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13 February 2007 (No. 123);
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If a whole or part of a paragraph has been amended, the date of the amending regulation appears in square brackets at the end of the paragraph. If a whole paragraph or sub-paragraph has been deleted, the date of the deletion appears in square brackets beside the deleted paragraph or sub-paragraph.

Republic of Latvia

Cabinet

Regulation No. 51

Adopted 9 January 2007

Procedures for Granting, Administration and Supervision of the European Union Support for the Restructuring of the Sugar Industry

*Issued pursuant to
Section 5, Paragraphs four and seven
of the Law On Agriculture and
Rural Development*

I. General Provisions

1. These Regulations prescribe the procedures by which the European Union support for the restructuring of the sugar industry (hereinafter – support for the restructuring of the sugar industry) is granted, administered and supervised in accordance with Council Regulation (EC) No. 320/2006 of 20 February 2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community and amending Regulation (EC) No. 1290/2005 on the financing of the common agricultural policy (hereinafter – Council Regulation No. 320/2006) and Commission Regulation (EC) No. 968/2006 of 27 July 2006 laying down detailed rules for the implementation of Council Regulation (EC) No. 320/2006 establishing a temporary scheme for the restructuring of the sugar industry in the Community (hereinafter – Commission Regulation No. 968/2006).
[15 April 2008]

2. The support for the restructuring of the sugar industry shall be administered by the Rural Support Service.
[15 April 2008]

2.¹ The support for the restructuring of the sugar industry shall consist of:

2.¹ 1. the restructuring aid; and

2.¹ 2. the aid for diversification to sugar beet growers.

[15 April 2008]

3. A sugar producer may apply for the restructuring aid pursuant to Article 3(1) of Council Regulation No. 320/2006.

II. Restructuring Aid to Sugar Beet Growers

4. If sugar producers have renounced sugar production quotas, sugar beet growers shall receive restructuring aid:

4.1. in the amount of 20% from the aid specified in Article 3(5) of Council Regulation No. 320/2006; or

4.2. an additional payment pursuant to Article 3(8) of Council Regulation No. 320/2006.

[15 April 2008]

5. Sugar beet growers shall receive restructuring aid if:

5.1. the restructuring aid is granted to the State pursuant to Article 10 of Commission Regulation No. 968/2006;

5.2. a sugar beet grower has entered into a sugar beet supply contract with a sugar producer in the marketing year preceding the marketing year when the sugar producer applies for the restructuring aid;

5.3. a sugar beet grower has supplied sugar beets to a sugar producer in the marketing year preceding the marketing year when the sugar producer applies for the restructuring aid or, if sugar beets have not been supplied, a deed regarding losses inflicted to sugar beet fields has been drawn up pursuant to the Sugar Industry Contract; or

5.4. a sugar beet grower has submitted an application to the Rural Support Service by 15 May for receipt of the restructuring aid to sugar beet growers in the marketing year preceding the marketing year when the sugar producer applies for the restructuring aid.

[15 April 2008]

6. A sugar beet grower shall receive the restructuring aid for the amount of sugar beets (in tonnes) specified in the sugar beet supply contract referred to in Sub-paragraph 5.2 of these Regulations within the framework of the sugar production quota allocated to sugar producers, multiplying this quantity by the rate of the restructuring aid to sugar beet growers and the rate of additional payments of the restructuring aid to sugar beet growers.

[15 April 2008]

7. The rate of restructuring aid to sugar beet growers shall be calculated, using the following formula:

$$A = \frac{20\% \times (B \times C)}{D}$$

A – the rate of restructuring aid in euros for a tonne of sugar beets;

B – the sugar production quota specified for sugar producers (in tonnes);

C – the restructuring aid per one tonne of the renounced sugar production quota pursuant to Article 3(5) of Council Regulation No. 320/2006 in the respective year; and
D – the total quantity of sugar beets (in tonnes), regarding which applications for receipt of the restructuring aid to sugar beet growers have been received in accordance with the procedures specified in Sub-paragraph 5.4 of these Regulations.

[20 March 2007]

7.¹ The rate of additional payments of the restructuring aid to sugar beet growers shall be calculated, using the following formula:

$$P = \frac{D}{E}, \text{ where}$$

P – the rate of the additional payment of the restructuring aid in euros for a tonne of sugar beets;

D – additional payment of the restructuring aid specified by the European Commission pursuant to Article 16(a) of the Commission Regulation No. 968/2006; and

E – the total quantity of sugar beets (in tonnes), regarding which applications for receipt of the restructuring aid to sugar beet growers have been received in accordance with the procedures specified in Sub-paragraph 5.4 of these Regulations.

[15 April 2008]

8. By 15 June of the marketing year preceding the marketing year when the sugar producer applies for restructuring aid regarding the period of time referred to in Sub-paragraph 5.2 of these Regulations, a sugar producer shall submit the following information to the Rural Support Service:

8.1. the given name, surname, personal identity number of the natural person or name, registration number, legal address of the legal person of the sugar beet grower;

8.2. the number and date of the sugar beet supply contract entered into by and between the sugar beet grower referred to in Sub-paragraph 8.1 of these Regulations and the sugar producer;

8.3. the quantity of sugar beets (in tonnes) specified in the sugar beet supply contract referred to in Sub-paragraph 8.2 of these Regulations within the framework of the sugar quota; and

8.4. the quantity of sugar beets (in tonnes) actually supplied by the sugar beet grower referred to in Sub-paragraph 8.1 of these Regulations within the framework of the sugar quota specified for the production of sugar.

9. The Rural Support Service shall take a decision regarding granting of the payments referred to in Paragraph 5 of these Regulations and ensure the disbursement thereof pursuant to Article 19(2) of Commission Regulation No. 968/2006.

II¹. Aid for Diversification to Sugar Beet Growers

[15 April 2008]

9.¹ A sugar beet grower shall receive the aid for diversification pursuant to Article 7(2) of Council Regulation (EC) No. 320/2006.

9.² A sugar beet grower shall receive the aid for diversification, if:

9.² 1. a sugar beet supply contract regarding the supply of sugar beets has been entered into with a sugar producer for the production of sugar in the marketing year 2006/2007;

9.² 2. he or she has supplied sugar beets to a producer in the marketing year 2006/2007. If sugar beets have not been supplied, a deed regarding losses inflicted to sugar beet fields has been drawn up pursuant to the Sugar Industry Contract for the marketing year 2006/2007;

9.² 3. he or she has completely discontinued the growing of sugar beets starting from year 2008; and

9.² 4. by 15 May 2008, he or she has submitted an application regarding receipt of the aid for diversification to sugar beet growers to the Rural Support Service (Annex). If the application is submitted by electronic means, it shall be drawn up in accordance with the procedures specified in the regulatory enactments regarding the drawing up of electronic documents. The date when the application has been sent by electronic mail shall be deemed the date of submission thereof.

9.³ A sugar beet grower shall receive the aid for diversification for the quantity of sugar beets specified in the sugar beet supply contract referred to in Sub-paragraph 9.² 1 of these Regulations (in tonnes) within the framework of the sugar production quota allocated to sugar producers. The referred to quantity shall be multiplied by the rate of the aid for diversification to sugar beet growers.

9.⁴ The rate of the aid for diversification to a sugar beet grower shall be calculated, using the following formula:

$$F = \frac{G \times H}{I}, \text{ where}$$

F – the rate of the aid for diversification in euros for a tonne of sugar beets;

G – the aid for diversification for a tonne of sugar quota pursuant to Article 7(1) of Council Regulation No. 320/2006;

H – the total sugar production quota renounced to the State (in tonnes); and

I – the total quantity of sugar beets (in tonnes), regarding which applications for receipt of the aid for diversification to sugar beet growers have been received within the term specified in Sub-paragraph 9.² 4 of these Regulations.

9.⁵ The Rural Support Service shall disburse the aid for diversification to sugar beet growers pursuant to Article 17(1) of Commission Regulation No. 968/2006.

9.⁶ If, in applying for the aid for diversification to sugar beet growers, a sugar beet grower has provided false information or violated the conditions for granting of the diversification aid payments, the sugar beet grower shall not receive the particular payment for the particular unit in the respective year, as well as shall reimburse the granted aid to the Rural Support Service if such has been disbursed before determination of the violation.

III. Receipt and Evaluation of Applications of Sugar Producers for the Restructuring Aid

10. In order to receive the restructuring aid, a sugar producer shall submit an application to the Rural Support Service for receipt of the restructuring aid (hereinafter – application) pursuant to Article 4 of Council Regulation No. 320/2006.

11. The Rural Support Service shall register the application, specifying the date and time of receipt thereof.

12. The Rural Support Service shall, within five working days, submit the applications conforming to the requirements specified in Article 8(2) of Commission Regulation No. 968/2006 to the Ministry of Agriculture, the Ministry of Welfare and the Ministry of Environment.

13. The application in the respective fields shall be evaluated by the following institutions:

13.1. the Ministry of Agriculture – the conformity of activities and measures of the restructuring plan;

13.2. the Ministry of Environment – the conformity of activities and measures of the environmental plan; and

13.3. the Ministry of Welfare – the conformity of activities and measures of the social plan.

14. The institutions referred to in Paragraph 13 of these Regulations shall evaluate the applications pursuant to Article 9(2) of Commission Regulation No. 968/2006 and the following criteria:

14.1. whether the measures and activities described conform to the relevant regulatory enactments;

14.2. whether the measures and activities described conform to the objective of the restructuring of the sugar industry;

14.3. whether the activities intended are clearly defined and commensurate to the implementation costs of the plans;

14.4. whether the activities intended are commensurate with the schedule of execution of the planned measures;

14.5. whether the measures and activities described include indicators that may be verified using objective means;

14.6. whether the description of financial costs is justified, sufficiently detailed, may be easily examined and conforms to the actual costs; and

14.7. whether it has been confirmed that the sugar producer has consulted with a trade union of sugar refinery or with representatives of employees during preparation of the social plan.

14.¹ The disbursements for the restructuring of an undertaking included in the social plan referred to in Sub-paragraph 13.3 of these Regulations to employees of sugar producers shall be compensatory by nature if they conform to the following amount:

14.¹ 1. 50% of the sum formed by the multiplication of the basic salary for December 2006 of an employee by the number of years worked in the undertaking of the sugar producer;

14.¹ 2. 100% of the sum formed by the multiplication of the basic salary and supplements for December 2006 of an employee by 12 – the number of months in one calendar year;

14.¹ 3. 20% of the sum formed by the multiplication of the basic salary for December 2006 of an employee who has reached 55 years of age until 31 December 2006 by the number of full months, which are left from the date of discontinuation of the employment relationship until reaching the retirement age; or

14.¹ 4. 100% of the sum formed by subtracting 12 months from the number of months, which are left for an employee who on the date of discontinuation of employment relationship has less than five years left until reaching the retirement age and multiplying the sum obtained by 120.

[20 March 2007]

15. If an application does not conform to the requirements referred to in Paragraph 14 of these Regulations, the Ministry of Agriculture, the Ministry of Welfare and the Ministry of Environment accordingly shall request in writing additional information from a sugar producer for clarification of the application. The producer shall submit the requested additional information in writing not later than within the term specified in Article 4(1) of Council Regulation No. 320/2006 to the Ministry of Agriculture, the Ministry of Welfare and the Ministry of Environment accordingly and the Rural Support Service.

16. Within 25 working days after receipt of an application, but not later than 15 working days before the term specified in Article 5(1) of Council Regulation No. 320/2006 the Ministry of Agriculture, the Ministry of Welfare and the Ministry of Environment shall submit to the Rural Support Service a written opinion regarding the conformity of the application to Paragraph 14 of these Regulations.

17. The Rural Support Service shall, within five working days after receipt of the opinions referred to in Paragraph 16 of these Regulations, take a decision regarding conformity of the application on the basis of the opinions provided for by the Ministry of Agriculture, the Ministry of Welfare and the Ministry of Environment and the requirements specified in Article 5(2) of Council Regulation No. 320/2006 and shall inform the sugar producer about it.

18. The Rural Support Service shall send the decision regarding approval of the application to the European Commission within two working days after taking thereof.

19. The Rural Support Service shall, within one month after receipt of the funds from the European Commission pursuant to Article 10(4) of Council Regulation No. 320/2006, ensure the disbursement of the restructuring aid referred to in Paragraph 3 of these Regulations.

IV. Implementation and Supervision of the Measures Provided for in an Application and Preparation of a Report

20. After notification of a decision of the European Commission regarding availability of the financial resources of the restructuring fund and prior to the introduction of the measures provided for in an application the Rural Support Service shall enter into a contract with a sugar producer regarding receipt of the restructuring aid.

21. The Rural Support Service, in co-operation with the regional environmental board of the State Environmental Service and the State Labour Inspectorate, shall examine the implementation of the measures provided for in the application pursuant to Article 25 of Commission Regulation No. 968/2006.

[15 April 2008]

Annex
Cabinet Regulation
No. 51
9 January 2007

Registration number of the client of the Rural Support Service									
	<i>(must be specified)</i>								

Application for Receipt of the Aid for Diversification to Sugar Beet Growers

(complete in block letters)

I. Information regarding the client

Company (name)																				
Given name																				
Surname																				

II. Contact details

Telephone number																				
Mobile telephone number																				

III. Information regarding the sugar beet supply contract in the reference period

Contract number, JSC "Liepājas Cukurfabrika" _____

Contract number, JSC "Jelgavas Cukurfabrika" _____

IV. Additional Information Appended to the Application if the Owner or Possessor (User) of the Farm has Changed

(name and number of the document confirming the rights of ownership or possession (utilisation) appended to the application, number of pages therein)

I confirm that I want to receive the aid for diversification to sugar beet growers, the information I have provided previously is correct and I have completely discontinued the growing of sugar beets beginning with 2008.

Date*

(signature)

(given name, surname)

Accepted by

(to be completed by an employee of the Rural Support Service)

Date*

(signature)

(given name, surname)

Note. * The document details “date” and “signature” shall not be completed if the electronic document has been prepared in accordance with the regulatory enactments regarding the drawing up of electronic documents.