

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

2009/0011(CNS) - 06/05/2009 - Text adopted by Parliament, 1st reading/single reading

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.