾, and in particular Article 31 thereof,

Whereas:

- (1) Regulation (EU) No 1308/2013 lays down the rules for programmes to support the olive oil and table olives sector. To ensure the smooth operation and uniform application of the new legal framework established by this Regulation, the Commission has been granted the power to adopt implementing acts establishing the measures necessary for its implementation in respect of the relevant work programmes. These implementing acts are to replace the rules laid down by Regulation (EC) No 867/2008, repealed by Commission Delegated Regulation (EU) No 611/2014 ⁽³⁾.
- (2) To enable producer Member States to introduce measures to manage the olive oil and table olive sector aid scheme, procedures need to be established concerning work programmes and amendments to them, the disbursement of EU financing, including advances, the amounts of securities to be lodged, checks, inspection reports, corrections and penalties in the event of irregularities or negligence in the implementation of the work programmes.
- (3) To ensure the financing available to each Member State is used appropriately, a procedure should be laid down for the annual amendment of the work programmes approved for the following year, so as to take into account any duly justified changes compared with initial conditions. Member States should also be able to stipulate the conditions required to amend the work programmes and redistribute the amounts allocated without exceeding the annual amounts withheld by producer Member States pursuant to Article 29(2) of Regulation (EU) No 1308/2013. In the event of amendments to a work programme and with a view to enabling flexibility in the implementation of the work programmes, the deadline for submission of requests needs to be set.
- (4) To enable beneficiary olive oil producer organisations to start implementing the work programmes in a timely fashion, provision should be made for them to receive, subject to the lodging of a security under the conditions laid down in Regulation (EU) No 1306/2013, an advance of a maximum of 90 % of the EU contribution planned for each year concerned by the approved work programme. The arrangements for the payment of this advance need to be laid down.
- (5) Provision should be made that requests for financing must be submitted by recognised producer organisations, associations of recognised producer organisations and recognised interbranch organisations (hereinafter, 'beneficiary organisations') to the Member State's paying agency in accordance with a precise time schedule. It should also be stipulated that the request must be drawn up in accordance with a model to be provided by the competent authority and be accompanied by documentary evidence of the implementation of the work programmes and expenditure incurred. It should be established that the Member State paying agency shall disburse the financing and release the security after completion of the entire work programme, verifying the documentary evidence and checks.

⁽¹⁾ OJ L 347, 20.12.2013, p. 549.

⁽²⁾ OJ L 347, 20.12.2013, p. 671.

⁽³⁾ Commission Delegated Regulation (EU) No 611/2014 of 11 March 2014 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council in respect of programmes to support the olive oil and table olives sector (see page 55 of this Official Journal).

- (6) In order to ensure sound management of the work programmes, the Member States concerned should establish plans for on-the-spot checks of a sample of beneficiary organisations selected on the basis of a risk analysis and must check that the conditions for granting EU financing have been fulfilled. Provision should be made for a detailed inspection report to be drawn up for each on-the-spot check. In addition, Member States must be required to establish a suitable system of corrections and penalties for irregularities enabling the recovery of any amount unduly paid plus interest, where appropriate.
- (7) To ensure the implementation of work programmes and their development is monitored throughout the period of implementation, beneficiary organisations should draw up a report of their activities and forward it to the national authorities of the Member States concerned. Provision should also be made for these reports to be forwarded to the Commission.
- (8) In order to increase the overall impact of the work programmes carried out in the area of market follow-up and administrative management in the olive oil and table olives sector, provision should be made for beneficiary organisations and Member States to publish on their internet sites the results of the measures undertaken.
- (9) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for the Common Organisation of Agricultural Markets,

HAS ADOPTED THIS REGULATION:

Article 1

Scope

This Regulation lays down implementing rules for Regulation (EU) No 1308/2013 as regards the implementation of work programmes in the olive oil and table olives sector, amendments to these, the disbursement of aid, including advance payments, the procedures to be followed and the amount of the security to be lodged when submitting a request for approval of a work programme and when an advance on aid is paid.

Article 2

Amendments to work programmes

1. Beneficiary organisations may, in accordance with a procedure to be laid down by the Member State, request amendments to the content and budget of their approved work programme, provided that the amendments do not involve an overrun on the amount allocated to the Member State in question pursuant to Article 29(2) of Regulation (EU) No 1308/2013.
2. All requests for amendments to a work programme, including merging different work programmes, shall be accompanied by supporting documents setting out the reasons for and the nature and implications of the proposed changes. Requests shall be submitted by beneficiary organisations to the competent authority of the Member State at the latest by 31 December of the year preceding the year of implementation of the work programme.
3. In the event of a merger, beneficiary organisations that were previously carrying out separate work programmes shall operate the separate programmes in parallel until 1 January of the year following the merger.

Notwithstanding the first subparagraph, Member States may authorise beneficiary organisations which so request, for duly substantiated reasons, to implement their respective work programmes in parallel without merging them.

4. Amendments to a work programme shall become applicable two months after the request for amendments has been received by the competent authority unless the competent authority considers that the amendments submitted do not meet the applicable conditions. In this case, it shall inform the beneficiary organisation which shall, if necessary, submit a revised its work programme.
5. In the event that the EU financing obtained by the beneficiary organisation is less than the amount in the approved work programme, a beneficiaries may adapt its programme to the financing obtained. The beneficiary shall ask the competent authority to approve such an amendment to the work programme.
6. By way of derogation to paragraphs 2 and 4, the competent authority may, during the implementation of a work programme, accept amendments to a work programme measure provided that:
 - (a) the amendment to the measure is notified to the competent authority by the beneficiary organisation two months before the start of implementation of the measure in question;
 - (b) the notification is accompanied by supporting documentation specifying the aim, nature and implications of the proposed amendment and demonstrates that the amendment concerned does not alter the initial objective of the work programme;
 - (c) the budget allocated to the measure in question remains stable;
 - (d) the financial breakdown to other measures in the area of the measure concerned does not exceed EUR 40 000.
7. If the competent authority does not issue any objections based on non-compliance with the conditions indicated in paragraph 6 within one month of notification of the amendment of the measure, the amendment shall be deemed to have been accepted.

Article 3

Advances

1. A beneficiary organisation which has lodged an application for an advance as provided for in Article 7(3)(h) of Delegated Regulation (EU) No 611/2014 shall receive, under the conditions referred to in paragraph 2 of this Article, a total advance of a maximum of 90 % of the EU contribution planned for each year covered by the approved work programme.
2. Before the end of the month following the month of the beginning of the implementation of each year of the approved work programme, the Member State shall pay the beneficiary organisation concerned an initial instalment of half of the amount referred to in paragraph 1. A second instalment of the advance equivalent to the remaining half of that amount shall be paid after the check indicated in paragraph 3.
3. The Member State shall check that the first instalment of the advance has been spent and the related measures carried out before disbursing the second instalment. This check shall be carried out by the Member State on the basis of the annual report referred to in Article 9 or on the basis of the inspection report referred to in Article 7.

Article 4

Security to be lodged

1. The advances referred to in Article 3 shall be subject to the lodging of a security by the beneficiary organisation concerned in accordance with Article 66(1) of Regulation (EU) No 1306/2013 in an amount equal to 110 % of the advance requested.
2. Before a date to be stipulated by the Member State and at the latest by 31 March, beneficiary organisations may lodge with the Member State concerned a request for the release of the security indicated in paragraph 1 up to an amount equal to the total expenditure corresponding to the amount of the first instalment of the advance that has actually been deployed and checked by the Member State. The Member State shall stipulate which supporting documents are to accompany the application, and shall check these documents and release the security corresponding to the expenditure concerned no later than in the course of the second month following that in which the application is lodged.

*Article 5***Payment of EU funding**

1. For the purposes of payment of EU financing under Article 29(2) of Regulation (EU) No 1308/2013, a beneficiary organisation shall lodge an application for financing with the paying agency of the Member State by a date to be determined by the Member State but no later than 30 June of the year following each year of implementation of the work programme.

The paying agency of the Member State may pay beneficiary organisations the balance of EU financing corresponding to each year of implementation of the work programme after checking, on the basis of the annual report referred to in Article 9 or the inspection report referred to in Article 7, that the measures corresponding to each instalment of the advance referred to in Article 3(3) have actually been carried out.

Any application for EU financing submitted after 30 June shall be ineligible and any amounts paid as an advance on financing of the work programme shall be repaid in accordance with the procedure laid down in Article 8.

2. Applications for EU financing shall be drawn up in accordance with a model to be provided by the competent authority of the Member State. To be eligible, an application shall be accompanied by:

(a) a summary report comprising the following elements:

- (i) a detailed description of the stages of the work programme that have been implemented, broken down by areas and measures as detailed in Article 3 of Delegated Regulation (EU) No 611/2014;
- (ii) where appropriate, the justification for and the financial repercussions of the gaps between the stages of the work programme approved by the Member State and the stages of the work programme actually implemented;
- (iii) an evaluation of the work programme as implemented based on the criteria laid down in Article 6 of Delegated Regulation (EU) No 611/2014;

(b) invoices and bank documents providing payment of the expenses incurred during the period of implementation of the work programme,

(c) where appropriate, documentary proof of payment of the financial contributions of beneficiary organisations and of the Member State concerned.

3. Applications for financing which do not comply with the conditions set out in paragraphs 1 and 2 shall be deemed ineligible and rejected. The beneficiary organisation concerned may submit a new application for financing together with the justificatory evidence and missing elements within a time period to be established by the Member State.

4. Applications concerning expenditure for measures carried out that have been paid more than two months after the end of the period of implementation of the work programme shall be rejected.

5. No later than three months after the date of submission of the application for financing and the supporting documents referred to in paragraph 2, and once they have carried out the examination of the supporting documents and the checks referred to in Article 6, the Member State shall pay the EU financing that is due and, as appropriate, release the security referred to in Article 4. The security referred to in Article 7(3)(g) of Delegated Regulation (EU) No 611/2014 shall be released after completion of the entire work programme, examination of the supporting documents and the checks referred to in Article 6.

*Article 6***On-the-spot checks**

1. Member States shall verify that the conditions for granting EU financing are met, in particular as regards compliance with the following aspects:

(a) compliance with the conditions for the recognition of beneficiaries laid down in Articles 152, 154, 156, 157 and 158 of Regulation (EU) No 1308/2013;

- (b) implementation of the approved work programmes, in particular investment and service measures;
- (c) the expenditure actually incurred as compared to the financing applied for and the financial contribution by the olive operators concerned.

2. The competent authorities of the Member State shall implement a work programme inspection plan focusing on a sample of beneficiary organisations selected on the basis of a risk analysis and each year covering a minimum of 30 % of the beneficiary organisations in receipt of EU financing under Article 29 of Regulation (EU) No 1308/2013. The selection shall be made in such a way as to ensure that:

- (a) producer organisations and their associations are all subjected to on-the-spot checks at least once during the implementation of the approved work programme after payment of the advance and before payment of the final instalment of EU financing;
- (b) all inter-branch organisations are inspected in each year of implementation of each approved work programme. If they have received an advance in the course of the year, the check shall be scheduled after the date on which the advance was disbursed.

If the checks reveal irregularities, the competent authority shall carry out additional checks in the course of the year and shall increase the number of beneficiary organisations to be checked the following year.

3. The competent authority shall select the beneficiary organisations to be checked on the basis of a risk analysis based on the following criteria:

- (a) the amount of financing for the approved work programme;
- (b) the nature of the measures financed under the work programme;
- (c) the degree of progress in implementing the work programmes;
- (d) the conclusions of previous on-the-spot checks or checks carried out during the recognition procedure indicated in Articles 154(4) and 158(5) of Regulation (EU) No 1308/2013;
- (e) other risk criteria to be defined by the Member States.

4. The on-the-spot checks shall be unannounced. However, in order to facilitate the practical organisation of checks, advance warning of no more than 48 hours may be given to the beneficiary organisation to be checked.

5. The duration of each on-the-spot check shall correspond to the degree of progress in implementing the approved work programme and expenditure committed to investments and services.

Article 7

Inspection reports

A detailed inspection report shall be drawn up for every on-the-spot check required under Article 6, indicating in particular:

- (a) the date and duration of the check;
- (b) a list of those present;
- (c) a list of invoices checked;
- (d) reference numbers of invoices selected from the register of sales or of purchases, and the VAT register in which the selected invoices have been recorded;
- (e) bank documents proving payment of the amounts selected;
- (f) an indication of the measures already carried out which have been specifically analysed on-the-spot;
- (g) the results of the check.

*Article 8***Undue payments and penalties**

1. In the event that recognition under Articles 154 and 158 of Regulation (EU) No 1308/2013 is withdrawn because the beneficiary organisation has failed to fulfil its obligations intentionally or through gross negligence, the beneficiary organisation in question shall be ineligible to receive EU financing under the entire work programme.
2. If a measure has not been implemented in conformity with a work programme, the beneficiary organisation shall be ineligible for financing for the measure in question.
3. In the case of a measure which is subsequently found to be ineligible, and which has been implemented in conformity with an approved work programme, the Member State may decide to pay the financing due or not to recover amounts which have already been paid out, if such a decision is permitted in comparable cases financed from the national budget and if the beneficiary organisation has not acted negligently or intentionally.
4. In the event of gross negligence or false declaration, the beneficiary organisation shall be ineligible to receive:
 - (a) public financing under the entire work programme; and
 - (b) EU financing under Article 29 of Regulation (EU) No 1308/2013 for the entire three-year period following that in which the irregularity was discovered.
5. Where a beneficiary organisation is deemed ineligible for financing pursuant to paragraphs 1, 2 or 4, the competent authority shall recover the public financing already disbursed to that organisation.
6. Interest shall be added, where necessary, to the EU contribution recovered pursuant to paragraph 5, calculated on the basis of:
 - (a) the period elapsing between payment and reimbursement by the beneficiary;
 - (b) the rate applied by the European Central Bank to its main refinancing operations as published in the C series of the *Official Journal of the European Union* and in force on the date on which the undue payment is made, plus three percentage points.
7. EU financing recovered under this Article shall be paid to the paying agency and deducted from expenditure financed by the European Agricultural Guarantee Fund.

*Article 9***Report of beneficiary organisations**

1. Before 1 May each year, beneficiary organisations shall submit to the competent national authorities an annual report on the implementation of the work programmes during the preceding year of implementation. This report shall cover:
 - (a) the stages of the work programme implemented or being implemented;
 - (b) the main amendments to the work programmes;
 - (c) an evaluation of the results already obtained based on the indicators laid down in Article 7(3)(f) of Delegated Regulation (EU) No 611/2014.

For the final year of implementation of the work programme, a final report shall replace the reports provided for in the first subparagraph.

2. The final report shall evaluate the work programme and shall comprise at least the following:
 - (a) an account, based at least on the indicators set out in Article 7(3)(f) of Delegated Regulation (EU) No 611/2014 and any other relevant criteria, showing the extent to which the objectives pursued by the programmes have been achieved;
 - (b) an account of the changes to the work programme;
 - (c) where appropriate, an indication of the factors to be taken into account in drawing up the next work programme.

3. Data collected and studies drawn up in implementing the measures under Article 3(1)(a) of Delegated Regulation (EU) No 611/2014 shall be published on the internet site of the beneficiary organisation following completion of the relevant measure.

Article 10

Communications from Member States

1. Before the start of the new three-year work programme and at the latest by 31 January of the year following the end of the previous programme, the competent authorities shall notify to the Commission the national measures implementing this Regulation, and in particular those relating to:

- (a) the conditions for recognising beneficiary organisations referred to in Articles 152, 156 and 157 of Regulation (EU) No 1308/2013;
- (b) the additional conditions specifying the eligible measures adopted pursuant to Article 3(3) of Delegated Regulation (EU) No 611/2014;
- (c) the goals and priorities of the olive sector referred to in Article 6(1)(a) of Delegated Regulation (EU) No 611/2014 and the quantitative and qualitative indicators referred to in Article 7(1)(f) of that Delegated Regulation;
- (d) the period referred to in Article 2(3);
- (e) the arrangements for the system of advances referred to in Article 3 and, where appropriate, the system for paying the national financing;
- (f) the performance of the checks referred to in Article 6 and application of the penalties and corrections provided for in Article 8.

2. No later than 1 May of each year of implementation of the approved work programme, Member States shall transmit to the Commission data on:

- (a) the work programmes and their characteristics, broken down by type of beneficiary organisation, area, measure and regional area;
- (b) the amount of financing allocated to each work programme;
- (c) the planned schedule of EU financing by budget year for the entire period covered by the work programmes.

3. No later than 20 October of each year of implementation of the approved work programmes, the competent authorities shall transmit to the Commission a report on the implementation of this Regulation comprising at least the following information:

- (a) the number of work programmes financed, beneficiaries, areas under olive trees, mills, processing facilities and volumes of oil and table olives concerned;
- (b) the characteristics of the measures developed in each of the areas;
- (c) any discrepancies between measures planned and measures actually carried out, and their implications at the level of expenditure;
- (d) an assessment and evaluation of the work programmes, taking into consideration, among other things, the evaluation referred to in Article 5(2)(a)(iii);
- (e) statistics on the checks and reports on inspections carried out in accordance with Articles 6 and 7 and the penalties or corrections applied in accordance with Article 8;
- (f) expenditure by programme, area and by measure, and the financial contributions from the EU and national and beneficiary organisations.

4. The notifications referred to in this Article shall be made in accordance with Commission Regulation (EC) No 792/2009 ⁽¹⁾.

⁽¹⁾ Commission Regulation (EC) No 792/2009 of 31 August 2009 laying down detailed rules for the Member States' notification to the Commission of information and documents in implementation of the common organisation of the markets, the direct payments regime, the promotion of agricultural products and the regimes applicable to the outermost regions and the smaller Aegean islands (OJ L 228, 1.9.2009, p. 3).

5. The competent authorities of the Member States concerned shall publish on their internet sites all data collected and studies drawn up in execution of measures under Article 3(1)(a) of Delegated Regulation (EU) No 611/2014, upon completion thereof.

Article 11

Entry into force

This Regulation shall enter into force on the seventh day following its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 6 June 2014.

For the Commission
The President
José Manuel BARROSO
