



European Commission
Directorate-general of Agriculture

Newsletter

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Rural development 2000-06: preparing for action

The new Council Regulation on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) (1) came into force on 3 July. It establishes a single reference framework for rural development - now recognised as the "second pillar" of the reformed CAP - throughout the Union. The framework required completion by rules on implementation of the development measures and programme management, and this is the purpose of the "detailed rules" regulation adopted by the Commission. Here is a summary.

The Commission Regulation, which was provided for in the Council one, sets out the requirements for consistent and effective implementation of the new generation of rural development programmes. It (a) contains provisions ensuring each measure is implemented in line with the thinking behind the Council Regulation, (b) specifies the information to be included in the integrated rural development plans that national authorities must submit to the Commission and (c) provides detail on how the programmes are to be implemented.

Under the subsidiarity principle these detailed rules are limited to the minimum deemed necessary to ensure consistency of rural development programmes between Member States and their adjustment to reality on the ground. The Commission will subsequently issue documents providing guidance to national authorities in areas such as standard monitoring indicators and evaluation.

The Regulation consists of four sections or titles (2) plus an annex on the layout of rural development plans.

Implementation of measures

The accent here is on flexibility, simplicity and consistency.

For example, the rules common to several measures define "good farming practice" as compliance with verifiable standards set in the Member States' plans and incorporating general mandatory environmental requirements. The Regulation also includes provisions to ensure coordination between the rural deve-

lopment measures and the common market organisations.

The previous very detailed sectoral limitations on investment support have been replaced by more general rules reserving support for products for which normal market outlets can be found. To this end the Regulation indicates how the existence of such outlets is to be assessed and requires restrictions on production imposed by the market organisations to be taken into account. In the case of investment aid for young farmers a three-year period can be allowed for compliance with eligibility requirements as to occupational skill and competence, economic viability and minimum environmental, hygiene and animal welfare standards.

In the agri-environmental field the rules on calculating payment to farmers for their commitments (compensation for income foregone and additional costs, plus the necessary financial incentive) have been made more precise. The reference level is now good farming practice. Farmers making an agri-environmental commitment must also adhere to good farming practice standards on the whole of their farm. This will ensure that full environmental benefit is derived from such commitments.

Provisions have also been introduced to facilitate application and monitoring of the measures. Thus in the case of processing and marketing of agricultural products the eligible expenditure has been detailed and excludes e.g. land purchase. This will aid sound management and effective monitoring. The terms of eligibility applying to forestry measures have also been clearly specified.

Programming

The Regulation also deals with the programming of rural development action. This commences with the compilation of rural development plan(s). These are the subject of a detailed annex. The approach is similar to that followed for the Structural Funds, the overall aim being that programmes are effectively prepared before launching. Member States are required to include in each plan a description of the situation in

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the area in question, a strategy to meet the challenges and problems identified, programme priorities and results expected, an indicative financial table of annual resources (by priority and measure), the names of the authorities responsible for management, monitoring and evaluation, etc.

The Regulation contains provisions designed to secure effective flexible management of programmes following their adoption by the Commission:

• **Programme start-up**

This will be facilitated by granting, in the month following approval of the programme document, a 12.5% advance on the annual average Community aid scheduled. This will provide working capital that will be recovered (barring exceptional circumstances) only at the end of the programming period.

• **Incentive provisions**

Member States must be able to adjust their programmes to changing priorities and circumstances during their seven-year life. A change in the financing affecting any one particular measure during a given year will not require Commission approval if within certain limits. Bigger adjustments and changes in the type of measure implemented or the choice of priorities will be the subject of annual Commission decisions.

• **Incentive provisions**

The purpose of these is to secure good execution of financial plans and proper use of the available resources. This is a matter of particular importance following the Berlin Summit's Agenda 2000 decisions, which include setting an annual rural development budget. It is each Member State's responsibility to utilise available resources by effective implementation of measures on the basis of realistic projections. Resources unused after the first year are no longer available nor can they be made over to

other Member States. This is why it was considered necessary to incorporate a penalty clause whereby if a Member State's actual expenditure is less than 75% of its forecast the expenditure to be recognised for the following financial year is reduced by one third of the difference between 75% and the actual expenditure. If this was 60%, for example, the gap is 15% and the reduction 5%. These incentive provisions parallel those for the new Structural Fund programmes (appropriations decommitted in the absence of actual expenditure after two years).

Submission of plans

The new Regulation gives Member States the necessary information to set about their programming with confidence. They have six months from the date of entry into force of the Council Regulation (3 July 1999) to submit their plans to the Commission.

(1) Council Regulation (EC) 1257/1999 of 17 May 1999.

Both Regulations are available on the Internet:

http://europa.eu.int/comm/dg06/ag2000/rurdev/index_en.htm

(2) **Title I:** Scope

Title II: rural development measures, with the following chapters: (1) investment in agricultural holdings (2) setting-up of young farmers (3) training (4) early retirement (5) less-favoured areas and areas with environmental restrictions (6) agri-environment (7) improving processing and marketing of agricultural products (8) forestry (9) rules common to several measures

Title III: general principles, administrative and financial provisions, with the following chapters: (1) general principles (2) programming (3) additional measures and Community Initiatives (4) financial provisions (5) monitoring and evaluation (6) applications, controls and sanctions

Title IV: final provisions.

Dioxin contamination: Commission Decisions

Following notification by the Belgian authorities on 27 May of the existence of serious contamination of animal feeds by dioxin, the Commission adopted from 3 June onwards a number of Decisions in order to ensure that all products that might have been contaminated would be withdrawn from the market. These were based on the safeguard provisions of the veterinary legislation* and were approved by the Standing Veterinary Committee.

Emergency protective measures

Decision 1999/363/EC of 3 June introduced emergency protective measures against contamination of poultrymeat, eggs and products containing more than 2% egg, intended for human or animal consumption. It obliged Member States that had imported suspect products between 15 January and 1 June to trace them and ensure their withdrawal from the market and destruction. A monitoring plan was implemented in Belgium and in Member States that had imported contaminated products. The Decision also required that consignments of Belgian origin to all other countries be accompanied by a signed certificate from the Belgian authorities that the product had no constituent from a suspect farm or had been shown by analysis to be uncontaminated by dioxin.

Scope widened

By Decisions 1999/368/EC of 4 June and 1999/389/EC of 11 June the Commission widened the scope of the measures to all products from pig or cattle farms placed under restriction by the Belgian authorities. In order to prevent any belated introduction of dioxin into the food chain no terminal date for the measures was stipulated. They were supplemented by publication of blank copies of the certificates issued by the Belgian authorities to accompany export consignments (Decision 1999/390/EC of 11 June 1999) and by publication of provisions enabling other countries to return products to Belgium when it had not been possible to identify the exact Belgian farms of origin and the required analysis had not been carried out (Decision 1999/419/EC of 24 June 1999).

Milk and milk products: lifting of ban

Following negative analytical results for milk and milk products the Commission with the Standing Veterinary Committee's approval freed all milk sector products, including those produced between the time of contamination and 12 June, since they were now recognised to be without danger to human health (Decision 1999/449/EC of 9 July).

Security and transparency

The measures adopted prevented any type of disposal on non-EU markets of products that might have been contaminated. The Belgian authorities will continue to trace all products for which there is any suspicion of contamination and inform any importing country accordingly. For the greatest possible transparency in the management of the crisis the Commission organised a number of information meetings for non-EU countries and all measures taken were notified to the World Trade Organisation's Sanitary and Phytosanitary Measures Committee. The Commission's Decisions were always based on the precautionary principle when the scientific data available was inadequate and on the opinions given by the relevant scientific committees, which were called on when there was enough information to warrant this.

* Directive 89/662/EEC of 11 December 1989.

Directive 90/425/EEC of 26 June 1990, as amended by Directive 92/118/EEC.

1999/2000 agricultural price package

This last price package before implementation of CAP reform under Agenda 2000 was agreed by the Council on 14 and 15 June. It includes almost all of the proposals - COM(1999) 38 final of 3 February - that the Commission presented with a view to continuity and stability.

Under the reforms already introduced from 1992 onwards many points of the package had already been settled and, as regards market management matters still outstanding, the Commission proposed unchanged amounts except for a reduction in sugar storage costs. It also proposed some adjustments for arable crops, wine and seeds.

In addition to adoption of the Commission's proposals on the amounts themselves (prices, aids) the Council took decisions on:

- advancing authorisation for new vine plantings by several months to 1 January 2000 for up to 20% of the rights opened by Agenda 2000 (compliance with set terms requested)
- maintaining up to 2001/02 and then scrapping the differentials in aid for the three types of perennial ryegrass
- technical changes in regionalisation of rice aid (the Commission may if necessary submit proposals on the lines of the provisions for arable crops)
- extension of the waiver on the fat content of drinking milk in Finland and Sweden up to 31 December 2003 at the latest

- an increase in the Portuguese processed tomato quota (by 83 468 t for 1999/2000 and in line with specific criteria for 2000/01).

The Council asked the Commission to act on various matters within its sphere of responsibility:

- the relaxation of certain land set-aside criteria (e.g. minimum parcel width of 20 m) in return for environmental improvement
- waivers from intervention quality rules for cereals (moisture content, shrivelled grains in Sweden and Finland, suspension of reduction for barley in a specific case)
- examination of requests by Austria concerning differentiation of the fibre flax aid by production zone and comparability between Austria and the other Member States of goat farming in mountain and hill areas.



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