Rural development: adapting Annex VIII to the Act of Accession of Bulgaria and Romania (Regulation (EC) No 1698/2005)

2006/0054(CNS) - 04/04/2006 - Legislative proposal

PURPOSE: to adapt Annex VIII of the Act of Accession of Bulgaria and Romania.

PROPOSED ACT: Council Decision

CONTENT: the purpose of this Council Decision is to adopt Annex VIII of the Act of Accession for Bulgaria and Romania to take account of Regulation 1698/2005/EC on support for rural development by the European Agricultural Fund for Rural Development. Since the adoption of this Regulation in September 2005, it has become necessary to:

- adapt the rural development related annexes of the Act of Accession so that the negotiation results are compatible with the new *acquis*, where references in the Act have become obsolete or where the negotiation results are not immediately compatible with the new rural development Regulation.

In summary, the specific proposals being made are:

- LEADER - *Minimum financial threshold for axis 4*: According to Regulation 1698/2005/EC each rural development programme must have a compulsory Leader axis to support locally designed and implemented rural development strategies. This axis must account for a minimum percentage of the EAFRD contribution to the programme. In the case of Romania and Bulgaria the Commission proposes the average financial contribution for the Leader axis applicable to the EU 10 of 2.5% should be applied to Romania and Bulgaria for the period 2010-2013.

- LEADER - *plus type measures*: Measures agreed with Bulgaria and Romania relating to support for acquisition of rural skills should be maintained even though they differ from Regulation 1698/2005.

- *Advisory services*: Regulation 1698/2005/EC includes provisions for the support and use of advisory services. However, the level of financial support laid down in the Regulation differs from those laid down in the Act of Accession for the period 2007-2009. In order to avoid double financing the Commission is proposing that Bulgaria and Romania be given the choice of implementing either the measures provided for in the Regulation or the measures provided for in the Act. In addition, farmers receiving semi-subsistence support will be entitled to benefit from the provision of advisory services until 2013.

- *Agri-environment and animal welfare measures*: the Commission is proposing apply a maximum co-financing rate for animal welfare measures of 82% for axis 2 over the entire programme and programming period. The figure of 82% differs from the maximum of 80% provided for in the Regulation. The new figure is based on the expected weighting of the agri-environment and animal welfare measures within these countries overall expenditure under axis 2.

- *Complements to national direct payments*: taking account of the need for consistency with provisions applicable to the EU-10 it is being proposed that the 20% ceiling should apply to the EAGGF component only to the rural development needs of the two countries. Such a measure also guards against the potentially excessive transfer of funds from the second pillar to the first pillar.

- *Technical adjustments*: Bulgaria and Romania will be added to the list of new Member States to which transitional measures apply under Regulation 1698/2005/EC. It has, therefore, become necessary to delete provisions in Annex VIII of the Action of Accession, which are either covered directly by the new Regulation or are no longer applicable.