COUNCIL REGULATION (EC) No 696/2003

of 14 April 2003

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 [1],

Having regard to the opinion of the European Parliament [2],

Having regard to the opinion of the European Economic and Social Committee [3],

After consulting the Committee of the Regions,

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 1268/1999 [4], 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 that 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 the preparation 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 ceilings on aid intensities.

(4) 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:

Article 8 shall be 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 for the following:

(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 Union*.

It shall apply from 1 July 2002.

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[1] OJ C 331E, 31.12.2002, p. 195.
[2] Opinion delivered on 11 March 2003 (not yet published in the Official Journal).
[3] OJ C 61, 14.3.2003, p. 194.
[4] 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).