

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

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The Council took note of a request from the German and Austrian delegations, supported by the French, Slovenian, Belgian, Danish, Dutch, Luxembourg, Czech, Italian, Irish and Latvian delegations, concerning the replacement of Regulation 1257/1999 by Regulation 1698/2005 on Rural Development and its consequences for the national funding of measures.

The implementing draft for the Rural Development Regulation provides for the authorisation of state aid only under certain strict conditions. The German and Austrian delegations were concerned that rural development measures might no longer qualify in the future for support using purely national funding, or that beneficiaries of aid might only be eligible for a smaller amount of aid than for co-financed measures. Finally these delegations pointed out that an extra administrative burden would be created by the obligation under the aid rules to notify nationally financed measures separately. Consequently these delegations required that the Community guidelines for State aid in the agriculture sector and implementing rules for rural development be formulated so that the same practice for providing support as previously could be used.

Commissioner Fischer-Boel took note of the concern expressed by the delegations that guidelines on State aid might limit certain aid practices in the area of rural development and gave assurances that guidelines were being reviewed in order to provide for consistency between State aid and rural development rules.