

COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNICATION FROM THE COMMISSION

OBJECTIVE 5(a)

Indicative breakdown by Member State of commitment appropriations
from the Structural Funds

THE COMMISSION OF THE EUROPEAN COMMUNITY

informs

**the COUNCIL,
the EUROPEAN PARLIAMENT and
the COMMITTEE OF THE REGIONS**

- of its Decision of 26 April 1994 No 94/279/EC, published in OJ No L 120 of 11.5.94, p. 50, establishing the indicative allocation by Member State of the commitment appropriations from the Structural Funds for the agricultural part of Objective 5(a) except for those fields covered by Objective 1 as defined in Council Regulation (EEC) No 2052/88 for the period 1994-99.
- This Decision was notified to the Member States on 28 April 1994.
- An explanatory note is attached for information.

OBJECTIVE 5(a)

Indicative breakdown by Member State of commitment appropriations from the Structural Funds

1. Introduction

Article 12(4) of Regulation (EEC) No 2052/88 as amended states that "Objective 5(a) except for those fields covered by Objective 1 shall receive an allocation based principally on continuity related to the degree of utilization of resources during the preceding programming period and on the specific structural needs of agriculture and fisheries as they are perceived."

2. Total available funds

On 21 December 1993 the Commission decided on the breakdown of appropriations from the Structural Funds between Objectives 2 to 5. The funds for Objective 5(a) for agriculture, except for those fields covered by Objective 1, amount to ECU 5 285 million at 1992 prices, or ECU 5 597 million at 1994 prices. They break down into two subtotals as follows:

- Objective 5(a) except for those fields covered by Objectives 1 and 5(b): ECU 3 200 million at 1992 prices, or ECU 3 389 million at 1994 prices,
- Objective 5(a) in 5(b) areas: ECU 2 085 million at 1992 prices, or ECU 2 208 million at 1994 prices.

It was necessary to break the appropriations down into two subtotals to show in budgetary terms the difference in the way the European Council treated the two sub-objectives. Commitments for Objective 5(a) except for those regions covered by Objectives 1 and 5(b) should not increase in real terms whereas commitments in 5(b) areas could rise.

The allocation by Member State is carried out on the basis of the overall amounts for that Objective (in 5(b) areas and outside regions covered by Objectives 1 and 5(b)), as provided for moreover in Article 12(4) of the abovementioned Regulation. After the 8% for Community initiatives is deducted, the amount actually available is ECU 5 149 million at 1994 prices. However, ECU 518 million must be set aside for certain measures undertaken in 1993 on the basis of the former financing system (estimated at ECU 418 million) and to take account of specific circumstances which may arise during consideration of the financial estimates to be presented by the Member States, in particular following the review of Regulation (EEC) No 2328/91 which the Council undertook to conduct in 1994. The remaining amount, i.e. ECU 4 631 million expressed in terms of commitment appropriations for the period 1994-99, breaks down as follows:

(ECU million at 1994 prices)

B	170
DK	127
D	1 068
E	326
F	1 742
I	680
L	39
NL	118
UK	361
TOTAL	4 631

3. Method applied

The principles for allocating the appropriations as set out in Article 12(4) of Regulation (EEC) No 2052/88 as amended were reiterated in the introduction. It should be pointed out here that Objective 5(a) measures have one basic characteristic, namely continuity. As a consequence, the approach followed was:

- firstly to allocate to each Member State an amount corresponding to the continuation over six years of average annual expenditure recorded during the period 1991-93; this is in line with the desire to ensure continuity of measures under Objective 5(a). 1991-93 is the period during which the commitments under Objective 5(a) got fully under way after the 1988 reform of the Funds and it is therefore a representative reference. The total amount thus allocated amounts to ECU 4 255 million;
- to allocate the rest, i.e. ECU 376 million, on the basis of two socio-structural indicators characteristic of agriculture, namely employment (social dimension) and value added (economic dimension). The abovementioned amount is broken down into equal shares using the allocation formula for each indicator.

The statistics used are the number of annual work units (AWU) in agriculture and gross value added at market prices in agriculture. The data used come from statistics compiled by EUROSTAT. However, as certain figures are missing, the best estimates are given for AWU in the Netherlands and the United Kingdom and value added in Belgium, Spain and the United Kingdom (except for Objective 1 regions).

The calculations for the above are given in the Annex.

OBJECTIVE 5(A) APPROPRIATIONS (EXCLUDING OBJECTIVE 1)
1994-99

(ECU million at 1994 prices)

Member State	Average expenditure 1991-1993	Historical key	Continuation over 6 years	Employment in agriculture (1.000 AWU)	Key for employment	Breakdown of ECU 188m	Gross value added in agriculture (ECUm)	Key for gross value added	Breakdown of ECU 188m	Total allocated
1	2	3=2 as %	4=2x6 yrs	5	6= 5 as %	7	8	9=8 as %	10	9=4+7+10
B	26,8	3,78%	161	89	1,90%	4	2.259	2,77%	5	170
DK	19,0	2,68%	114	114	2,43%	5	3.465	4,25%	8	127
D	166,8	23,52%	1.001	851	18,14%	34	14.298	17,52%	33	1.068
ES	51,1	7,21%	307	305	6,50%	12	3.067	3,76%	7	326
F	270,4	38,13%	1.622	1.453	30,98%	58	26.758	32,79%	62	1.742
I	99,2	13,99%	595	1.175	25,05%	47	16.438	20,15%	38	680
L	6,4	0,90%	38	7	0,15%	0	117	0,14%	0	39
NL	15,6	2,20%	94	227	4,84%	9	6.796	8,33%	16	118
UK	53,8	7,59%	323	469	10,00%	19	8.396	10,29%	19	361
TO-TAL	709,1	100,00%	4.255	4.690	100,00%	188	81.594	100,00	188	4.631

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