

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

2011/0282(COD) - 20/11/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 576 votes to 101 with 11 abstentions, a legislative resolution 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).

Parliament adopted its position in first reading following the ordinary legislative procedure. The amendments adopted in plenary were the result of a compromise between Parliament and Council. They amend the Commission proposal 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;
- restore, preserve and strengthen biodiversity, including areas facing natural or other specific constraints;
- improving water management, including fertiliser and pesticide management;
- preventing soil erosion;
- reducing green house gas and ammonia emissions from agriculture.
- enhancing carbon sequestration with regard to land use, land use change and the forestry sector.

Each programme shall address at least four priorities.

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

In addition, payments to farmers must not lead to double funding.

Farm advisory services: these must help farmers, young farmers, forest holders, other land managers and SMEs in rural areas.

Young farmers setting-up for the first time in an agricultural holding as head of the holding for investments will be granted support 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.

The farm advisory system **may also cover advice** on: (i) climate change mitigation and adaptation, (ii) biodiversity, (iii) protection of water, (iv) the development of short supply chains, (v) organic farming and (vi) health aspects of animal husbandry.

When providing support to SMEs, Member States may also give support to micro-enterprises, and SMEs linked to the agriculture and forestry sectors.

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.

Support will only be granted if **more than 30 %** of the average annual production of the farmer in the preceding three-year period was destroyed.

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.