

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

2010/0266(COD) - 20/04/2011 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Agriculture and Rural Development adopted the report drafted by Paolo DE CASTRO (S&D, IT) on the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).

It recommends that the European Parliament's position adopted at first reading, under the ordinary legislative procedure, should amend the Commission proposal as follows:

**Delegated and implementing powers of the Commission:** the amendments introduced by the MEPs aim to take into account:

- the "Common Understanding" on practical arrangements for the use of delegated acts (Article 290 TFUE) to be formally agreed on by the Council and the Parliament;
- the "Regulation on implementing powers" (Regulation of the European Parliament and the Council laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers) entering into force on 1 March 2011.

The power to adopt the **delegated acts is conferred on the Commission subject to certain conditions**. The delegation of power shall be conferred on the Commission for a period of five years from the date of entry into force of this Regulation. A delegated act shall enter into force only if no objection has been expressed either by the Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council. That period shall be extended by two months at the initiative of the European Parliament or the Council.

**Advisory services:** the advisory service to farmers (including the provision of technical advice) shall in all cases cover more than one of the statutory management requirements and good agricultural and environmental conditions provided for in Regulation (EC) No 73/2009 and, where relevant, one or more of the occupational safety standards based on Union legislation.

**Improving the environment and rural development:** the aid to which this article refers shall only apply to farmers or farmers' associations that devote an essential part of their working time to agricultural activities and derive from them a significant part of their income according to criteria to be defined by the Member State.

**Financial participation of the EAFRD (breakdown of resources):** notwithstanding the provisions of Regulation (EC) No 1290/2005, for Member States that have opted for regional programmes, the calculation of the automatic cancellation of financial resources may be made at the level of the Member State.

**Eligibility of expenditure (costs excluded from EAFRD cofinancing):** it is clarified that VAT should be excluded from the cofinancing, except non-recoverable VAT when it is genuinely and definitively borne by beneficiaries.

On the other hand, work carried out on a time and materials basis as part of rural development measures by the ultimate beneficiaries using the manpower, materials and equipment which a firm has to hand shall be eligible for an EAFRD contribution; in such cases, the amount of expenditure eligible for a EAFRD contribution shall be calculated on the basis of a price list for the various works performed.