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## R E P O R T

of the Committee on Agriculture, Fisheries and Rural  
Development

on the Commission proposal for a Council regulation amending  
Regulation (EEC) No. 458/80 on collective projects for the  
restructuring of vineyards  
(COM(90) 0382 final - C3-0309/90)

Rapporteur: **Mr Juan Luis COLINO SALAMANCA**

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Adopted pursuant to Rule 116(2) of the Rules of Procedure

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Or. IT  
(Consultations)

A Series: Reports - B Series: Motions for Resolutions, Oral Questions - C Series: Documents received from other Institutions



= Consultation procedure requiring a single reading

= Cooperation procedure (second reading) which requires the votes of a majority of the current  
Members of Parliament for rejection or amendment

= Cooperation procedure (first reading)

= Parliamentary assent which requires the votes of a majority of the current Members of  
Parliament

C O N T E N T S

	<u>Page</u>
Procedural page . . . . .	3
A. DRAFT LEGISLATIVE RESOLUTION . . . . .	4
B. EXPLANATORY STATEMENT. . . . .	5
Opinion of the Committee on Budgetary Control . . . . .	6

By letter of 1 October 1990, the Council consulted the European Parliament, pursuant to Article 43 of the Treaty, on the proposal from the Commission to the Council for a regulation amending Regulation (EEC) No. 458/80 on collective projects for the restructuring of vineyards.

At the sitting of 8 October 1990 the President of Parliament announced that he had referred this proposal to the Committee on Agriculture, Fisheries and Rural Development as the committee responsible and to the Committee on Budgetary Control for its opinion.

At its meeting of 15-16 October 1990, the Committee on Agriculture decide to apply the simplified procedure under Rule 116(2); the chairman was thus deemed to have been appointed rapporteur.

Having received fewer than four objections by 21 November 1990, the chairman declared the report adopted. The opinion of the Committee on Budgetary Control is attached to this report.

The report was tabled on 22 November 1990.

The deadline for tabling amendments will appear on the draft agenda for the part-session at which the report is to be considered.

A  
DRAFT LEGISLATIVE RESOLUTION

embodying the opinion of the European Parliament on the  
Commission proposal for a Council regulation amending  
Regulation (EEC) No. 458/80 on collective projects  
for the restructuring of vineyards

The European Parliament,

- having regard to the Commission proposal to the Council (COM(90) 382 final)<sup>1</sup>,
  - having been consulted by the Council pursuant to Article 43 of the Treaty (C3-309/90),
  - having regard to the report of the Committee on Agriculture, Fisheries and Rural Development and the opinion of the Committee on Budgetary Control (A3-0323/90),
1. Approves the Commission proposal in accordance with the vote thereon;
  2. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
  3. Asks to be consulted again should the Council intend to make substantial modifications to the Commission proposal;
  4. Instructs its President to forward this opinion to the Council and Commission.

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<sup>1</sup> OJ No. C 245, 29.9.1990, p. 14

B

EXPLANATORY STATEMENT

The common measure for the restructuring of vineyards was not implemented fully in certain cases as certain projects were abandoned for various reasons before they were finished. This proposal would make it possible for funds already allocated to unfinished projects to be transferred to other projects.

The proposal does not involve any change in the overall funds already agreed nor in existing rules and regulations. The Committee on Agriculture approves it, therefore, since it makes the common measure more flexible and facilitates the achievement of the stated objective of improving the quality of Community vineyards.

O P I N I O N

(Rule 120 of the Rules of Procedure)

of the Committee on Budgetary Control  
for the Committee on Agriculture, Fisheries and Rural Development  
Draftsman: Mr Hans-Günter SCHODRUCH

At its meeting of 29/30 October 1990 the Committee on Budgetary Control appointed Mr Schodruch draftsman.

At its meeting of 29/30 October 1990 it considered the draft opinion and adopted the conclusions as a whole unanimously.

The following took part in the vote: Price, chairman; Wynn and Blak, vice-chairmen; Schodruch, draftsman; Dalsass (for Langes), Goedmakers, Holzfuß, Iversen, Kellett-Bowman, Sarlis, Simons (for Wettig), Theato and Tomlinson.

### Context of and motives for the regulation

Many of the projects authorized in Regulation No. 458/80 to improve the structure of vineyards (rationalizing labour, raising incomes and promoting improved quality) were not able to be implemented, especially in France. This is also true of Italy and Spain, which country only began the measures in 1988. There are many reasons for this: as well as the usual difficulties experienced in planning and implementing structural measures, which call for a high degree of coordination and cooperation on the part of local, national and Community authorities, in some cases the beneficiaries' own contribution was not made available. In addition, the wine-growers in the Languedoc-Roussillon area, whose restructuring was still covered by Directive 78/627, only received the funds made available by Regulation 458/80 in 1985, and then only for small vineyards, because the appropriation was inadequate. In the Loire Valley, on the other hand, very little use was made of the funds. A further reason was the nature of the direct measure, which did not allow the Commission to monitor and administer the projects in detail, particularly as many individual projects were submitted and authorized without the overall cohesion which would have been necessary.

### State of implementation of the measures under Regulation 458/80 as of December 1988 (1 000 Ecu)

	Reimbursements paid	Reimbursements including advances	Commitments
France	21 903	28 477	91 393
Spain	3 032	6 683	26 799
Italy	4 811	4 811	17 747
Germany	3 819	3 819	6 682
		43 790	142 621

Now that the Regulation has been in force for ten years, and since many projects, amounting in all to 98 831 million ECU, have either not been implemented or have been abandoned, France - and also Spain and the FRG - would like the appropriations corresponding to the commitments to be used for other projects which have a greater chance of being implemented.

In response to a request from the French Government, the Council agreed in the context of the 1990/1991 price package on a procedure, which the Commission is now submitting in the form of this proposal for a regulation.

### Substance of the proposal

The purpose of inserting the new Article 11a is to allow the aid allocated to projects which cannot be carried out before the end of the implementation deadline to be transferred to other projects, provided these improve production quality and limit the production yields of the vineyards which are

restructured. At the same time, this introduces a new criterion over and above the present text of Regulation 458/80, in that it requires the yield to be limited. This criterion meets the requirements of the present situation in that unsaleable wine surpluses are increasing all the time. Stocks rose from 2 892 000 hl in 1988 to 3 381 700 hl as of 30 September 1989, and the book value of the alcohol stocks could only be brought down to 37 million ECU by a depreciation adjustment of 352 million ECU.

#### Assessment of the proposal

##### (a) Probable effects on the limitation of wine production

The total area of the French wine-growing territory intended for restructuring at the beginning of the implementation of the projects authorized in Regulation 458/80 was 30 000 ha (out of a total of 900 000 ha). It can be assumed that the projects submitted in connection with the proposed amendment to the Regulation would only be completed in approximately 20 years' time. Because of its long-term nature and the small size of the area involved, the restructuring measure could not have any significant impact on production levels or the problem of wine surpluses, either in the foreseeable future or, indeed, at any time. Furthermore, the criteria governing the amendment do not expressly provide for an improvement in quality. It is doubtful therefore whether this measure would have any significant impact on the budget in the case of wine products, although this does not mean that doubt is being cast on the general principle of structural measures. It would be far more effective to provide funding for the abandonment of more vineyards (in accordance with Regulation 777/85). It should also be noted in this context that the total aid (from the Community and the Member States) amounted on average to only 27% of total investment, with the Community contribution amounting to 8% (30% of the amount eligible for subsidization).

##### (b) Budgetary control aspects

The words 'may transfer to other projects the Community aid granted to projects' are intended to circumvent the mechanism of cancellation of commitments and lapsing of appropriations. Article 7(6) of the Financial Regulation does, however, allow commitment appropriations to be made available again, provided it is essential to carry out the programme originally planned, which is doubtful in this case, for the above reasons. Even in this case the cancellation of the commitment cannot remain valid for years on end (which would, however, be necessary, given the technical difficulty of the process of release of funds by recipients); a new commitment has to be made within a few months. The proposal for a regulation, which aims at cancellation of commitments, which is in fact compulsory, and recommitment by a process of earmarking commitment appropriations for other projects, therefore runs counter to essential principles underlying the reform of the Financial Regulation and of the Structural Funds. There is a danger that this will bring back the old problem of 'sleeping commitments'.

Reference should also be made to Article 1(7) of the Financial Regulation, which requires a time-limit for implementation for projects extending over more than one financial year to be provided for and specified to the recipient. This should be provided for in the implementing regulation in any case.

(c) Remarks on the administration of the measures

Since the services responsible for evaluating suitable projects were abolished in the reform of the Structural Funds, it is planned that projects covered by the proposed amendment will be continued as 'indirect' measures, i.e. selection, assessment and authorization of projects will be the job of the Member States, with the Commission simply being notified and checking retrospectively that the projects implemented comply with the aims of the amended regulation. This therefore means that, contrary to former practice, the Commission will no longer be responsible for selecting, evaluating and authorizing projects, which, while it follows the usual practice on structural projects of this kind, nevertheless raises questions about the measures being reliably implemented, given the controls formerly carried out. In order to ensure that the progress of realization is monitored, as stipulated in Article 2 of the Financial Regulation, the Implementing regulation must provide for suitable controls, including accompanying ones.

On the basis of these considerations, the Committee on Budgetary Control requests the Committee on Agriculture, Fisheries and Rural Development to incorporate the following amendment in its report:

**Commission text**

**Amendment**

(Amendment No. 1)

Article 11a

1. In order to improve the degree to which the common measure is implemented, Member States may transfer to other projects the Community aid granted to projects which cannot be completely carried out before the end of the implementation deadline provided that these improve production quality and limit production yields of vineyards restructured.

2. In accordance with the procedure laid down in Article 29 of Council Regulation (EEC) No. 4253/88\*, the Commission shall adopt the detailed rules for applying paragraph 1.

1. In order to improve the degree to which the common measure is implemented, Member States may transfer to other projects the Community aid granted to projects which cannot be completely carried out before the end of the implementation deadline provided that these improve production quality and limit production yields of vineyards restructured.

2. In accordance with the procedure laid down in Article 29 of Council Regulation (EEC) No. 4253/88\*, the Commission shall adopt the detailed rules for applying paragraph 1, specifying in particular a binding time limit for completion of the measures in their entirety in accordance with the terms of this Regulation, and procedures for accompanying monitoring and final evaluation of the projects

\* OJ No. L 374, 31.12.1988, p.1

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