COUNCIL REGULATION (EC) No 2008/2004

of 16 November 2004

amending Regulation (EC) No 1268/1999 on Community support for pre-accession measures for agriculture and rural development in the applicant countries of central and eastern Europe in the pre-accession period

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 181a thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament [1],

Having regard to the opinion of the European Economic and Social Committee [2],

After consulting the Committee of the Regions,

Whereas:

(1) The support possibilities to prepare rural communities to conceive and implement local rural development strategies in beneficiary countries, which are not acceding to the Union in 2004, namely Bulgaria and Romania, should be aligned on those in beneficiary countries that acceded to the Union on 1 May 2004. Therefore a suitable measure should be introduced corresponding to Article 33f of Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) [3].

(2) The provisions of Regulation (EC) No 1268/1999 [4] as regards limits on aid rates should be clarified. At the same time those provisions should be amended in such a way that subsidies of a nature to facilitate access to credits granted under other instruments are not taken into account in the application of those aid limits. As this would remove a possible ambiguity, that amendment should apply with retrospective effect for all beneficiary countries. It is however necessary to ensure that in all cases the ceilings laid down in the Europe Agreements are complied with.

(3) The aid intensity limits in hill and mountain regions of Bulgaria and Romania should be aligned from 1 January 2004 on those in less-favoured areas of countries that acceded to the Union on 1 May 2004, for investments in agricultural holdings and for young farmers, as provided for in Article 331(2) of Regulation (EC) No 1257/1999.

(4) The aid intensities and the proportion of the Community contribution in total eligible public expenditure for rural development measures involving infrastructure and certain other measures in beneficiary countries which are not acceding to the Union in 2004, namely Bulgaria and Romania, should be aligned on those in countries that acceded to the Union on 1 May 2004.

(5) Regulation (EC) No 1268/1999 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1268/1999 is hereby amended as follows:

1. in Article 2, the following indent shall be added:

'— with regard to Bulgaria and Romania, preparation of rural communities to conceive and implement local rural development strategies, and integrated territorial rural development strategies of a pilot nature, within the limits set by Article 33f of Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) (*).

(*) OJ L 160, 26.6.1999, p. 80. Regulation as last amended by Regulation (EC) No 583/2004 (OJ L 91, 30.3.2004, p. 1).'

2. Article 8 shall be replaced by the following:

'*Article 8*

Rate of Community contribution and aid intensities

1. The Community contribution shall not exceed the ceiling of 75 % of the total eligible public expenditure.

However, that ceiling shall be:

(a) 80 % for measures referred to in the fourth, seventh, eleventh and sixteenth indents of Article 2, and any project concerning infrastructure;

(b) 85 % for relevant projects under any measure where the Commission determines that exceptional natural disasters have occurred;

[1] Opinion delivered on 14 October 2004 (not yet published in the Official Journal).
[2] Opinion delivered on 2 June 2004 (not yet published in the Official Journal).
[3] OJ L 160, 26.6.1999, p. 80. Regulation last amended by Regulation (EC) No 583/2004 (OJ L 91, 30.3.2004, p. 1).
[4] OJ L 161, 26.6.1999, p. 87. Regulation last amended by Regulation (EC) No 769/2004 (OJ L 123, 27.4.2004, p. 1).

(c) 100 % for the measure referred to in the fifteenth indent of Article 2 and in Article 7(4).

2. Public aid shall not exceed the ceiling of 50 % of the total eligible cost of the investment.

However, that ceiling shall be:

(a) 55 % for investments in agricultural holdings made by young farmers;

(b) 60 % for investments in agricultural holdings in mountain areas;

(c) 65 % for investments in agricultural holdings in mountain areas made by young farmers;

(d) 75 % for investments referred to in paragraph 1(b);

(e) 100 % for investments in infrastructure not of a nature to generate substantial net revenue;

(f) 100 % for measures referred to under the sixteenth indent of Article 2.

In determining the rate of public aid for the purposes of this paragraph, account shall not be taken of national aid of a nature to facilitate access to credits granted without the benefit of any Community contribution provided under the present instrument.

In any case the Community contribution shall comply with the ceilings on rates of aid and cumulation laid down for State aid in the Europe Agreements.

3. The amount of the Community contribution shall be expressed in euro.'

Article 2

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2004.

However, point 2 of Article 1 shall apply from 1 January 2000 as far as the newly introduced second last subparagraph of Article 8(2) of Regulation (EC) No 1268/1999 is concerned.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 16 November 2004.

For the Council
The President
G. ZALM