

Agricultural Fund for Rural Development (EAFRD): increased contribution rates for certain Member States

2011/0209(COD) - 25/11/2011 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Agriculture and Rural Development adopted the report drafted by Paolo De CASTRO (S&D, IT) on the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1698/2005 as regards certain provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability.

The report recalls that as a consequence of the financial and budgetary crisis, some Member States are facing budgetary constraints which might prevent them from fulfilling their commitments in co-financed community programs (Structural and Cohesion funds, EARDF and European Fisheries Fund). These Member States are at the risk of losing the Community support through EARDF, unless they provide proof of spending matching national funds as defined in Article 70 of Regulation (EC) No 1698/2005, at the latest 2 years after the year initially foreseen for the payment (n+2 rule).

Against this background, the Commission proposes to temporarily increase the maximum Union's co-financing rate for programmes running in Member States that are subject to support of the EFSM (Council Regulation (EU) No 407/2010, currently Greece, Ireland and Portugal) and the "Balance of payment facility for non-Euro zone Member States (Council Regulation (EC) No 332/2002, currently Latvia and Romania).

The committee recommends that the European Parliament's position at first reading, under the ordinary legislative procedure, should be to amend the Commission proposal. According to the Members, it is necessary to consider a temporary increase in co-financing rates in the context of the budgetary restraints facing all Member States and those budgetary restraints should be reflected appropriately in the Union budget. In addition, since the main purpose of the mechanism is to address specific current difficulties, its application should be limited to expenditure incurred by the paying agencies until 31 December 2013.

Due to the urgent need to address the economic crisis, Members call for this Regulation to enter into force immediately on publication.