

Procedure file

Basic information	
CNS - Consultation procedure Regulation	2009/0011(CNS) Procedure completed
Rural development: support by the European Agricultural Fund for Rural Development (EAFRD)	
Amending Regulation (EC) No 1698/2005 2004/0161(CNS) Amending Regulation (EC) No 1290/2005 2004/0164(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		20/01/2009
		PPE-DE STAVREVA Petya	
	Committee for opinion	Rapporteur for opinion	Appointed
	ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
	REGI Regional Development		09/03/2009
	UEN BASILE Domenico Antonio		
	ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
	BUDG Budgets		10/02/2009
		PSE GARCÉS RAMÓN Vicente Miguel	
Council of the European Union	Council configuration	Meeting	Date
	Agriculture and Fisheries	2944	25/05/2009
	Transport, Telecommunications and Energy	2935	30/03/2009
	Agriculture and Fisheries	2934	23/03/2009
	General Affairs	2932	16/03/2009
	General Affairs	2925	23/02/2009
	Economic and Financial Affairs ECOFIN	2922	10/02/2009

Key events			
27/01/2009	Legislative proposal published	COM(2009)0038	Summary
10/02/2009	Debate in Council	2922	Summary
19/02/2009	Committee referral announced in Parliament		
23/02/2009	Debate in Council	2925	Summary
16/03/2009	Debate in Council	2932	Summary
23/03/2009	Debate in Council	2934	

30/03/2009	Debate in Council	2935	Summary
31/03/2009	Vote in committee		Summary
13/04/2009	Committee report tabled for plenary, 1st reading/single reading	A6-0259/2009	
06/05/2009	Results of vote in Parliament		
06/05/2009	Debate in Parliament		
06/05/2009	Decision by Parliament	T6-0352/2009	Summary
25/05/2009	Act adopted by Council after consultation of Parliament		
25/05/2009	End of procedure in Parliament		
09/06/2009	Final act published in Official Journal		

Technical information

Procedure reference	2009/0011(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation (EC) No 1698/2005 2004/0161(CNS) Amending Regulation (EC) No 1290/2005 2004/0164(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 036; EC Treaty (after Amsterdam) EC 037
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/6/72799

Documentation gateway

Legislative proposal		COM(2009)0038	28/01/2009	EC	Summary
Committee draft report		PE421.192	25/02/2009	EP	
Amendments tabled in committee		PE421.400	18/03/2009	EP	
Committee opinion	REGI	PE420.226	30/03/2009	EP	
Committee opinion	BUDG	PE421.229	30/03/2009	EP	
Committee report tabled for plenary, 1st reading/single reading		A6-0259/2009	14/04/2009	EP	
Text adopted by Parliament, 1st reading/single reading		T6-0352/2009	06/05/2009	EP	Summary
Commission response to text adopted in plenary		SP(2009)3616	07/07/2009	EC	

Additional information

National parliaments	IPEX
European Commission	EUR-Lex

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

PURPOSE: to amend Regulation 1698/2005 to allow Member States to use additional funds for rural development programmes within the framework of the European Economic Recovery Plan (EERP).

PROPOSED ACT: Council Regulation

BACKGROUND: the Council of the EU of 11 and 12 December 2008 agreed on a European Economic Recovery Plan (EERP), which envisages the initiation of priority action to enable European economies to adjust more rapidly to current challenges, based on an effort equivalent in total to around 1.5% of European Union GDP (a figure amounting to around EUR 200 billion). This proposal is designed to aid rural communities, which can be amongst the most vulnerable to economic downturn. One of the most important tools in the modern economy is broadband internet. The EERP sets out a goal of developing broadband networks to achieve a full 100% high-speed internet coverage by 2010. It also underlined the need to upgrade the performance of many existing networks, alongside efforts to promote competitive investments in fibre networks and free up spectrum for wireless broadband.

The EU already uses rural development to promote growth in rural economies and the overall health of rural society. The "Health Check" of the CAP identified a series of new challenges of particular relevance to European agriculture. The proposal is designed to help tackle these challenges more quickly.

CONTENT: it is proposed that EUR 1.5 billion should be made available to all Member States via the European Agricultural Fund for Rural Development (EAFRD), with a view to developing broadband internet in rural areas and to strengthening the new challenges as defined in the context of the assessment of the 2003 midterm reform of the Common Agricultural Policy ? the "Health Check" ? which was completed in November 2008. One third of this amount (EUR 0.5 billion) should be spent on new-challenges related operations and two-thirds (EUR 1 billion) on developing broadband internet infrastructure in rural areas. By June 2009 Member States and regions will have to propose a modification of their Rural Development Programme, which have to incorporate the option for investments in broadband infrastructure. Member States and regions can authorise projects from the date of submission of the modification request.

The types of operations that can be supported are:

- creation of new broadband infrastructure including backhaul facilities (e.g. fixed, terrestrial wireless, satellite-based or combination of technologies);
- upgrade of existing broadband infrastructure;
- laying down passive broadband infrastructure (e.g.: civil engineering works such as ducts, and other network elements such as dark fibre, etc.) also in synergy with other infrastructures (energy, transport, water, sewerage networks etc.).

Projects can benefit from higher co-financing rates in 2009:

- 90% in Convergence regions;
- 75% in non-Convergence regions.

Additional co-financing of 10% would also be temporarily possible in 2009 to promote the economic recovery in Member States and ease investments.

FINANCIAL IMPLICATIONS: the proposed modification will have its impact entirely on financial year 2009 as regards commitment appropriations. For payment appropriations the impact of the decision will be spread over financial years 2010 and 2011, with a payments level estimated at EUR 750 million each year. In relation to the exceptional higher co-financing rates for 2009, the financial impact is for payments made by Member States in 2009 (Community payments budgets 2009 and 2010). The preliminary estimate of the impact is that it amounts to no more than 10% of the payment appropriations available in the budget for 2009. Nevertheless, no further financial resources for 2009 will be requested at this stage in view of the uncertainties linked to the timing of receipt of payment claims. The higher co-financing rates will hence be funded from within the existing payments budget. The Commission will review in 2009 the need for additional payment appropriations and, if necessary, propose the relevant actions to the Budget Authority.

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

The Council reviewed implementation of the [European economic recovery plan](#) approved by the European Council in December in response to the global financial crisis and economic slowdown. It held an exchange of views on the financial aspects of proposals aimed at providing additional support, under the European economic recovery plan, to investments in the field of energy and infrastructure, including broadband internet and rural development.

The European economic recovery plan provides a framework for measures taken by each Member State and identifies a number of actions to be undertaken at EU level.

In relation to energy and infrastructure, the Commission subsequently submitted proposals on the provision of an additional EUR 5 billion investment from the EU's budget, namely a Regulation and a Decision on rural development, involving a total of EUR 1.5 billion, including EUR 1 billion for broadband internet infrastructure and EUR 500 million for tackling challenges such as climate change, renewable energies, water management, biodiversity and measures to accompany the restructuring of the dairy sector.

To finance this investment, the Commission proposes for the rural development measures, to use the margin under the ceiling of heading 2 for

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

The Council examined proposals aimed at providing additional support, under the [European economic recovery plan](#), for investments in the field of energy and infrastructure.

The Council acknowledged the need to reach an agreement on the proposals, which require a joint decision of the European Parliament, the Council and the Commission, as soon as possible and before the parliamentary recess in the run-up to the European elections in June.

The Commission's proposals, which provide for an additional EUR 5 billion investment in energy and infrastructure, consist of:

- a [draft regulation](#) with a list of energy projects totalling EUR 3.75 billion, including EUR 2.1 billion for gas and electricity interconnection projects, EUR 1.15 billion for carbon capture and storage and EUR 500 million for offshore wind projects;
- a total of EUR 1.25 billion for [rural development](#), of which two thirds are for broadband internet infrastructure and one third for tackling challenges such as climate change, renewable energies, water management, biodiversity and measures to accompany the restructuring of the dairy sector.

The president of the Council concluded the debate in the following terms:

- as regards the list of projects, many delegations expressed support for the Commission's latest proposals, although further adjustments of certain aspects would still be necessary;
- on financing, use of the margin under the 2008 ceilings of the EU's 2007-2013 financial framework could not be envisaged. The Permanent Representatives Committee was therefore requested to examine the options available under the EU's budgets for 2009 and 2010.

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

The Council examined proposals aimed at providing additional support to energy projects and other infrastructure investments under the [European economic recovery plan](#).

As part of the plan's implementation, the Commission has presented proposals for the provision by the EU of an additional EUR 5 billion investment in infrastructure projects, in particular in the fields of energy, broadband internet and rural development. The presidency's compromise proposal also suggests the means by which the projects would be financed.

At its meeting on 23 February, the Council acknowledged the need to reach agreement as soon as possible and before the parliamentary recess in the run-up to the European elections in June 2009.

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

The Council took note of a presentation by the Commission on a report on information and communication technologies (ICT) in rural areas adopted on 3 March 2009 (see COM(2009)0103).

This joint Communication responds to the request made by the Council, in its conclusions of 19 March 2007, that the Commission study the question of better access of rural areas to modern information and communication technology, with special reference to high-speed internet access.

The subject matter of this communication is closely related to the Commission proposal for a Council Regulation providing for additional funding to bridge the broadband gaps in rural areas, on which agreement was reached at the European Council meeting last week.

A sum of EUR 1.02 billion should be made available to Member States, either to improve broadband coverage in rural areas or to respond to new challenges, as defined under the Health Check legislative package.

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

The Committee on Agriculture and Rural Development adopted the report drawn up by Petya STAVREVA (EPP-ED, BG) amending, under the consultation procedure, the proposal for a Council regulation amending Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD). The committee acknowledges that there are uncertainties concerning the availability of margins under heading 2, but emphasises that the financing of the economic recovery plan should not put at risk future needs within that category of expenditure. It expresses its preference for using the margins of the budget years that are at their closure.

The main amendments are as follows:

Increase of EUR 250 million in rural budget: the budgetary authority increased the 2009 budget line for rural development by EUR 249 840 000. These additional funds should be made available for the measures financed under the EAFRD in the European Economic Recovery Plan.

Payments to be made in year 2009: the financial table annexed to the Commission proposal indicates that the full amount of EUR 1.5 billion is committed in 2009, but that payments are executed only during the budgetary years 2010 and 2011. Given the need for rapid reaction to the current economic crisis, the committee states that it is appropriate to provide for payments which can be made in budget year 2009. The amended clause stipulates that EUR 250 million shall be made available for payments in budget year 2009.

Content of programmes: this will include economic-crisis management in the agricultural sector, principally to provide support for infrastructures and to create a network of producers and organisations; measures to preserve or create jobs in rural areas; and support measures for young farmers.

Support for broadband infrastructures and related facilities: given the economic realities in many rural areas, not all citizens would be able to profit from private access to broadband infrastructure. In addition to the proposed infrastructure operations, Member States should therefore have the option of supporting public internet facilities in rural communities (e.g. in public libraries or town halls).

Differences in coverage: the Commission shall take into account the differences in existing broadband coverage in the Member States, particularly in areas where access is difficult, and the different needs resulting from them. The committee feels that using the historical breakdown for rural development funds is not appropriate for the allocation of the specific funds dedicated to the support of broadband infrastructure.

Guarantee and loan fund: the committee notes that the Commission proposal is part of the European Economic Recovery Plan, which focuses on priority action to enable European economies to adjust rapidly to the current challenges. It states that it is necessary to give Member States the option to the funds for loans and credit guarantees, which would enable rural stakeholders to launch investments, thus increasing the take-up of the programmes.

Specific information: Member States should make sure that specific information is available to regional and local authorities and potential beneficiaries on the new opportunities offered by the revised rural development programmes.

Lastly, the committee states that the EAFRD contribution may be increased to 100 % for convergence regions.

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

The European Parliament adopted by 615 votes to 21 with 32 abstentions a legislative resolution amending, under the consultation procedure, the proposal for a Council regulation amending Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD). Parliament states that the current margins in heading 2 cannot be taken for granted and any agreement on the economic recovery plan should not put at risk future needs within any category of expenditure.

The main amendments are as follows:

Increase of EUR 250 million in rural budget: the budgetary authority increased the 2009 budget line for rural development by EUR 249 840 000. These additional funds should be made available for the measures financed under the EAFRD in the European Economic Recovery Plan.

Payments to be made in year 2009: EUR 1 020 million should be made available to all Member States via the EAFRD with a view to developing broadband internet in rural areas and to strengthening the operations related to the new challenges. Of this amount, EUR 850 million should be available in 2009, while EUR 170 million should be secured through a compensation mechanism in the context of the conciliation on the 2010 budget and should be available in 2010. The amended clause stipulates that EUR 250 million shall be made available for payments in budget year 2009.

Content of programmes: this will include: economic-crisis management in the agricultural sector, principally to provide support for infrastructures and to create a network of producers and organisations; measures to preserve or create jobs in rural areas; and support measures for young farmers.

Support for broadband infrastructures and related facilities: given the economic realities in many rural areas, not all citizens would be able to profit from private access to broadband infrastructure. In addition to the proposed infrastructure operations, Member States should therefore have the option of supporting public internet facilities in rural communities (e.g. in public libraries or town halls).

Differences in coverage: the Commission shall take into account the differences in existing broadband coverage in the Member States, particularly in areas where access is difficult, and the different needs resulting from them. Parliament feels that using the historical breakdown for rural development funds is not appropriate for the allocation of the specific funds dedicated to the support of broadband infrastructure.

Guarantee and loan fund: Parliament provides that Member States may use the money for guarantee and loan funds. This would enable rural stakeholders to launch investments, thus increasing the take-up of the programmes.

Specific information: Member States shall provide specific information with regard to the new priorities for the benefit of regional and local authorities and potential beneficiaries of the measures

Lastly, Parliament states that the EAFRD contribution may be increased to 100 % (from 90%) for convergence regions.

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

PURPOSE: to allow Member States to use additional funds for rural development programmes within the framework of the European Economic Recovery Plan (EERP).

LEGISLATIVE ACT: Council Regulation (EC) No 473/2009 amending Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and Regulation (EC) No 1290/2005 on the financing of the common agricultural policy

CONTENT: the European Council, at its meeting on 11 and 12 December 2008, approved a European Economic Recovery Plan (EERP), which envisages the initiation of priority action to enable Member States' economies to adjust more rapidly to current challenges. The EERP is based on an effort equivalent in total to around 1.5 % of European Union GDP, a figure amounting to around EUR 200 billion.

Of the above amount, EUR 1 020 million will be made available to all Member States via the European Agricultural Fund for Rural Development (EAFRD) with a view to:

- developing broadband Internet in rural areas;
- strengthening the operations related to the priorities laid down in Council Regulation (EC) No 1698/2005, which are referred to as new challenges. These include climate change, renewable energies, water management, biodiversity and measures accompanying restructuring of the dairy sector.

This Regulation makes several amendments to Regulation (EC) No 1698/2005 in order to establish the legal framework to allow Member States to use the amount of EUR 1 020 million, in continuity with the amendments introduced by Council Regulation (EC) No 74/2009 which enables Member States to use amounts resulting from increased compulsory modulation and unused funds generated under Council Regulation (EC) No 73/2009 on direct support schemes on operations related to the new challenges.

According to a common declaration by the European Parliament, the Council and the Commission, an additional EUR 600 million will be available for broadband internet and the CAP Health Check in the framework of rural development in 2009, while EUR 420 million will be secured through a compensation mechanism during the 2010 EU budgetary conciliation procedure.

Given the additional resources to be made available as Community support for rural development under the EERP, Member States must revise their national strategy plan (NSP) by 15 July 2009, since all Member States will receive additional funds from 2009.

The main priority will be to develop broadband Internet, including in areas that are poorly served. Because rural areas often suffer from insufficient Internet access, support for broadband infrastructures in rural areas is strengthened with the support of EAFRD. Given the importance of this priority, Member States must, in accordance with their needs, provide in their programmes for operations related to this priority by the end of 2009. A list of types of operations related to broadband infrastructures is established in order to allow Member States to identify the relevant operations in the context of the legal framework for rural development.

As the additional funds from the EERP will be made available to all Member States in 2009 and 2010, all Member States should provide in their rural development programmes for types of operations related to the new challenges already as from 2009. The obligation to submit revised rural development programmes by 15 July 2009 applies to all Member States.

ENTRY INTO FORCE: 09/06/2009.

APPLICATION: from 01/01/2009.