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# COM (82)440<sup>e</sup> two here the communication Archives Vol. 1982/0146

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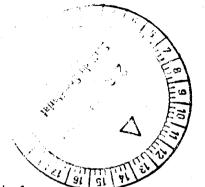
Conformément au règlement (CEE, Euratom) n° 354/83 du Conseil du 1er février 1983 concernant l'ouverture au public des archives historiques de la Communauté économique européenne et de la Communauté européenne de l'énergie atomique (JO L 43 du 15.2.1983, p. 1), tel que modifié par le règlement (CE, Euratom) n° 1700/2003 du 22 septembre 2003 (JO L 243 du 27.9.2003, p. 1), ce dossier est ouvert au public. Le cas échéant, les documents classifiés présents dans ce dossier ont été déclassifiés conformément à l'article 5 dudit règlement.

In accordance with Council Regulation (EEC, Euratom) No 354/83 of 1 February 1983 concerning the opening to the public of the historical archives of the European Economic Community and the European Atomic Energy Community (OJ L 43, 15.2.1983, p. 1), as amended by Regulation (EC, Euratom) No 1700/2003 of 22 September 2003 (OJ L 243, 27.9.2003, p. 1), this file is open to the public. Where necessary, classified documents in this file have been declassified in conformity with Article 5 of the aforementioned regulation.

In Übereinstimmung mit der Verordnung (EWG, Euratom) Nr. 354/83 des Rates vom 1. Februar 1983 über die Freigabe der historischen Archive der Europäischen Wirtschaftsgemeinschaft und der Europäischen Atomgemeinschaft (ABI. L 43 vom 15.2.1983, S. 1), geändert durch die Verordnung (EG, Euratom) Nr. 1700/2003 vom 22. September 2003 (ABI. L 243 vom 27.9.2003, S. 1), ist diese Datei der Öffentlichkeit zugänglich. Soweit erforderlich, wurden die Verschlusssachen in dieser Datei in Übereinstimmung mit Artikel 5 der genannten Verordnung freigegeben.

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 440 final Brussels, 19 July 1982



Proposal for a Directive amending Directive 75/268/EEC on mountain and hill farming and farming in certain less-favoured areas

Proposal for a Council Regulation amending Regulation (EEC) No 355/77 on common measures to improve the conditions under which agricultural products are processed and marketed

(submitted to the Council by the Commission)

COM(82) 440 final.

### EXPLANATORY MEMORANDUM

Com UNO

1. The agricultural situation in the Greek regions is largely comparable with that in other regions of the Community which qualify for special conditions as regards Community financial help. The special conditions should therefore be made available for Greece as well, as regards certain measures indispensable for the country's agricultural development. This involves amending the conditions of application, including the rate of the EAGGF contribution, of Directive 75/268/EEC on mountain and hill farming and farming in certain less-favoured areas and Regulation (EEC) No 355/77 on common measures to improve the conditions under which agricultural products are processed and marketed.

## 2. Special conditions for application of Directive 75/268/EEC in Greece

In view of the large number of very small holdings in Greece's lessfavoured areas, the objectives in view require, first of all, that the minimum area of a holding, for it to qualify for the compensatory allowance, be reduced from three to two hectares. The Council has already agreed to this for the Mezzogiorno and for the French Overseas Departments. (1)

In addition, the inadequate financial resources available in Greece may mean that full use is not made of the opportunities offered by the Directive as regards investment aid for/with development plans, the compensatory allowance and aid to joint investments in fodder production and grazing land.

In order to enable Greece to fix these aids at an appropriate level, it should be proposed that the Community contribution be increased from 25 % to 50 %.

(1) Council Directive 80/666/EEC of 24 June 1980 amending Directive 75/268/EEC on mountain and hill farming and farming in certain less-favoured areas.

# 3. <u>Special conditions for application of Regulation (EEC) No 355/77</u> <u>in Greece</u>.

In certain parts of Greece further development and rationalisation of the arrangements for the processing and marketing of agricultural produce are badly needed. Progress in this area is therefore of vital interest for the agricultural economy and indeed the general economy of these regions, where farming stillplays a very important role.

2.-

Throughout Greece, except in Greater Athens, a very high proportion of the labour force works on the land, a situation which hampers any improvement of farm structures, while facilities for processing and marketing agricultural produce are quite inadequate.

Expansion and rationalisation of these facilities should bring substantial benefits to all sectors from the farmer to the consumer : efficient processing and marketing structures would not only allow outlets for agriculture to be expanded and rationalized but would also enable production to be guided. Inefficient marketing and processing structures would tend to neutralize the production guidance effects sought by certain measures adopted under policy on structures and in particular by "common measures" adopted for these regions, for they would be bound to inhibit production as well.

However, no scheme to rationalize and develop economic activity in these regions can succeed unless certain local characteristics are taken into account. In particular the lack of dynamism and difficulties in financing discourage the launching of worthwhile projects. The Commission therefore considers that these regions must qualify for the same incentives as those laid down for the Italian Mezzogiorno by Regulation (EEC) No 355/77 on common measures to improve the conditions under which agricultural products are processed and marketed (1), as amended by Regulation (EEC) No 1361/78 (2).

(1) OJ L 51, 23.2.1977
(2) OJ L 166, 23.6.1978

### 4. Financial implications

The extra cost in applying Directive 75/268/EEC over the five-year period 1980-84 is estimated at 61 million ECU, and for Regulation (EEC) No 355/77 at 32 million ECU. The Council's decision to cease financing veterinary measures under the EAGGF from 1983 leaves a sum of 99 million ECU unused in the current balance of the total 5-year EAGGF Guidance Section appropriation. The likely financial implications of these proposals should not therefore give rise to any major problems of exceeding the current ceiling.

For information, the amount of EAGGF Guidance Section appropriations so far drawn down is annexed.

Proposal for a Directive amending Directive 75/268/EEC on mountain and hill farming and farming in certain less-favoured areas.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 42 and 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas in the Regions of Greece the minimum of three hectares for the utilized agricultural area of farms qualifying for the compensatory allowance provided for in Title II of Council Directive 75/268/EEC (1), as last amended by Directive 80/666/EEC (2), is too high in view of the large number of very small holdings; whereas the minimum should be reduces to two hectares;

Whereas in the less-favoured agricultural areas of the Regions of Greece within the meaning of Directive 75/268/EEC the rate of reimbursement of 25 % of eligible expenditure in respect of incentives for farmers who submit a development plan, provided for in Article 15 of the Directive, does not appear sufficient for effective application of the measures for the modernization of farms provided for in Council Directive 72/159/EEC(3); whereas the rate should therefore be fixed at 50%;

Whereas the measures provided for in Article 11 of Directive 75/268/EEC are of particular importance in the regions of Greece; whereas the rate of reimbursement of relevant expenditure does not appear sufficient to permit application of those measures; whereas the rate of reimbursement should therefore be fixed at 50 % and the maximum Community contribution at 48 358 ECU per joint investment scheme and 242 ECU per hectare of pasture or mountain grazing land improved or provided with equipment;

(1) OJ NO L 128, 19.5.1975, p. 1
(2) OJ NO L 180, 14.7.1980, p. 34
(3) OJ NO L 96, 23.4.1972, p. 1

Whereas in Greece the rate of reimbursement of 25 % of eligible expenditure in respect of the compensatory allowance, provided for in Article 15 of Directive 75/268/EEC, does not appear sufficient to permit effective application of that measure; whereas the rate should therefore be fixed at 50 %,

HAS ADOPTED THIS DIRECTIVE :

### Article 1

Directive 75/268/EEC is hereby amended as follows :

- 1. The second subparagraph of Article 6(1) is replaced by the following: "However, in the Mezzogiorno, including the islands, in the overseas departments and in the regions of Greece the minimum utilized agricultural area per holding shall be two hectares."
- 2. The last subparagraph of Article 7(1)(a) is replaced by the following :
  - "The foregoing two subparagraphs do not apply in the hill areas of Italy and Greece which form part of the areas referred to in Article 3(4) and (5)."

3. The second subparagraph of Article 15(1) is replaced by the following: "In the Mezzogiorno, including the islands, in the Western region of Ireland and in the regions of Greece the rate of reimbursement for expenditure incurred in respect of measures taken under Articles 8(2) and 10 of Directive 72/159/EEC, as supplemented by Article 9 of this Directive, shall be 50 %.

In the Mezzogiorno, including the islands and in the regions of Greece, the rate of reimbursement for expenditure in respect of measures taken under Article 11 shall be 50 %."

4. The second subparagraph of Article 15(2) is replaced by the following:

"In the Mezzogiorno, including the islands, and in the egions of Greece the Community contribution to eligible expenditure in respect of the aid provided for in Article 11 may not exceed 48.358 ECU per joint investment scheme and 242 ECU per hectare of pasture or mountain grazing land improved or provided with equipment."

5. The second subparagraph of Article 15(3) is replaced by the following: "In Italy, Ireland and the egions of Greece the rate of reimbursement shall be 50 %."

### Article 2

The amendements provided for in Article 1(1) shall take effect from 1 January 1982.

### Article 3

This Directive is adressed to the Member States.

Done at Brussels,

For the Council,

FINANCIAL ST	ATEMENT				,	
•	- 	Date : 14.06.82				
Articles 410 (F BUDGET MEADING : and 420 E	Preliminary dra Budget 1983)	ft APPR	OPRIATIO	NS .CA/PA : 12 CA/AP : 18	87/136 mil 80 million	
and hill farming and	ive amending C farming in cer	ouncil Dire tain less-	ective 7 favoured	5/268/EEC on areas.	mountain	
3. LEGAL BASIS : Article 6 of Re	egulation (EEC)	n0 729/70	en dinata		in an	
4. AIMS OF PROJECT: To extend to G reimbursement	preece the same as apply to It				ind	
5. FINANCIAL IMPLICATIONS 5. 0 EXPENDITURE	PERIOD OF 12 MONTHS	CURRENT FINAL	NCIAL YEAR	FOLLOWING FINANC	IAL YEAR	
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) - NATIONAL ADMINISTRATION		- 20		+ 27 - 25		
- OTHER 5.1 RECEIPTS - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL						
	1984	1985	1986	1987		
0.1 ESTIMATED EXPENDITURE 0.1.1 ESTIMATED RECEIPTS	34	40	39	39		
5.2 RETHOD OF CALCULATION See ann	ex-					
· · · · · · · · · · · · · · · · · · ·			· · · ·			
	•			•		
.0 CAN THE PROJECT BE FINANCED FROM	ENTERED I	N THE RELEVANT	CHAPTER OF	THE CURRENT BUDGE	T? YES/XX	
.1 CAN THE PROJECT BE FINANCED BY TRANS	FER BETHEEN CHAPTERS	OF THE CURRENT	BUDGET ?	zan mainaina kata kata kata kata kata kata kata ka	<b>XR</b> ¥XX	
.2 IS A SUPPLEMENTARY BUDGET NECESSA	RY ?				XESYNO	
.3 WILL FUTURE BUDGET APPROFRIATIONS	NECESSARY ?	27 BOILT SCH an Antonio VII Cardination State Ann		ala - La Aontoine - La Aont	, ves/XXX	
BSERVATIONS : See annex						

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### ANNEX

### I. Method of calculation

- Reducing the minimum area eligible for the compensatory allowance should increase the overall cost of allowances by 8 %.
- 2. The expenditure to be financed under Article 410 of the budget depends on the plans approved in 1982 and 1983 because Directive 72/159/EEC has been extended only until the end of 1983. Expendditure to be financed under Article 420, however, has no timelimit.
- 3. The estimated cost of the measures resulting from the application of Directive 75/268/EEC under present circumstances, compared with the cost after the proposed amendment, is as follows :

•				ан сан сан сан сан сан сан сан сан сан с	in mi	Llion E	CU	
			<u>1982</u>	1983	1984	1985	1986	1987
(i)	Total cost				•			· ·
	before amendment	: Art. 410	-	8	7	6	5	
		Art. 420	, 93	111	130	130	130	ан ал .•
•		Total	93	119	137	136	135	· ·
•	after amendment	: Art. 410		8	7	6	5	•
• •	an a	Art. 420	100	120	140	140	140	
•* • • •	•	Total	100	128	147	146	145	•
(ii)	Cost to Greece	· .	•	,	e <sup>dan</sup> ar			•
	Before (75 %)		70	89	103	102	101	
	After (50 %)		50	64	74	73	73	
•	Difference	· · · · ·	- 20	- 25	- 29	- 29	- 28	•
(iii)	Cost to EAGGF			р <sub>.</sub>	1. 1		· · ·	•
-	Before (25 %)			23	30	34	34	34
	After (50 %)			50	64	74	73	73
•.	Difference			+ 27	+ 34	+ 40	+ 39	+ 39

Proposal for a Council Regulation amending Regulation (EEC) No 355/77 on common measures to improve the conditions under which agricultural products are processed and marketed.

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### THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 42 and 43 thereof,

Having regard to the proposal from the Commission (1),

Having regard to the opinion of the European Parliament (2),

Whereas the marketing and processing of agricultural products are inadequately developed and often inefficient in all areas of the Hellenic Republic, with the exception of Greater Athens; whereas the development of these activities and the improvement of the conditions under which they are carried on is of vital importance to the agricultural economy and indeed to the general economy of these regions, in which agriculture is a basic activity; whereas such an improvement would serve not only to increase and rationalize outlets for agriculture but would also play an important part in directing and adjusting agricultural production in line with market requirements; whereas it would thus facilitate attainment of the objectives of the other common measures peculiar to the regions under consideration;

Whereas, in particular on account of the slow development of the economy in general and the difficulties of a financial nature, economic measures relating to the processing and marketing of agricultural products can be stimulated in these regions of the Hellenic Republic only by a particularly intensive effort;

(1) OJ No (2) OJ No Whereas the conditions laid down in Council Regulation (EEC) No 355/77(1) amended by Regulation (EEC) No (2), are determined by reference to the situation of agriculture in the regions;

Whereas the conditions at present laid down do not make it possible to overcome the serious obstacles encountered by any economic measures in these regions of the Hellenic Republic;

Whereas, therefore, the conditions laid down in the said Regulation should be adjusted in order to correspond more closely to the situation in these regions; whereas, in particular, the granting of greater amounts of aid and a higher rate of contribution by the European Agricultural Guidance and Guarantee Fund, Guidance Section, may provide adequate encouragement for economic activities in these regions,

HAS ADOPTED THIS REGULATION :

### Article 1

Regulation (EEC) No 355/77 is hereby amended as follows:

1. The last sentence of Article 16(3) is replaced by the following: "The estimated cost for 1983 is 156 million ECU."

(1) OJ NO L 51, 23.2.1977, p. 1
(2) OJ NO

2. Article 17a(1)(a) and (b) is replaced by the following:

"Article 17a

By way of derogation from Article 17 (2) :

(a) the financial contribution of the recipient must be at least :

- 25 % in the case od projects carried out in the Mezzogiorno and in all areas of the Hellenic Republic with the exception of Greater Athens;
- 35 % in the case of projects carried out in Languedoc-Roussillon and projects concerning wine carried out in the departments of Vaucluse, Bouche-du-Rhône, Var, Ardèche and Drôme;
- b) the aid granted by the Fund shall not exceed :
  - 50 % for projects carried out in the Mezzogiorno and in all areas of the Hellenic Republic, with the exception of Greater Athens;
  - 35 % for projects carried out in Languedoc-Roussillon and projects concerning wine carried out in the departments of Vaucluse, Bouches-du-Rhône, Var, Ardèche and Drôme."

### Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

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

Done at Brussels,

For the Council The President

- 3 -

### FINANCIAL STATEMENT

Date : 14.06.82

1. BUDGET HEADING : 4014 (Preliminary draft budget 1983)

والمحمول المالية والمتحدث فكالمتحدث والمتحد المحمد فالمحالة فقار

APPROBIATIONS :CA : 18 million EC

XXXXXX

XXXXXX

YES/XX

2. TITLE: Proposal for a Council Regulation (EEC) amending Council Regulation (EEC) No 355/77 of 15 February 1977 on common measures to improve the conditions under which agricultural products are processed and marketed.

3. LEGAL BASIS : Article 43 of the Treaty

4. AIMS OF PROJECT: To extend to Greece the aid conditions laid down for Italy.

<ul> <li>S. FINANCIAL IMPLICATIONS</li> <li>S. D EXPENDITURE <ul> <li>CHARGED TO THE EC BUDGET</li> <li>(REFUNDS/INTERVENTIONS)</li> <li>NATIONAL ADMINISTRATION</li> <li>OTHER</li> </ul> </li> <li>S.1 RECEIPTS <ul> <li>OWN RESOURCES OF THE EC</li> <li>(LEVIES/CUSTOMS DUTIES)</li> <li>NATIONAL</li> </ul> </li> </ul>	PERI	00 0	DF 1	2 MON1	HS.	CURRENT		YEAR	(Appro comm	itme nil	83,	-
5.0.1 ESTIMATED EXPENDITURE . 5.1.1 ESTIMATED RECEIPTS						, 						-

5.2 METHOD OF CALCULATION

The supplementary amount of 16 million ECU is based on the increase in the appropriations earmarked for Regulation 355/77 to take account of the accession of Greece, assuming that almost 90 % of the projects aided in Greece will be in areas qualifying for aid at the rate of 50 %.

6.3 WILL FUTURE BUDGET APPROBIATIONS BE NECESSARY ?

OBSERVATIONS :	Paymer	nts shou	uld be	as follo			, ( <u>, , , , , , , , , , , , , , , , , , </u>		فذفانية كالسباب	
	<u>1983</u>	<u>1984</u>	<u>1985</u>	1986	<u>1987</u>	•	•	· · · ·		 * 3
	0,8	0,4	4,8	4,0	2,4	million	ECU	•		•

•	COMMITMENTS		
FIRST FIVE-YEAR PERIOD	- JARUARY 1980	TO DECEMBER	1984

	FIRST FIV	E-YEAR PERIOD	- JAHUARY 198	D TO DECEMBER	1984		Э	
Somenclature 1982	Ti ti •		<u>Commit</u>	provisional	1	eable commitments	· · · · · · · · · · · · · · · · · · ·	Five-year total
			1950	1981	1932	1983	1954	87-94
CHAP. 30	PROJECTS FOR INPROVING AGRICULTURAL STRUCTURES		139,6	154,6	148	.148	148	738,2
300	individual projects	Reg1.17/64				-		
3010	Narketing and processing projects	R. 355/77	82,4	98,5	98	98	98	474,9
3011	Applic. 355 to Mezzaglurno & South of France	R. 1351/73	49,5	47,7	42	42	42	223,2
3012 ·	Applic. 355 to West of Ireland	R. 182C/SC	7,7	8,4	8	8 ,	8	40,1
CHAP.31	GENERAL SOCIO-STRUCTURAL MEASURES		92,5	116,0	118,1	1/1 1		
310	Rodernization of farms	Dir.72/153	86,5	110,4		141,1	153,1	620,8
311	Cessation of familing	Dir.72/160	0,7	0,7	112,5	133,8	144,5	587,7
312	, Socie-economic measure	Dir.72/181	5,3	4,9	4,4	5,8	1,8 6,8	5,9 27,2
CHAP. 32	NEASURES FOR LESS-FAVOURED REGIONS		210,4	260,9	355,8	378,8	360,2	1.566,1
320	Direct. soundain hill and less-favoured areas	Dir.75/252	88,7	106,7	150,8	153	162	661,2
3210	Hediterranean forestry programme	R. 269/79	33,3	44,3	56,6	40	9,8	184,0
3211 3220	Nediterraneam imfrastructure programme Technical advisers in Italy	· R. 17EC/7E	29,0	28,7	32,9	25	9,4	125.0
3221	Rezzoglarno Irrigation programme	R. 270/79 R. 1352/78	47,8	53,4	p.m. 56,3	0,2	0,3	0,5
3222	Cattle-farming in Italy programme	R. 1944/81		,	p.m.	4,8	48,5	260,0 19,8
3230	Vine-growing programme South of France	Dir.78/527	5,5	7,9	8,5	17,6	10	49,5
3231	Irrigation programme in Consica	D1r.79/173	-	1,2	1,1	2,5	2,5	7,3
3232 3233	Programme against fleoding Hérault Vine-groving programme Charentes	01r.73/174	-	-	p.m.	p.m.	p.m.	p.m.
3234	Integrated programme Lezère	Dir.73/353 R. 1940/21	2,4	3,9	3,8	3,2	p.m.	13,3
3235	Overseas departments programme	Dir. 91/27	-		0,2 1,5	0,5	2,0	2,7
3240 .	Orainage programme ireland Reg. 2195	· Dir./c/s25	3,7	9,3	8,5	11,5	17	23,5
3241	Drainage programme ireland/Northern ireland	D1r.79/197	-	-	p.m.	p.m.	p.m.	p.p.
3242 3243	Programme West of Ireland Meat programme, ireland/Northern ireland	R. 1520/60 R. 1054/20	-	3,9	17,7	23,8	20	65,4
3244	Vaterinary operation, Ireland	R. 1055/31			5,0	10	8,5	23,5
325	Sheepfarming programme, Greenland	R. 1221/30	-	_	0,5	0,5	-	-
3260	Integrated programme, Western Islands	R. 1933/51	-	-	p.m.	1,6	0,7	1.7
3861 5262	Beaf/veal programme, Northern Ireland Cereal projects, Northern Ireland	R. 1942/51	-	-	p.m.	4,1	3,2	4,8
327	Integrate proyects, Northern Ireland Integrate proyects, South-East Belgius	R. 1343/21 R. 1341/41	-	1,6	1,4	1,5	1,5	6
328	Infrastructure programme, FRG	R. 1939/81		\ <b>\</b>	2 9,0	13		4
12 B 11 9	Programme, Greece	Proposition	d -	· -	-	6	5 28	27
СНДР.33	STRUCTURAL OPERATIONS LINKED TO MARKETS		133,1	129,1	153,4	107,9	87,6	611,1
3100	Producers' groups Kop producers' groups	R. 1300/78	-	0	1,0	1,0	2,0	4,0
3301 3302	Fruit and vetetable producers' groups	R. 1895/71 R. 1035/72	0,1	0+	p.m.	p.m	p.m.	0,1
3303	Potate producers! groups	Proposition	1	1,1	2,60 p.m.	1,6 p.m.	1,6	8,6
3304	Cotton producers' groups	R. 389/82	) <i>-</i>		-	2,5	p.m. 2,7	p.m. 5,2
3311	Sect presius	R. 1353/73	1,3	o+	0,1	p.m.	p.m.	1,4
3312	Nilk non-marketing	R. 1072/77	82,3	87,1	63,1	61,4	31,1	325
3313	Cattle disease eradication	Dir.77/391	31,6	21,0	23,0	-	-	73,6
3314	Dairy-faming cossation promium Svine fever eradication	Proposition		-	-	-	-	-
3315 3320	Vineyard conversion presium	et 80/1097 R. 1153/75	10,1	11,1	p.m. 13,9	-		-
3321	Promium for abandoneent of wine-growing	R. 455/50	-	2	17,0	p.m. 20,1	p.m. 20	35,1 59,1
3322	Prealum for cossation of wine-growing	R. 457/20	-		0,3	0,5	20 0,8	1,6
3323	Collective restructuring of vineyards	R. 458/EQ	-	-	27,5	16	25	68,5
3330	Citrus fruit plan	R. 2511/69	6,0	5	4,8	4,8	4,4	25
3332	Reorganization of fruit production	<b>R. 7</b> 94/76	-	1,8	0,1	p.m.	. p.m.	1,9
CHAP. 46	STRUCTURAL OPERATIONS FOR FISHERIES		15,3	19,4	25,2	27,2	32,7	119,8
460 461	Interim measure and fisheries structures preposa Fish producers' group	1	15,2 <sup>°</sup> 0,1	19,3 0,1	25,0 0,2	27,0 0,2	32,5 0,2	119_0 0,8
	TOTAL BUIDANCE		590,9	680	800,5	803,-	781,6	3.656,0

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9.7.1982