

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

2004/0054(CNS) - 16/11/2004 - Final act

**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.

**LEGISLATIVE ACT :** Council Regulation 2008/2004/EC amending Regulation 1268/1999/EC on Community support for pre-accession measures for agriculture and rural development in the applicant countries of central and eastern Europe in the pre-accession period.

**CONTENT :** the principal points of this Regulation are as follows:

- the support possibilities to prepare rural communities to conceive and implement local rural development strategies in Bulgaria and Romania need to be aligned to those in beneficiary countries that acceded to the Union on 1 May 2004. Therefore this Regulation introduces a measure corresponding to Article 33f of Council Regulation 1257/1999/EC on support for rural development from the European Agricultural Guidance and Guarantee Fund;
- the provisions of 1268/1999/EC as regards limits on aid rates are clarified. At the same time those provisions are amended in such a way that subsidies of a nature to facilitate access to credits granted under other instruments are not taken into account in the application of those aid limits. As this removes a possible ambiguity, that amendment applies with retrospective effect for all beneficiary countries;
- the aid intensity limits in hill and mountain regions of Bulgaria and Romania are aligned from 1 January 2004 to those in less-favoured areas of countries that acceded to the Union on 1 May 2004, for investments in agricultural holdings and for young farmers, as provided for in Article 331(2) of Regulation 1257/1999/EC;
- the aid intensities and the proportion of the Community contribution in total eligible public expenditure for rural development measures involving infrastructure and certain other measures in Bulgaria and Romania, are aligned to those in countries that acceded to the Union on 1 May 2004.

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 farmers;
- 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.

ENTRY INTO FORCE : 28/11/2004.