

# **Agenda 2000: support for rural development from the European Agricultural Guidance and Guarantee Fund EAGGF**

1998/0102(CNS) - 03/11/1998

The Committee adopted the proposal on support for rural development under the European Agricultural Guidance and Guarantee Fund (EAGGF) by Willi GÖRLACH (PES, D) (consultation procedure, first reading). The first step is to define a typical "rural area". The definition used by the Commission is "an area with less than 100 inhabitants per square kilometre". However, the committee believes the wide range of economic, social and environmental situations in the EU, as well as the interactive relationship between conurbations and rural areas, should not be overlooked. If these factors are borne in mind, three different types of region can be identified: 1. "predominantly rural regions", with over 50% of the population living in rural areas; 2. "significantly rural regions", with between 15% and 50% of the population living in rural areas; 3. "predominantly urban regions", with less than 15% of the population living in rural areas. Currently, 80% of the EU's territory is classified as rural, with about 25% of the population living and working in rural areas. Enlargement to the east will increase these percentages still further. By comparison with urban regions, rural areas have fewer jobs in relation to the population and the ratio of capital to labour is lower. In particular, high-technology undertakings and research institutes generally prefer an urban environment. The number of jobs in farming has fallen and is continuing to fall (from 14% in 1970 to 6% at present). Since 1980 about 5 million jobs have been lost in the agricultural sector. Overall, the committee considers that the Commission's proposal lacks specific measures for promoting sustainable development. It believes that all activities supported by the EAGGF should comply with this aim. The report therefore includes a number of amendments aimed at filling the many gaps left by the proposal on the subject of sustainable development and environmental compatibility. It stresses that EAGGF support for rural development, mainly related to farming activities and their conversion, may apply to the improvement of employment in agricultural holdings, forestry product quality, economising on non-renewable sources of energy, management and preservation of the countryside, the transfer of education and knowledge, the conservation and use of genetic diversity in plants and animals, animal welfare, family farming and the promotion of "protected designation of origin" (PDO) and "protected geographical indication" (PGI) products. The report asks for additional compensatory allowances for environmental protection requirements over and above good farming practice. Such allowances should be at a level to compensate fully for any loss of earnings and not be subject to the minimum and maximum amounts contained in the Annex. The report also urges that training and counselling should in particular be intended to prepare farmers for sustainable agriculture projects and diversification as well as a shift to higher quality production. The committee calls for coordinated monitoring of agri-environmental and reforestation measures to avoid competition between the two forms of action and specifies various means of supporting both sectors. The committee also calls on the Commission to ensure that funds unspent by the end of any financial year be transferred to a special reserve and be made available for the next financial period. Finally, the committee asks for an increase in the level of aid proposed by the Commission : - "setting-up" aid : from ECU 25 000 to ECU 30 000 - minimum compensatory allowance : from ECU 40 per ha to ECU 100 per ha - maximum compensatory allowance : from ECU 200 per ha to ECU 400 per ha or ECU 300 per ha (if areas used for livestock feeding) - minimum compensatory payment : from ECU 40 per ha to ECU 60 per ha - maximum compensatory payment : from ECU 120 per ha to ECU 150 per ha