

European Agricultural Fund for Rural Development (EAFRD): support for rural development 2014-2020

2011/0282(COD) - 05/11/2013 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Agriculture and Rural Development adopted the report by Luis Manuel CAPOULAS SANTOS (S&D, PT) on the proposal for a regulation of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).

The committee recommended that the Parliament's position adopted at first reading, following the ordinary legislative procedure, should amend the Commission proposal. The main amendments were as follows:

Mission, objectives and priorities: support for rural development, including for activities in the **food, as well as non-food, sector and forestry**, should contribute to achieving the following objectives:

- fostering the competitiveness of agriculture;
- ensuring the sustainable management of natural resources, and climate action;
- achieving a balanced territorial development of rural economies and communities including the creation and maintenance of employment.

Union priorities for rural development should contribute, *inter alia*, to:

- strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of **improved environmental management and performance**;
- improving the economic performance of all farms and facilitating farm restructuring and modernisation;
- facilitating the entry of adequately skilled farmers into the agricultural sector;
- improving competitiveness of primary producers;
- improving water management, including fertiliser and pesticide management;
- preventing soil erosion;
- reducing green house gas and ammonia emissions from agriculture.

In order to ensure the effective use of EAFRD resources, support should be **limited to active farmers**.

Support to young farmers: support may be granted to young farmers setting-up for the first time in an agricultural holding as head of the holding for investments to comply with Union standards applying to agricultural production, including occupational safety. Such support may be provided for a maximum of 24 months from the date of setting up.

Investment in the area of irrigation: the EAFRD may support investments in irrigation to provide economic and environmental benefits, but it should be ensured that the irrigation concerned is sustainable.

To this end, in every case, support should be granted only if a river basin management plan is in place in the area concerned as required by Directive 2000/60/EC, and if water metering is already in place at the level of the investment or is put in place as part of the investment.

Risk management: support under this measure shall cover:

- financial contributions to premiums for crop, animal and plant insurance against economic losses to farmers caused by adverse climatic events, animal or plant diseases, pest infestation, or an environmental incident;
- financial contributions to mutual funds to pay financial compensations to farmers, for economic losses caused by adverse climatic events.

Leader: support for Leader local development shall be granted to co-operation projects within a Member State (inter-territorial co-operation) or cooperation projects between territories in several Member States or with territories in third countries (transnational co-operation).

Financial resources and their distribution: the total amount of Union support for rural development under this Regulation for the period from 1 January 2014 to 31 December 2020 shall be **EUR 84 936 million**, in 2011 prices, in accordance with the multiannual financial framework for the years 2014 to 2020.

The amended text introduced the **annual breakdown by Member State** of the amounts set out in Annex Ia. The Commission shall be empowered to adopt delegated acts to review the ceilings set out in Annex Ia.

The maximum EAFRD contribution rate shall be:

- **85%** of the eligible public expenditure in the less developed regions, the outermost regions and the smaller Aegean islands;
- **75%** of the eligible public expenditure for all regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita is above 75% of the GDP average of the EU-27;
- **63%** of the eligible public expenditure for other transition regions;
- **53%** of the eligible public expenditure in the other regions.

At least 30% of the total EAFRD contribution to the rural development programme shall be reserved for measures for environment and climate related investments.

European Innovation Partnership (EIP): the EIP for agricultural productivity and sustainability should contribute to achieve the EU 2020 objectives of a smart, sustainable and inclusive growth. It is important that it brings together all relevant actors at Union, national and regional levels, bringing new ideas to Member States on how to streamline, simplify and better coordinate existing instruments and initiatives and complement them with new actions where necessary.