

CEEC applicant countries: pre-accession aid for agriculture and rural development

2004/0054(CNS) - 11/03/2004 - Legislative proposal

PURPOSE : to amend the EU Regulation on support measures for agriculture and rural development taking into account the accession of eight countries from central and eastern Europe. **PROPOSED ACT** : Council Regulation. **CONTENT** : in 2004 eight of the countries currently benefiting from Regulation 1268 /1999 will become members of the European Union. The Commission is seeking to revise the Regulation to benefit those countries which are not becoming EU members. The three main modifications being proposed are: - a new eligible measure enabling rural communities in Bulgaria and Romania to prepare and implement local rural development strategies; - to adapt aid to levels similar those given to the acceding Member States; - to clarify limits on the levels of aid given. This will have a retrospective effect vis--vis all beneficiary countries. The Community contribution will not be allowed to exceed a 75% ceiling of the total eligible public expenditure. However, the ceiling can be: - 80% for measures referred in the 4th, 7th, 11th, and 16th, indent of Article 2 and to infrastructure projects. - 85% for relevant projects under any measure where the Commission determines that exceptional natural disasters have occurred. - 100% for the measures referred to in the 15th indent of Article 2 and Article 7. Public aid will not be allowed to exceed a 50% ceiling of the total cost of the investment. However, the ceiling can be adjusted to: - 55% for investments in agricultural holding made by young farmers; - 60% for investments in agricultural holdings in mountain areas; - 65% for investments in agricultural holdings in mountain areas made by a young farmer; - 75% for investments referred to in paragraph 1 (b) - 100% for investments in infrastructure not of a nature to generate substantial net revenue; - 100% for measures referred to under the 16th indent of Article 2. **FINANCIAL IMPLICATIONS** : - Budget heading : 05 05 01 01 (B7-010) Heading 7 - the SAPARD Pre-accession instrument. - Total allocation for action in 2004: EUR 225.2 million for commitment.