Revision of the financial perspective 2000-2006

2004/2222(ACI) - 07/09/2005 - Final act

PURPOSE: to revise the financial perspective 2000-2006

LEGISLATIVE ACT: Decision 2005/708/EC of the European Parliament and of the Council on the revision of the financial perspectives 2000-2006.

CONTENT : The reform of the common agricultural policy (CAP), adopted by the Council in September 2003, provides for the reduction of direct payments (modulation) to finance rural development policy in order to arrive at a better balance between policy instruments which are designed to promote sustainable agriculture and those which seek to support rural development and to finance supplementary measures for rural development. As a result, a part of the commitments currently provided for direct payments under the sub-heading 1A ‘Common agricultural policy’ of the financial perspectives should be transferred to sub-heading 1b ‘rural development’. This transfer does not change the overall ceiling of heading 1 ‘Agriculture’, because modulation simply implies a zero sum game between these two sub-headings.

This decision aims to put into practice this technical modification.