




Basic information	
2006/0082(CNS) CNS - Consultation procedure Regulation	Procedure completed
Rural development: support by the European Agricultural Fund for Rural Development (EAFRD) Amending Regulation (EC) No 1698/2005 2004/0161(CNS)	
Subject 3.10.01.02 Rural development, European Agricultural Fund for Rural Development (EAFRD)	

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	AGRI Agriculture and Rural Development		MULDER Jan (ALDE)	30/05/2006
	Committee for opinion		Rapporteur for opinion	Appointed
	BUDG Budgets		The committee decided not to give an opinion.	
	CONT Budgetary Control		The committee decided not to give an opinion.	
	REGI Regional Development		The committee decided not to give an opinion.	
	Council of the European Union	Council configuration	Meetings	Date
Agriculture and Fisheries		2774	2006-12-19	
Agriculture and Fisheries		2750	2006-09-18	
European Commission	Commission DG		Commissioner	
	Agriculture and Rural Development		FISCHER BOEL Mariann	

Key events			
Date	Event	Reference	Summary
24/05/2006	Legislative proposal published	COM(2006)0237 	Summary
05/09/2006	Committee referral announced in Parliament		

18/09/2006	Debate in Council		Summary
03/10/2006	Vote in committee		Summary
05/10/2006	Committee report tabled for plenary, 1st reading/single reading	A6-0319/2006	
26/10/2006	Debate in Parliament	CRE link	
13/11/2006	Debate in Parliament	CRE link	
14/11/2006	Decision by Parliament	T6-0478/2006	Summary
14/11/2006	Results of vote in Parliament		
19/12/2006	Act adopted by Council after consultation of Parliament		
19/12/2006	End of procedure in Parliament		
22/12/2006	Final act published in Official Journal		

Technical information	
Procedure reference	2006/0082(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation (EC) No 1698/2005 2004/0161(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 299-p2 EC Treaty (after Amsterdam) EC 037
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/6/37437

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE376.354	27/07/2006	
Committee report tabled for plenary, 1st reading/single reading		A6-0319/2006	05/10/2006	
Text adopted by Parliament, 1st reading/single reading		T6-0478/2006	14/11/2006	Summary
European Commission				
Document type		Reference	Date	Summary
Legislative proposal		COM(2006)0237	24/05/2006	Summary
Other institutions and bodies				
Institution/body	Document type	Reference	Date	Summary
ESC	Economic and Social Committee: opinion, report	CES1570/2006	13/12/2006	

Additional information		
Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act	
Regulation 2006/1944 OJ L 367 22.12.2006, p. 0023	Summary

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

2006/0082(CNS) - 18/09/2006

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.

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

2006/0082(CNS) - 14/11/2006 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Jan **MULDER** (ALDE, NL) approving the Commission's proposal on support for rural development by the European Agricultural Fund for Rural Development (EAFRD). The resolution was adopted by 565 votes in favour to 12 against with 25 abstentions.

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.

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

2006/0082(CNS) - 19/12/2006 - Final act

PURPOSE: to set caps on the total annual allocations of Community **structural spending** for the EU Member States in line with the revised Financial Framework 2007-2013.

LEGISLATIVE ACT: Council Regulation 1944/2006/EC amending Regulation 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).

BACKGROUND: in 2005 the Community adopted Regulation 1698/2005/EC *onsupport for rural development by the European Agricultural Fund for Rural Development (EAFRD)*. For a summary see CNS/2006/0082.

Regulation 1698/2005/EC fixes the ceiling of total annual allocations of Community structural spending from i) the EAFRD; ii) the European Regional Development Fund (ERDF); iii) the European Social Fund (ESF) and; iv) the Cohesion Fund (CF) at no more than **4%** of the Member States' GDP.

Article 70 of the Regulation also sets out the EAFRD contribution rates. The Regulation, however, was adopted in September 2005 – a few months prior to the agreement on the Financial Framework for 2007-2013. Significantly, the ceiling of annual appropriation of Community structural spending in the Financial Agreement differs from those specified in Regulation 1698/2005/EC. In addition to adopting differing levels, the Heads of State also agreed to allocate Portugal a sum of EUR 320 million, which would not be subject to the national co-financing requirement.

CONTENT: the purpose of this Regulation, therefore, is to amend Regulation 1698/2005/EC and to bring its figures in line with the Financial Framework 2007-2013. Specifically speaking, the new total annual allocations from the EAFRD, the ERDF, the ESF and the CF will not be allowed to exceed the following limits:

- 3.7893% of the GDP of Member States whose average 2001–2003 per capita GNI is under 40% of the EU-25 average;
- 3.7135% of the GDP of Member States whose average 2001–2003 per capita GNI is equal or above 40% and below 50% of the EU-25 average;
- 3.6188% of the GDP of Member States whose average 2001–2003 per capita GNI is equal or above 50% and below 55% of the EU-25 average;
- 3.5240% of the GDP of Member States whose average 2001–2003 per capita GNI is equal or above 55% and below 60% of the EU-25 average;
- 3.4293% of the GDP of Member States whose average 2001–2003 per capita GNI is equal or above 60% and below 65% of the EU-25 average;
- 3.3346% of the GDP of Member States whose average 2001–2003 per capita GNI is equal or above 65% and below 70% of the EU-25 average;
- 3.2398% of the GDP of Member States whose average 2001–2003 per capita GNI is equal or above 70% and below 75% of the EU-25 average;
- thereafter, the maximum level of transfer is reduced by 0.09 percentage points of GDP for each increment of 5 percentage points of average 2001–2003 per capita GNI as compared to the EU-25 average.

In addition, Portugal will be exempted from these provisions for an amount of EUR 320 million.

ENTRY INTO FORCE: 30 December 2006.