

Rural development: support by the European Agricultural Fund for Rural Development (EAFRD)

2006/0082(CNS) - 24/05/2006 - Legislative proposal

PURPOSE : to amend Regulation 1698/2005/EC on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), in line with the European Council agreement on the financial perspectives for the period 2007–2013.

PROPOSED ACT : Council Regulation.

CONTENT : Regulation 1698/2005/EC fixes the ceiling of annual appropriations of Community structural spending in the regions eligible under the Convergence Objective (the so-called “capping provision”) and sets down the EAFRD contribution rates.

In the agreement of the European Council on the Financial Perspective 2007–2013, the ceilings of annual appropriations of Community structural spending in the regions eligible under the Convergence Objective to be applied to each individual Member State were fixed. These ceilings were different to the ceiling fixed in Regulation 1698/2005/EC.

According also to this agreement, an amount of EUR 320 million was allocated to Portugal, which may not be subject to the national co-financing requirement as provided for in Regulation 1698/2005/EC.

Accordingly, the Commission proposes amending the Regulation:

- 1) in order to bring the “capping provision” in line with the European Council agreement and also with the relevant provision in the Community legislation governing the Structural Funds and the Cohesion Fund for the period 2007–2013; and
- 2) in order to exempt Portugal from the application of the co-financing requirement for the amount of EUR 320 million.

For further information concerning the financial implications of this measure, please refer to the financial statement.