



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 18.9.2002
COM(2002) 519 final

2002/0227 (CNS)

Proposal for a

COUNCIL REGULATION

**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**

(presented by the Commission)

EXPLANATORY MEMORANDUM

In mid August 2002 considerable damage was caused *inter alia* in various candidate countries by floods. These floods severely affected the Czech Republic and Slovakia.

The Commission considers that the Community needs to be able to respond appropriately to such exceptional natural disasters whenever they occur in candidate countries through various instruments including the pre-accession SAPARD instrument set up under Council Regulation (EC) No 1268/1999.

The scope of the SAPARD instrument does not however have any specific provisions relating to actions taken in the wake of natural disasters. However Article 1.2(b) of Regulation (EC) No 1268/1999 includes as an objective "*solving priority and specific problems for the sustainable adaptation of the agricultural sector and rural areas in the applicant countries*". The Commission considers that actions to help restore rural areas following exceptional natural disasters can be considered as falling within the scope of SAPARD and that consequently specific provisions should be made for such action within Regulation (EC) No 1268/1999. In the view of the Commission the appropriate action is to increase the ceiling on public aid from 50% to 75%, and the Community contribution from 75% to 85% of public aid, for relevant projects in areas affected by exceptional natural disasters. This is the purpose of the present proposal.

Proposal for a

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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 308 thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Parliament²,

Having regard to the opinion of the Economic and Social Committee³,

Having regard to the opinion of the Committee of the Regions⁴,

Whereas:

- (1) In mid August 2002 considerable damage was caused *inter alia* in various candidate countries by floods in their rural areas. The Community needs to be able to respond appropriately to such exceptional natural disasters whenever they occur in candidate countries using various instruments including the pre-accession instrument set up under Council Regulation (EC) No 1268/1999⁵, one of its objectives being to solve priority and specific problems for the sustainable adaptation of the agricultural sector and rural areas in these countries,
- (2) No special provision is included in the Regulation for actions to help restore rural areas following exceptional natural disasters,
- (3) Appropriate action by the Community in the wake of such disasters is needed. These events place *inter alia* a considerable economic burden on the affected parties both in the public and private sectors and coincide with those to prepare for accession. Under a co-financing policy instrument such as that set up under Regulation (EC) No 1268/1999 appropriate action for the relevant projects in the countries concerned should include an increase both in the rate of Community assistance and in the normal

¹ OJ C ..., ..., p. ...

² OJ C ..., ..., p. ...

³ OJ C ..., ..., p. ...

⁴ OJ C ..., ..., p. ...

⁵ OJ L 161, 26.6.1999, p. 87. Regulation as amended by Regulation (EC) No 2500/2001 (OJ L 342, 27.12.2001, p. 1).

ceilings on aid intensities. Regulation (EC) No 1268/1999 should be modified accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

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

Article 8 is replaced by the following:

“Article 8
Rate of Community contribution

1. The Community contribution may amount to up to 75% of the total eligible public expenditure except:
 - (a) for relevant projects under any measure where the Commission determines that exceptional natural disasters have occurred the Community contribution may amount to up to 85% of the total eligible public expenditure;
 - (b) for measures referred to in the last indent of Article 2 and Article 7(4), the Community contribution to financing may amount to up to 100% of the total eligible cost.
2. For revenue generating investments
 - (a) except those referred to in paragraph 1(a), public aid may amount to up to 50% of the total eligible cost of which the Community contribution may amount to up to 75%;
 - (b) referred to in paragraph 1(a) public aid may amount to up to 75% of the total eligible cost of which the Community contribution may amount to up to 85% of the public aid.

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

3. The financial support and the payments 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 Communities*.

It shall apply from [1 July 2002].

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

Done at Brussels,

For the Council
The President

FINANCIAL STATEMENT

1. BUDGET HEADING: Chapter B7-01		APPROPRIATIONS: EUR 555 Million (CA) EUR 370 Million (PA)		
2. TITLE: Proposal for a Council Regulation 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.				
3. LEGAL BASIS: Article 308 of the Treaty				
4. AIMS: Increase the ceiling on public aid to 75% and the Community contribution to 85% of the public aid, for relevant projects in areas affected by exceptional natural disasters.				
5. FINANCIAL IMPLICATIONS	12 MONTH PERIOD (EUR million)	CURRENT FINANCIAL YEAR 2002 (EUR million)	FOLLOWING FINANCIAL YEAR 2003 (EUR million)	
5.0 EXPENDITURE	-	-	-	
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)				
- NATIONAL AUTHORITIES				
- OTHER				
5.1 REVENUE	-	-	-	
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)				
- NATIONAL				
	2004	2005	2006	2007
5.0.1 ESTIMATED EXPENDITURE	-	-	-	-
5.1.1 ESTIMATED REVENUE	-	-	-	-
5.2 METHOD OF CALCULATION:				
6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?				YES / NO
6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?				YES / NO
6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY?				YES / NO
6.3 WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS?				YES / NO
OBSERVATIONS: The measure as such has no implications for the Community budget. The expenditure can not exceed the total amounts in the plans approved by the Commission.				