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Subject: COUNCIL DECISION amending Decision 2006/144/EC on the
Community strategic guidelines for rural development (programming
period 2007 to 2013)

COUNCIL DECISION

of

amending Decision 2006/144/EC on the Community strategic guidelines for rural development (programming period 2007 to 2013)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 37 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament¹,

¹ Opinion of 19 November 2008 (not yet published in the Official Journal).

Whereas:

- (1) The Council adopted the Community strategic guidelines for rural development (programming period 2007 to 2013) by Decision 2006/144/EC¹ (hereinafter referred to as "Community strategic guidelines").
- (2) Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)² provides that, with a view to taking account of major changes in the Community priorities, the Community strategic guidelines may be subject to review.
- (3) In the assessment of the implementation of the Common Agricultural Policy reform of 2003, climate change, renewable energies, water management, biodiversity and dairy restructuring were identified as crucial new challenges for European agriculture. The objectives related to these priorities should be strengthened in the rural development programmes approved in accordance with Regulation (EC) No 1698/2005.
- (4) The Community strategic guidelines should identify those areas that are important for the implementation of the revised Community priorities related to climate change, renewable energies, water management, biodiversity and dairy restructuring.

¹ OJ L 55, 25.2.2006, p. 20.

² OJ L 277, 21.10.2005, p. 1.

- (5) The effectiveness of the operations related to the priorities related to climate change, renewable energies, water management and biodiversity should be increased by innovation. In this context, providing support for innovation can in particular contribute to the objectives by developing new technologies, products and processes.
- (6) On the basis of the review of the Community strategic guidelines, each Member State should revise its national strategy plan as the reference framework for the revision of rural development programmes.
- (7) Decision 2006/144/EC should therefore be amended accordingly,

HAS DECIDED AS FOLLOWS:

Sole Article

Decision 2006/144/EC shall be amended in accordance with the Annex to this Decision.

Done at Brussels,

For the Council

The President

ANNEX

The Community strategic guidelines for rural development (programming period 2007 to 2013), set out in the Annex to Decision 2006/144/EC, are hereby amended as follows:

- (1) In Part 2, the following point shall be added:

"2.5 Meeting the new challenges

As part of the review of the reforms introduced in 2003, the balance between expenditure for direct payments under the first pillar of the CAP and funding of rural development policy has also been assessed. With the overall CAP budget fixed until 2013, additional funding for rural development can only be realised through an increase in compulsory modulation. The additional funding is needed to reinforce the efforts with regard to the Community priorities in the field of climate change, renewable energy, water management, biodiversity (including related support for innovation) and dairy restructuring:

- (i) Climate and energy have become priorities, as the EU is taking the lead in building a global low carbon economy. In March 2007, the European Council adopted conclusions¹ on reducing greenhouse gas emissions by at least 20 % by 2020 compared to 1990 (30 % as part of an international agreement on global targets) and to set a binding 20 % target for the use of renewable energy sources by 2020, including a 10 % share of biofuels in transport petrol and diesel consumption. Agriculture and forestry can make an important contribution in providing the feed stocks for bio-energy, in carbon sequestration and in further reducing greenhouse gas emissions.

¹ Presidency conclusions of the European Council of Brussels (8 and 9 March 2007).

- (ii) The objectives of the EU with regard to water policy are laid down in Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy¹, which will start to reach full implementation in the period 2010-2012. As main users of water and water resources, agriculture and forestry have a major role to play in sustainable water management both in terms of quantity and of quality. Water management will be an increasingly important part of the adaptation strategy to deal with already unavoidable climate change.
- (iii) Member States have committed themselves to halting biodiversity decline by 2010, a target which seems increasingly unlikely to be met. A large part of Europe's biological diversity is dependent on agriculture and forestry and the efforts to protect biodiversity will have to be increased, particularly in the light of the expected adverse effects of climate change and increasing water demand.

¹ OJ L 327, 22.12.2000, p. 1.

- (iv) Dairy producers make a substantial contribution to maintaining the countryside through sustainable farming activity, especially in disadvantaged regions. In view of their high production costs and the structural changes they have to face as a result of the phasing-out of the milk quota system, accompanying support measures should be made available to dairy producers, in order to allow them to better adapt to new market conditions.

- (v) Rural development measures can be used in particular to encourage innovation in water management, in production and use of renewable energies, in protection of biodiversity and in dealing with climate change mitigation and adaptation and to promote win-win solutions for competitiveness and the environment. In order to promote full use of innovation, specific support for innovative operations related to the new challenges should be made available."

(2) In Part 3, the following point shall be inserted:

"3.4a. Addressing the new challenges

Community strategic guideline

Climate change, renewable energy, water management, biodiversity (including related support for innovation) and dairy restructuring are crucial challenges for Europe's rural areas, agriculture and forestry. As part of the EU global climate change strategy, agriculture and forestry will be called upon to make a greater contribution to curbing greenhouse gas emissions and increasing carbon sequestration. Increasing production of renewable energy from agriculture and forestry biomass should also help to meet the new EU targets for total fuel and energy consumption by 2020. More sustainable water management practices in agriculture will be essential to ensure sufficient quantity and quality of water for the future, and to adapt to the projected climate change impacts on water resources. Furthermore, halting biodiversity decline remains a major challenge. Support for innovation related to the above-mentioned new challenges may facilitate the implementation of these priorities. In view of the expiry of the dairy quota regime, the need for restructuring in agriculture will increase. In this context, rural development measures will be an important accompaniment to the reforms in the dairy sector. The additional resources which will be made available as of 2010 by an increase in compulsory modulation should be devoted to reinforcing the Community action in the fields of climate change, renewable energy, water management, biodiversity and dairy restructuring.

In order to meet these priorities, Member States are encouraged to focus support on key actions. Such key actions may include the following types of operations:

- (i) In particular, investment support under axis 1 can be targeted towards energy, water and other input saving machinery and equipment as well as to the production of renewable energy for on farm use. In the agriculture and food sector and in the forestry sector, investment support should help to develop innovative and more sustainable ways of biofuel processing.
- (ii) Under axis 2, the agri-environment measures and forestry measures can be used in particular to enhance biodiversity by conserving species-rich vegetation types and protecting and maintaining grassland and extensive forms of agricultural production. Specific actions under axis 2, such as agri-environment measures or afforestation, can also help to improve the capacity to better manage the available water resources in terms of quantity and protect them in terms of quality. Furthermore, certain agri-environmental and forestry actions contribute to curbing emissions of nitrous oxide (N₂O) and methane (CH₄) and help to promote carbon sequestration.

- (iii) Under axis 3 and 4, local scale projects and cooperation for renewable energy projects can be supported as well as diversification of farmers into bioenergy production. Conservation of natural heritage can help in protecting high-nature-value habitats and high-value water bodies.
- (iv) As all rural areas are being confronted with the climate change and renewable energy issues, Member States can encourage the local action groups under axis 4 (Leader) to pick up these issues in their local development strategies as a cross-cutting theme. The groups are well placed to contribute to climate change adaptation and renewable energy solutions tailored to the local situation.
- (v) Innovation has the potential to achieve particularly positive effects in meeting the new challenges of climate change, the production of renewable energies, more sustainable water management practices and halting biodiversity decline. Support for innovation in these areas could take the form of encouraging the development, take-up and application of relevant technologies, products and processes.
- (vi) As a general principle, support shall be targeted on types of operations which are coherent with the objectives and provisions established in Regulation (EC) No 1698/2005 and which contribute to generating positive potential effects in view of the new challenges such as those specified in Annex II to that Regulation."
