

**COUNCIL REGULATION (EC) No 1944/2006**

**of 19 December 2006**

**amending Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)**

THE COUNCIL OF THE EUROPEAN UNION,

(4) Regulation (EC) No 1698/2005 should be amended accordingly,

Having regard to the Treaty establishing the European Community, and in particular Articles 37 and 299(2) thereof,

HAS ADOPTED THIS REGULATION:

Having regard to the proposal from the Commission,

*Article 1*

Having regard to the opinion of the European Parliament <sup>(1)</sup>,

Regulation (EC) No 1698/2005 shall be amended as follows:

Having regard to the opinion of the European Economic and Social Committee <sup>(2)</sup>,

1. In Article 69 paragraph 6 shall be replaced by the following:

After consulting the Committee of the Regions,

'6. The Commission shall ensure that total annual allocations from the EAFRD originating from the EAGGF Guidance Section for any Member State pursuant to this Regulation, and from the ERDF, the ESF and the CF, in accordance with Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund <sup>(\*)</sup>, including the contribution of ERDF in accordance with Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument <sup>(\*\*)</sup> and Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA) <sup>(\*\*\*)</sup>, and from the European Fisheries Fund according to Council Regulation (EC) No 1198/2006 of 27 July 2006 on the European Fisheries Fund <sup>(\*\*\*\*)</sup>, do not exceed the following limits:

Whereas:

(1) Article 69(6) of Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) <sup>(3)</sup> fixes the ceiling of total annual allocations of Community structural spending for any Member State and Article 70(3) and (4) of that Regulation set out the EAFRD contribution rates.

— for Member States whose average 2001-2003 GNI per capita (PPS) is below 40 % of the EU-25 average: 3,7893 % of their GDP,

(2) In the Financial Framework 2007-2013 agreed upon by the European Council in December 2005, the ceilings of annual appropriations of Community structural spending, which are to be applicable to each individual Member State, were fixed at a level different from that of the ceiling fixed in Article 69(6) of Regulation (EC) No 1698/2005.

— for Member States whose average 2001-2003 GNI per capita (PPS) is equal to or above 40 % and below 50 % of the EU-25 average: 3,7135 % of their GDP,

(3) In accordance with the Financial Framework 2007-2013, an amount of EUR 320 million, which may not be subject to the national co-financing requirement as provided for in Article 70(3) and (4) of Regulation (EC) No 1698/2005, was allocated to Portugal.

— for Member States whose average 2001-2003 GNI per capita (PPS) is equal to or above 50 % and below 55 % of the EU-25 average: 3,6188 % of their GDP,

<sup>(1)</sup> Opinion of 14 November 2006 (not yet published in the Official Journal).

<sup>(2)</sup> Opinion of 13 December 2006 (not yet published in the Official Journal). Opinion delivered following non-compulsory consultation.

<sup>(3)</sup> OJ L 277, 21.10.2005, p. 1. Regulation as amended by Regulation (EC) No 1463/2006 (OJ L 277, 9.10.2006, p. 1).

- for Member States whose average 2001-2003 GNI per capita (PPS) is equal to or above 55 % and below 60 % of the EU-25 average: 3,5240 % of their GDP,
- for Member States whose average 2001-2003 GNI per capita (PPS) is equal to or above 60 % and below 65 % of the EU-25 average: 3,4293 % of their GDP,
- for Member States whose average 2001-2003 GNI per capita (PPS) is equal to or above 65 % and below 70 % of the EU-25 average: 3,3346 % of their GDP,
- for Member States whose average 2001-2003 GNI per capita (PPS) is equal to or above 70 % and below 75 % of the EU-25 average: 3,2398 % of their GDP,
- thereafter, the maximum level of transfer is reduced by 0,09 percentage points of GDP for each increment of 5 percentage points of average 2001-2003 per capita GNI (PPS) as compared to the EU-25 average.

Calculations of the GDP by the Commission shall be based on the statistics published in April 2005. Individual national growth rates of GDP for 2007-2013, as projected by the Commission in April 2005, shall be applied for each Member State separately.

If in 2010 it is established that any Member State's cumulated GDP for the years 2007-2009 has diverged by more than  $\pm 5$  % from the cumulated GDP estimated pursuant to the second subparagraph, including as a conse-

quence of exchange rate changes, the amounts allocated for that period to that Member State pursuant to the first subparagraph shall be adjusted accordingly. The total net effect, whether positive or negative, of these adjustments may not exceed EUR 3 000 million. In any event, if the net effect is positive, total additional resources shall be limited to the level of under-spending against the maximum resources available for commitments from the Structural Funds and the CF for the years 2007-2010. Final adjustments shall be spread in equal proportions over the years 2011-2013. In order to reflect the value of the Polish zloty in the reference period, the result of the application of the percentages referred to in the first subparagraph for Poland shall be multiplied by a coefficient of 1,04 for the period up to the review referred to in this subparagraph.

(\*) OJ L 210, 31.7.2006, p. 25.

(\*\*) OJ L 310, 9.11.2006, p. 1.

(\*\*\*) OJ L 210, 31.7.2006, p. 82.

(\*\*\*\*) OJ L 223, 15.8.2006, p. 1.'

2. The following paragraph shall be inserted in Article 70:

'4a. Paragraphs 3 and 4 may, in certain cases, not apply in Portugal for an amount of EUR 320 million.'

#### Article 2

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

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

Done at Brussels, 19 December 2006.

For the Council  
The President  
J. KORKEAOJA