

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

1998/0102(CNS) - 18/03/1998 - Legislative proposal

OBJECTIVE: the proposed regulation forms part of the group of proposals on the reform of the common agricultural policy and translates the guidelines of Agenda 2000 on rural policy, agri-environmental policy and economic and social cohesion. **SUBSTANCE:** the new regulation on Community support for rural development by the EAGGF seeks to establish an effective instrument to accompany and complement the proposed reforms in market and price policy. It will replace the EAGGF Structural Funds Regulation and four Objective 5a regulations, the three accompanying measures regulations and the regulation on structural forestry support. The main elements of the proposal are as follows: The rural development measures, concern in particular, support for structural adjustment of the farming sector (investment in agricultural holdings, establishment of young farmers, training, early retirement) and support for farming in less favoured areas. Following a request by the European Parliament, forestry measures have been extended in the rural development framework. Furthermore, measures in favour of producer organizations have been realigned towards market policies; Eligibility criteria for the different measures are inspired by current legislation but include some important new elements: - only certain basic eligibility criteria will be laid down, for most measures, in the Council framework regulation with the details being decided on at programming level; - current eligibility criteria for support in less favoured areas will be modified in order better to integrate environmental goals into rural development policy; - coherence between rural development measures and other instruments of the common agricultural policy or other Community policies will be ensured by specific rules so that overlapping is avoided. The administrative and financial provisions reflect the Agenda 2000 proposals that Community support is: - programmed under the Structural Funds in those regions qualifying for Objective 1 and Objective 2 support; - financed from the 'Guidance' or 'Guarantee' section of the EAGGF according to the measure and the region. Two groups of rural development measures have therefore been distinguished: - the 1992 accompanying measures (agri-environment, afforestation, early retirement) complemented by the Less Favoured Areas Scheme; - measures concerning modernization and diversification (investment in agricultural holdings, establishment of young farmers, training, support for investments in processing and marketing facilities, additional support for forestry and measures promoting the adaptation and reconversion of agriculture). - the 1992 accompanying measures (including the less favoured areas scheme) will be applied horizontally in all regions of the Community; the Union will co-finance these measures through the EAGGF Guarantee Section. - measures concerning modernization and diversification follow a different approach according to their regional context: in Objective 1 regions the measures will be financed under the EAGGF Guidance section. In Objective 2 regions and in all other regions they should fall under the EAGGF Guarantee section. Lastly, the state aid rules clarify conditions and procedures for state aids in the field of rural development support.