

Support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)

2003/0007(CNS) - 05/06/2003 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted the resolution drafted by Karl Erik OLSSON (ELDR, Sweden) by 372 votes to 18 with 20 abstentions and made several amendments to the Commission's proposal. (Please see the summary dated 20/05/03.) Parliament said that the CAP must be made genuinely multifunctional by diverting a large part of agricultural funding from the first pillar (market support) to the second pillar (rural development, especially social and environmental needs). Parliament felt that a strong, effective and comprehensive rural development policy accompanied by adequate funding is a prerequisite to enable the EU to ensure satisfactory development in less-favoured areas facing structural difficulties or with low yields while at the same time enhancing the overall competitiveness of EU agriculture. Especially fragile regions and environmentally sensitive areas must be given more support. This should take the form, for example, of encouragement for extensive grazing in grassland locations, encouragement for farming crops that promote biodiversity and counteract soil erosion in the Mediterranean region, etc., with higher co-financing rates (up to 80%) than in more favoured locations. Parliament added that the second pillar must include measures designed to encourage the establishment of economic organisations controlled by agricultural producers, with a view to ensuring that these organisations achieve a certain size and coping with the challenge posed by the opening-up of international markets and the concentration of distribution. Such support is particularly appropriate in the run-up to enlargement, given that, in the future Member States, organised producers control only a minority of agricultural production. On the question of granting special benefits to young farmers, these must facilitate not just their setting up in business but also the subsequent structural adjustment of their farms. Furthermore, intergenerational transfers must be safeguarded.