

Brussels, 14 January 2004

## **Enlargement and agriculture: EUR 5.76 billion for rural development in new member states**

*The European Commission has decided to fix EU funding for the rural development for the new member states at € 5.76 billion in current prices for 2004-2006. The allocations for each new member state are based on the amounts contained in the declaration included in the Act of Accession. They have now been converted from 1999 prices to current prices. During the accession negotiations it was agreed to allocate an envelope of € 5.11 billion (at 1999 prices) out of the EU agricultural budget (EAGGF Guarantee Section) to finance rural development measures for the ten new member states for the period 2004–2006.*

“This decision is another confirmation that substantial amounts of EU money will be invested in targeted and tailor-made rural development programmes. These funds will help farmers in the new member states to modernise, restructure and meet EU production standards. They will also contribute to socially and ecologically sustainable development in rural areas”, Franz Fischler, Commissioner for Agriculture, Rural Development and Fisheries said.

From accession a wide range of rural development measures will be co-financed at a maximum rate of 80% by the EU, in order to tackle structural and environmental problems in the rural areas of the new member states.

In Objective 1 regions<sup>1</sup>, the following rural development measures will be eligible for Guarantee-funded support (max. 80% EU financed)

- early retirement of farmers
- support for less favoured areas or areas with environmental restrictions
- agri-environment and animal welfare schemes
- afforestation of agricultural land
- support for semi-subsistence farms undergoing restructuring
- setting up of producer groups
- technical assistance
- support to assist farmers to meet EU standards
- food quality schemes

In Malta, a temporary income support scheme to help full-time farmers adapt to changes in the market environment is also eligible for inclusion in the EAGGF Guarantee funded rural development programme.

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<sup>1</sup> Almost all the territory of the new member states has been classified as Objective 1: the exceptions are Cyprus and small areas of the Czech Republic and Slovakia (around the capitals) which have been defined as Objective 2.

Within Objective 1 regions additional rural development measures will be financed from the Structural Funds (EAGGF Guidance section). In other areas, the full range of rural development measures may be supported using EAGGF Guarantee funds.

### **Support for rural development (2004–2006)**

#### **Annual allocation (EAGGF Guarantee Section)**

<b>Initial allocation (€ million) in current prices</b>				
	2004	2005	2006	2004–2006
Czech Republic	163.3	182.0	197.5	542.8
Estonia	45.3	50.4	54.8	150.5
Cyprus	22.5	25.1	27.2	74.8
Latvia	98.7	110.0	119.4	328.1
Lithuania	147.3	164.1	178.1	489.5
Hungary	181.2	201.9	219.2	602.3
Malta	8.1	9.0	9.8	26.9
Poland	862.4	961.0	1 043.0	2 866.4
Slovenia	84.7	94.4	102.5	281.6
Slovakia	119.5	133.1	144.5	397.1
<b>TOTAL</b>	‘	‘	‘	<b>5 760</b>