

## Basic information

1998/0102(CNS)

CNS - Consultation procedure  
Regulation

Agenda 2000: support for rural development from the European Agricultural Guidance and Guarantee Fund EAGGF

Repealed by [2004/0161\(CNS\)](#)

Amended by [2003/0007\(CNS\)](#)

Amended by [2003/0312\(CNS\)](#)

Amended by [2004/0234\(CNS\)](#)

### Subject

3.10.01.02 Rural development, European Agricultural Fund for Rural Development (EAFRD)

3.10.13 European Agricultural Guidance and Guarantee Fund, EAGGF and EAGF

8.20.12 Enlargement's agricultural point of view

Procedure completed

## Key players

European Parliament

### Committee responsible

AGRI

Agriculture and Rural Development

### Rapporteur

GÖRLACH Willi (PSE)

### Appointed

19/11/1998

### Former committee responsible

AGRI

Agriculture and Rural Development

### Former rapporteur

GÖRLACH Willi (PSE)

### Appointed

30/01/1998

### Former committee for opinion

BUDG

Budgets

### Former rapporteur for opinion

The committee decided not to give an opinion.

### Appointed

03/06/1998

ENER

Research, Technological Development and Energy

CAMISÓN ASENSIO Felipe (PPE)

23/06/1998

REGI

Regional Policy

NICHOLSON James (I-EDN)

25/06/1998

ENVI

Environment, Public Health and Consumer Protection

MYLLER Riitta (PSE)

25/02/1998




CONT

Budgetary Control

GARRIGA POLLEDO Salvador (PPE)




22/04/1998

	<b>PECH</b> Fisheries	SOUCHET Dominique F.C. (I-EDN)	26/02/1998
	<b>FEMM</b> Women's Rights	VAN LANCKER Anne (PSE)	25/06/1998
Council of the European Union	<b>Council configuration</b>	<b>Meetings</b>	<b>Date</b>
	Agriculture and Fisheries	2178	1999-05-17
	Agriculture and Fisheries	2332	2001-02-26

Key events			
Date	Event	Reference	Summary
18/03/1998	Legislative proposal published	COM(1998)0158 	<a href="#">Summary</a>
15/06/1998	Committee referral announced in Parliament		
03/11/1998	Vote in committee		<a href="#">Summary</a>
03/11/1998	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0405/1998</a>	
18/11/1998	Debate in Parliament		
19/11/1998	Report referred back to committee		
20/04/1999	Vote in committee		<a href="#">Summary</a>
20/04/1999	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0229/1999</a>	
05/05/1999	Debate in Parliament		
17/05/1999	Act adopted by Council after consultation of Parliament		
17/05/1999	End of procedure in Parliament		
26/06/1999	Final act published in Official Journal		
26/02/2001	Debate in Council		<a href="#">Summary</a>

Technical information	
<b>Procedure reference</b>	1998/0102(CNS)
<b>Procedure type</b>	CNS - Consultation procedure
<b>Procedure subtype</b>	Legislation
<b>Legislative instrument</b>	Regulation
<b>Amendments and repeals</b>	Repealed by <a href="#">2004/0161(CNS)</a> Amended by <a href="#">2003/0007(CNS)</a> Amended by <a href="#">2003/0312(CNS)</a> Amended by <a href="#">2004/0234(CNS)</a>
<b>Legal basis</b>	EC Treaty (after Amsterdam) EC 036 EC Treaty (after Amsterdam) EC 037

	Rules of Procedure EP 050
<b>Stage reached in procedure</b>	Procedure completed
<b>Committee dossier</b>	AGRI/4/10564 AGRI/4/10134

<a href="#">Documentation gateway</a>				
<b>European Parliament</b>				
Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A4-0405/1998</a> <a href="#">OJ C 379 07.12.1998, p. 0005</a>	03/11/1998	
Text adopted by Parliament, partial vote at 1st reading /single reading		<a href="#">T4-0680/1998</a> <a href="#">OJ C 379 07.12.1998, p. 0129-0241</a>	19/11/1998	<a href="#">Summary</a>
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A4-0229/1999</a> <a href="#">OJ C 279 01.10.1999, p. 0007</a>	20/04/1999	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T4-0440/1999</a> <a href="#">OJ C 279 01.10.1999, p. 0256-0375</a>	06/05/1999	<a href="#">Summary</a>
<b>European Commission</b>				
Document type		Reference	Date	Summary
Legislative proposal		<a href="#">COM(1998)0158</a> 	18/03/1998	<a href="#">Summary</a>
Document attached to the procedure		<a href="#">COM(1998)0182</a> 	18/03/1998	
Follow-up document		<a href="#">SEC(2006)0508</a> 	11/04/2006	<a href="#">Summary</a>
<b>Other institutions and bodies</b>				
Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	<a href="#">CES1154/1998</a> <a href="#">OJ C 407 28.12.1998, p. 0210</a>	09/09/1998	
CofR	Committee of the Regions: opinion	<a href="#">CDR0273/1998</a> <a href="#">OJ C 093 06.04.1999, p. 0001</a>	14/01/1999	
CofR	Committee of the Regions: opinion	<a href="#">CDR0308/1998</a> <a href="#">OJ C 093 06.04.1999, p. 0009</a>	14/01/1999	
EU	Implementing legislative act	<a href="#">32002R0445</a> <a href="#">OJ L 074 15.03.2002, p. 0001-0034</a>	26/02/2002	<a href="#">Summary</a>
EU	Implementing legislative act	<a href="#">32004R0141</a> <a href="#">OJ L 024 29.01.2004, p. 0025-0031</a>	28/01/2004	<a href="#">Summary</a>
EU	Implementing legislative act	<a href="#">32004R0817</a> <a href="#">OJ L 153 30.04.2004, p. 0030-0083</a>	29/04/2004	<a href="#">Summary</a>

#### Additional information

Source	Document	Date
European Commission	<a href="#">EUR-Lex</a>	

#### Final act

[Regulation 1999/1257](#)  
[OJ L 160 26.06.1999, p. 0080](#)

[Summary](#)

## Agenda 2000: support for rural development from the European Agricultural Guidance and Guarantee Fund EAGGF

1998/0102(CNS) - 19/11/1998 - Text adopted by Parliament, partial vote at 1st reading/single reading

Insofar as the Commission was not prepared to accept Parliament's amendments, the rapporteur, Mr Willi GÖRLACH (PSE, D) requested referral back to committee of his report, which was agreed.

## Agenda 2000: support for rural development from the European Agricultural Guidance and Guarantee Fund EAGGF

1998/0102(CNS) - 26/02/2002 - Implementing legislative act

PURPOSE : detailed rules supplementing Council Regulation 1257/1999/EC. COMMUNITY MEASURE : Council Regulation 445/2002/EC on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF). CONTENT : Regulation 1257/1999/EC established a single legal framework for EAGGF support for rural development. It specifies the measures eligible for support, their objectives and the criteria for eligibility. This Regulation adopts detailed rules to supplement the framework. In particular: -the conditions for support for investment laid down in Regulation 1257/1999 must be fulfilled at the time when the individual decision to grant support is taken. -where investments are made in order to comply with certain minimum standards, a period of grace may be provided to meet these standards. Member States may grant small farms support for investments less than EUR 25000 to enable them to comply with Article 5 requirements within three years. -Detailed rules are laid down for assessing normal market outlets in relation to Community support for investments in holdings and processing plants. -support for vocational training does not cover normal agricultural and forestry education. -as regards the conditions for early retirement support, specific problems arising where a holding is transferred by several transferors or by a tenant farmer are solved. -compensatory allowances payable in less-favoured areas for land used by several farmers is paid to each farmer concerned in proportion to the degree to which the farmer is entitled to its use. -in line with the "polluter pays" principle, there is no compensation for the costs and income losses resulting from application of the restriction imposed by Directive 676/1991/EEC which reduces water pollution from agricultural nitrates. -there are minimum requirements to be met by farmers in connection with the various agri-environment commitments. -the selection criteria for investments to improve the processing and marketing of agricultural products is fixed. These are based on broad principles rather than sectoral rules. -the outermost regions of the Community are exempt, subject to conditions, from the requirement that no support may be given for investments intended for the processing or marketing of products from third countries. -forests not eligible for support under Article 29 of Regulation 1257/1999/EC are defined in detail. -detailed conditions are laid down for support for afforestation and payments for activities to maintain and improve ecological stability of forests. -rules common to several measures are laid down to ensure, in particular, that common standards of good farming practice are applied where measures refer to that criterion. -a clear dividing line is drawn between financing rural development support and financing support under common market organisations. -rural development support payments will be made in full to beneficiaries. -money from penalties for environmental infringements remain available to the Member States for certain rural development measures. This regulation specifies what the Commission's approval covers in the case of such measures. -there are detailed rules for the presentation of rural development plans and their revision. -requirements are set for amendments to rural development programming documents. -the scope of the measures eligible for aid from the EAGGF Guidance Section is extended beyond the provisions of Regulation 1257/1999/EC in order to cover all the measures needed for the implementation of the community initiative programme for rural development. -detailed rules are laid down on the financial planning and contributions to financing the measures financed by the EAGGF Guarantee Section. -provision is made for a system of penalties at both Community and Member State level. ENTRY INTO FORCE : 22/03/02.

## Agenda 2000: support for rural development from the European Agricultural Guidance and Guarantee Fund EAGGF

1998/0102(CNS) - 06/05/1999 - Text adopted by Parliament, 1st reading/single reading

In the light of the agreement reached on Agenda 2000 at the Berlin summit in March and under consultation procedure, the European Parliament adopted the second report by Willi Görlich (PSE,DE), which approves the Commission proposal for a Council regulation on support for rural development from the European Agricultural Guidance and Guarantee Fund, subject to the amendments adopted by the Parliament on 19/11/98 and a number of other amendments, notably providing that support for rural development should cover all activities related to farming, rather than just farm production.

## **Agenda 2000: support for rural development from the European Agricultural Guidance and Guarantee Fund EAGGF**

1998/0102(CNS) - 18/03/1998 - Legislative proposal

**OBJECTIVE:** the proposed regulation forms part of the group of proposals on the reform of the common agricultural policy and translates the guidelines of Agenda 2000 on rural policy, agri-environmental policy and economic and social cohesion. **SUBSTANCE:** the new regulation on Community support for rural development by the EAGGF seeks to establish an effective instrument to accompany and complement the proposed reforms in market and price policy. It will replace the EAGGF Structural Funds Regulation and four Objective 5a regulations, the three accompanying measures regulations and the regulation on structural forestry support. The main elements of the proposal are as follows: The rural development measures, concern in particular, support for structural adjustment of the farming sector (investment in agricultural holdings, establishment of young farmers, training, early retirement) and support for farming in less favoured areas. Following a request by the European Parliament, forestry measures have been extended in the rural development framework. Furthermore, measures in favour of producer organizations have been realigned towards market policies; Eligibility criteria for the different measures are inspired by current legislation but include some important new elements: - only certain basic eligibility criteria will be laid down, for most measures, in the Council framework regulation with the details being decided on at programming level; - current eligibility criteria for support in less favoured areas will be modified in order better to integrate environmental goals into rural development policy; - coherence between rural development measures and other instruments of the common agricultural policy or other Community policies will be ensured by specific rules so that overlapping is avoided. The administrative and financial provisions reflect the Agenda 2000 proposals that Community support is: - programmed under the Structural Funds in those regions qualifying for Objective 1 and Objective 2 support; - financed from the 'Guidance' or 'Guarantee' section of the EAGGF according to the measure and the region. Two groups of rural development measures have therefore been distinguished: - the 1992 accompanying measures (agri-environment, afforestation, early retirement) complemented by the Less Favoured Areas Scheme; - measures concerning modernization and diversification (investment in agricultural holdings, establishment of young farmers, training, support for investments in processing and marketing facilities, additional support for forestry and measures promoting the adaptation and reconversion of agriculture). - the 1992 accompanying measures (including the less favoured areas scheme) will be applied horizontally in all regions of the Community; the Union will co-finance these measures through the EAGGF Guarantee Section. - measures concerning modernization and diversification follow a different approach according to their regional context: in Objective 1 regions the measures will be financed under the EAGGF Guidance section. In Objective 2 regions and in all other regions they should fall under the EAGGF Guarantee section. Lastly, the state aid rules clarify conditions and procedures for state aids in the field of rural development support.

## **Agenda 2000: support for rural development from the European Agricultural Guidance and Guarantee Fund EAGGF**

1998/0102(CNS) - 26/02/2001

Following the prescriptions of Regulation 1257/99 on support of rural development set up in the framework of Agenda 2000 certain modifications were introduced to the previous regime of Regulation 950/97 for the setting up of young farmers. Several delegations asked for a transitional period in order to meet problems arising from the fact that implementing provisions of the new regulation were not applicable. The Commission representative, in his reply, announced its willingness to show some flexibility for the application of the new regulation for the year 2000.

## **Agenda 2000: support for rural development from the European Agricultural Guidance and Guarantee Fund EAGGF**

1998/0102(CNS) - 29/04/2004 - Implementing legislative act

**ACT :** Commission Regulation 817/2004/EC laying down detailed rules for the application of Council Regulation 1257/1999/EC on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF). **CONTENT :** Regulation 1257/1999/EC established a single legal framework for EAGGF support for rural development. In particular, Title II thereof specifies the measures eligible for support, their objectives and the criteria for eligibility. This legal framework applies to support for rural development throughout the Community. To supplement this framework, Commission Regulation 445/2002/EC laying down detailed rules for the application of Council Regulation 1257/1999/EC on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) has been adopted, taking account of experience gained using the instruments applied under the various Council Regulations repealed by Article 55(1) of Regulation 1257/1999/EC. Commission Regulation 445/2002/EC has been substantially amended. In addition, when Regulation 1257/1999/EC was amended, four new measures were introduced for which detailed rules are needed. Moreover, in view of the experience gained since the beginning of the programming period, certain provisions should be

clarified, in particular those relating to the procedure for amending programming documents, to the financial management of programmes and to the controls. In the interests of clarity and rationality, therefore, a new Regulation laying down detailed rules should be adopted and Regulation 445/2002 /EC should be repealed. This is the aim of this Commission Regulation. ENTRY INTO FORCE : 07/05/2004.

## Agenda 2000: support for rural development from the European Agricultural Guidance and Guarantee Fund EAGGF

1998/0102(CNS) - 11/04/2006 - Follow-up document

This report provides an overview, with both physical and financial data, for the years 2001, 2002 and 2003, of the implementation in the European Union of the rural development programmes. The document is the second Community-level summary report on rural development. It follows the Council's invitation to the Commission after Goteborg 2001 to make a short summary of the yearly reports sent by the Member States of their rural development programmes (as set out in Regulation 1257/1999/EC.) As explained below, it covers only those programmes financed by the European Agricultural Guidance and Guarantee Fund (EAGGF) Guarantee Section.

The Commission notes that there are problems with both the quality and quantity of the data. Exhaustive data set is not available. Accordingly, the analysis in this report is based only on the programmes financed by the EAGGF Guarantee Section (RDPS, Objective 2 programmes and voluntary modulation), for the years 2001, 2002, 2003. Furthermore, numerous errors and differences of interpretation were found during the verification process. This implies that there may still remain undetected errors.

Despite these reservations, one can draw a general picture of the rural development programmes (cofinanced by the EAGGF Guarantee Section). There are two measures that dominate largely in terms of expenditure, contracts and area – the agri-environment and less-favoured areas measures. These were also the only two measures applied in all Member States in 2003. 55% of the overall public expenditure was programmed under these two measures, and 57% of rural development contracts signed were under agri-environment measures. 'Investment in agricultural holdings' also received a high level of public expenditure.

Each Member State uses the 22 measures available to it in a different way, the possibilities provided under the rural development regulation being adapted by Member States to their own situation. During the three years studied, the data are characterised by the stability of the allocation of expenditure between the measures which reflects well the idea of a programming period. There is one exception: the agri-environment measure is accounting for an increasing amount of resources (both in absolute and proportionate terms).

In 2003 rural development, via the 22 measures applicable at that time, translated into almost 3 million contracts and EUR 10.1 billion public expenditure commitments (of which EUR 4.6 billion from the EAGGF-Guarantee Section). Six Member States (Greece, Ireland, Austria, Portugal, Finland and Sweden) devote 80% or more of their EAGGF Guarantee funding to the two principal measures (less-favoured areas and agri-environment). Spain invests significantly in the forestry measures, Belgium and Luxembourg in 'investment in agricultural holdings', and the Netherlands in the Article 33 measures ('promoting the adaptation and development of rural areas').

The programmes are gradually reaching their cruising speed, with Community expenditure for rural development (EAGGF Guarantee) increasing year by year. In 2003, it reached EUR 4.58 billion (EUR 3.84 billion in 2002 and EUR 3.47 billion in 2001). This increase applies for most measures and is particularly significant for the following measures: early retirement, agri-environment and basic services (measure 'n'). Two measures received significantly less public funding in 2003 than in 2001: setting up aid for young farmers and other forestry measures. Despite 2003 being the fourth year of implementation, 10 measures were still not being implemented in Member States where they are applicable. Luxembourg alone had six measures included in its programme but not being implemented yet in 2003. The share of national and regional co-financing in the overall public expenditure is variable by country (from 24% in Portugal to 72% in Greece)

The paper goes on to state that in preparatory work on EU rural development policy for the 2007–13 period, it was seen that the various individual rural development measures applicable in the 2000–06 period could be grouped into three broad categories which respond to different policy objectives. These groupings have formed the basis of the new axes that are a central part of the new rural development policy for 2007–13. Along this classification, the 22 available measures can be grouped into three categories. It is noted that this classification of measures does not form part of the policy framework for the 2000–06 period.

**Group 1: restructuring and competitiveness** (12 measures): there has been little evolution in this group of measures between 2001 and 2003. However one can highlight an increase in the number of applications for investments in agricultural holdings and in the number of beneficiaries of the early retirement measure, and a significant reduction in setting up aid for young farmers.

**Group 2: environment and land management** (5 measures): this group relates to the social, environmental and landscape management role of agriculture. The measures under this group include less-favoured areas and agri-environment. This is the core of rural development –70% of EAGGF Guarantee expenditure for 2003 was committed under these measures. In total, nearly a million holdings received less-favoured area support, corresponding to 16% of total holdings in the EU. (A quarter of utilised agricultural area receives less-favoured area support, of which 8% as mountainous areas, 1% as areas affected by specific handicaps and 15% as other less-favoured areas). The situation varies considerably according to the physical constraints faced in each country. This measure is fairly stable over the current period, as the eligibility criteria have remained the same. One notes however a slight reduction in area (–6%) and number of holdings (–2%) covered between 2001 and 2003. The agri-environment measure was considered of particular importance by the legislator and was made compulsory throughout the European territory. It was therefore implemented in all 15 Member States in 2003. The agri-environment measure mobilises an increasing amount of resources over time (both in absolute terms and proportionately). It is a multi-annual measure (minimum five years). Each year new contracts join the on-going contracts of the previous years. Support for organic farming under rural development has existed since 1992. In the current programming period (2000–06) 85 917 contracts have been signed throughout the EU-15 for a minimum five-year duration. Some 2% of the utilised agricultural area (UAA) benefits from such support. Organic farming receiving agri-environment support, is most widespread in Sweden, Austria and Finland, accounting for more than 13% of the UAA in Sweden.

**Group 3: rural economy, rural communities** (5 measures): the measures concerned include basic services for the rural economy and population, and renovation and development of villages and protection and conservation of the rural heritage. Four Member States do not apply these measures at all in their programmes financed by the EAGGF-Guarantee Section. These are Greece, Portugal, Luxembourg and Ireland. In Greece, Portugal and Ireland these measures are applied through their Objective 1 programmes. By contrast, the Netherlands dedicates 20% of its EAGGF-Guarantee support for supporting rural communities, and uses the five measures concerned.

## **Agenda 2000: support for rural development from the European Agricultural Guidance and Guarantee Fund EAGGF**

1998/0102(CNS) - 28/01/2004 - Implementing legislative act

LEGISLATIVE ACT : Commission Regulation 141/2004/EC laying down rules for applying Council Regulation 1257/1999/EC as regards the transitional rural development measures applicable to the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia. CONTENT : Chapter IXa of Council Regulation 1257/1999/EC on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations introduced by the Act of Accession of the 10 acceding members, defines in general terms the conditions under which temporary additional support is to be granted for transitional rural development measures in the new Member States. Implementing rules should be adopted to supplement those conditions and adapt certain rules foreseen by Commission Regulation 445/2002/EC laying down detailed rules for the application of Council Regulation 1257/1999/EC on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF). Those rules must conform to the principles of subsidiarity and proportionality and must therefore be limited to what is necessary to achieve the objectives pursued. Conditions of eligibility for certain transitional measures must therefore be specified and the support ceilings for the specific measures applicable to Malta should be fixed. To facilitate the establishment of rural development plans comprising those measures, and their examination and approval by the Commission, common rules relating to their structure and content must be laid down on the basis of Article 43 of Regulation 1257/1999/EC in particular. The measures provided for in this Regulation are in accordance with the opinion of the Committee on Agricultural Structures and Rural Development. This Regulation aims in particular to lay down the implementing rules related to: - the specific rural development measures foreseen in Chapter IXa of Regulation 1257/1999/EC and applicable to the 10 new Member States; - programming and evaluation of all rural development measures for the new Member States. ENTRY INTO FORCE : This Regulation shall enter into force on 1 May 2004 subject to the entry into force of the Act of Accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia.

## **Agenda 2000: support for rural development from the European Agricultural Guidance and Guarantee Fund EAGGF**

1998/0102(CNS) - 17/05/1999 - Final act

PURPOSE: the Regulation is one of the components of the reform of the common agricultural policy (CAP) and incorporates the Agenda 2000 guidelines with respect to rural development, agri-environmental policy and economic and social cohesion. COMMUNITY MEASURE: Council Regulation 1257/99/EC of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations. CONTENT: The new Regulations establishes the framework for Community support for sustainable rural development from 1 January 2000. It accompanies and complements other instruments of the CAP and the Community's structural policy and it repeals the existing Regulations on the EAGGF (4256/88/EEC), Objective 5(a) Regulations (950/97, 951/97, 952/97/EC and 867/90/EEC), the accompanying measures introduced under the 1992 CAP reform (Regulations No 2078/92, 2079/92 and 2080/92/EEC) and structural aid for forestry (Regulation 1610/89/EEC). The CAP reform sets out to develop a more modern and sustainable European agricultural sector in the years ahead. The Regulation seeks to ensure improved coherence between rural development and the prices and market policy of the CAP and to promote all aspects of rural development by encouraging the participation of local actors. The policy, therefore, is targeted at the rural population in general, as opposed to solely agricultural producers. The rural development measures fall into two categories: - the accompanying measures of the 1992 reform : early retirement, agri-environment and afforestation, as well as the less-favoured areas scheme; - measures to modernise and diversify agricultural holdings : farm investment, setting up of young farmers, training, investment aid for processing and marketing facilities, additional assistance for forestry, promotion and conversion of agriculture. The main innovation is to have regrouped various measures within a single and coherent framework which makes provision for assistance to all regions in three main ways: - strengthening the agricultural and forestry sector. Measures mainly focus on the modernisation of agricultural holdings and on the processing and marketing of quality agriculture produce. Besides, the viability of holdings will be improved by measures that encourage the setting up of young farmers, by encouraging early retirement and by assistance for vocational training. Forestry is recognised as a vital element of rural development and a new measure will support this sector which has an important ecological role to play. - improving the competitiveness of rural regions. The main objectives in this regard are the support for the quality of life of the rural community and the encouragement of the diversification of activities. The measures aim to create alternative jobs and revenues for farmers and their families and the rural population in general. - environmental conservation and the protection of Europe's rural heritage. Agro-environmental measures will permit the support of production methods which are compatible with the protection of the environment. They will constitute the sole compulsory element in the new generation of programmes in the area of rural development and, as a consequence, are a vital step towards the recognition of the multi-functional role of agriculture. Another measure provides that traditional compensatory allowances for farmers in less-favoured regions will be extended to other regions where agricultural activity is limited by specific environmental constraints. The key principles underlying the new rural development policy are the decentralisation of responsibilities and flexibility. It is up to the Member States to propose rural development plans drawn up at the most appropriate geographical level. In this Regulation, the Member States have at their disposal a complete array of rural development measures to choose from according to their needs and priorities. Outside the less favoured regions of the European Union falling within Objective 1, measures in favour of rural development will be funded from a single source, the EAGGF Guarantee Section. ENTRY INTO FORCE: 03/07/1999. The Regulation applies to expenditures undertaken after 01/01/2000.