

\${summary.referenceAndDate} - \${summary.subTitle}

Ministers held an exchange of views on the proposal for a regulation on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (the rural development regulation) within the framework of the common agricultural policy (CAP).

The debate concentrated on the actions envisaged to address new challenges within the second pillar as well as the instruments proposed under rural development and their definition.

- Most delegations noted that the content of the proposal could only be correctly assessed when the breakdown by Member States of the envelope for the second pillar is known.
- As regards how to address new challenges within the second pillar, a number of Member States considered the proposal went in the right direction. However several Member States wished the proposal focused more on innovation and competitiveness. A number of delegations also stressed the need for adequate support the modernisation and restructuring of the sector in order to improve the competitiveness.
- In addition, a vast majority of delegations stressed the need to ensure that the common strategic framework bringing the EAFRD into line with the structural funds would be consistent with the objective of the simplification of the CAP.

The instruments proposed were generally welcomed, although some Member States considered that a better clarification of some aspects would be useful. These instruments should support the construction of efficient, modern and competitive agricultural sector and rural economy. Flexibility to take into account the specificity of each country at national or regional level and simplification of the procedures would be essential.

Most delegations considered that the risk management toolkit could be a useful instrument. Some countries felt that the definition of less favoured areas was not precise enough which meant that some areas normally covered could be excluded from this scheme.

Together with the proposals on [direct payments](#), on [the single common market organisation \(CMO\)](#) and on the [financing](#) of the CAP, the proposal for a regulation on rural development is one of the four main proposals to be adopted by the Council and the European Parliament (ordinary legislative procedure).

Concerning the CAP reform, the Council had already held a policy debate on direct payments at the last Agriculture Council meeting in November and will hold one more policy debate on the Single CMO proposal in January 2012.