

Supplement to

# **BULLETIN**

of the European Economic Community

**No. 3 — 1965**

EXECUTIVE SECRETARIAT OF THE COMMISSION  
OF THE EUROPEAN ECONOMIC COMMUNITY

## Contents

	Page
Proposal for a Council regulation relating to a common definition of the origin of goods.	2
Proposal for a Council directive concerning application by the Member States of their legislation on agricultural leases to farmers who are nationals of other Member States.	11
Proposal for a Council directive concerning the freedom of farmers who are nationals of a Member State established in another Member State to transfer from one farm to another.	12
Proposal for a Council regulation to render more effective the action of the European Social Fund.	14
Proposal for a Council regulation concerning Community grants towards the retraining of farmers wishing to change their occupation within agriculture.	23
Proposal for a Council regulation concerning Community grants towards the training of advisers to staff information services for farmers and farmworkers wishing to change their occupation.	27

# Proposal for a Council regulation relating to a common definition of the origin of goods

(submitted by the Commission to the Council on 29 December 1964)

## Explanatory memorandum

A common concept of origin;  
its scope and purpose

1. Despite the progress made in standardization and liberalization in international trade, especially thanks to GATT and OEEC, no country in the world treats goods imported from all other countries in a uniform manner. National commercial policies lead either to differentiated tariff protection (autonomous, conventional or preferential customs duties, general tariff duties) or to selective application of other measures such as embargoes, quotas, exchange controls, etc.

Such measures are aimed at the products of a particular country or group of countries. To make them effective it must be possible to apply them to all the goods concerned and only those goods. But this calls for precise determination of the origin of imported goods. It is also necessary to determine origin in applying other import measures such as those relating to the protection of human and animal health and the compilation of foreign trade statistics.

2. Notwithstanding the efforts of various international organizations, there is still no definition of the origin of goods on the international plane. The Member States of the Community still apply quite different rules, dictated by their own needs and their policies on trade with non-member countries.

3. The Community has undertaken to build up a common commercial policy and, as part of this work, measures have already been taken to combine the autonomous duties in the common customs tariff with conventional duties. The Community policy will manifestly not yield the hoped-for results if it is implemented by means of differing national rules and regulations in the Member States. The usefulness of common rules on origin has already been demonstrated in the practical application of measures decided by the Council (for example, retaliatory duties). It is therefore necessary to establish immediately a common

definition of origin to replace the definitions in force in the Member States. The common definition would also be useful in drawing up certificates of origin for goods to be exported from the Community; these certificates are often required by non-member countries which themselves apply selective measures to imports, and should be drawn up under the same conditions for all exporters in the Community. It is therefore desirable that the provisions necessary for the application of a common concept of origin should be adopted on the basis of Article 111 of the Treaty.

4. Lastly, these Community rules could be introduced in any trade agreements between the Community and non-member countries so that such agreements would be implemented as far as possible on the basis of Community rules of origin, since this would give EEC exporters the advantages of knowing exactly how their product would be treated in the importing country.

## Definition of the origin of goods

5. Goods wholly produced in one country and incorporating no imported materials derive totally from the economy of that country and consequently originate in it. Article 4 (2) of the present draft explains what is to be understood by "goods wholly produced in one country".

This first rule will account for a large part of trade with non-member countries.

6. But the difficulty of defining origin arises in a second class of goods: those produced in a given country from raw materials, semi-finished products or even finished articles imported from other countries. This class is constantly expanding because of the growing international division of labour and specialization of industrialized countries in manufacturing processes requiring highly skilled labour. It therefore often happens that goods are successively processed or finished in two or more different countries.

Goods can properly be considered as originating in a country when the foreign products used in their manufacture have been processed or finished to such a degree that they may be held to be integral to that country's economy. In other words, the processing or finishing must be substantial enough to mean that an entirely new product is manufactured, or must represent a major part of the manufacturing process which can be carried out only by firms equipped for this purpose.

This rule, set out in Article 5 (1) of the draft, has the advantage of being sufficiently flexible to be adapted to all manufacturing conditions which may arise in the various branches. On the other hand, its necessarily very general wording presents a twofold risk: in certain cases it may lead to differences of interpretation prejudicing the uniform application of the rule in the Community; and it may tempt exporters in non-member countries to take advantage of its elasticity to circumvent measures taken by the Community as part of trade or tariff policy. The rule must therefore be made more precise to cover "marginal" cases which may arise. It must also be accompanied by a clause enabling abuses to be remedied.

7. Two criteria could be adopted:

- a) The acquisition of origin by products imported from non-member countries could be made to depend on a certain minimum of value added in the processing stages;
- b) Lists could be made of processes deemed to confer origin.

There is no doubt about the usefulness of such criteria. But to give them definite form in Community rules would have had serious drawbacks:

- i) The establishment of lists of processes and the working out of suitable percentages of value added at each stage of manufacture would have necessitated lengthy studies, without any certainty that all the possibilities had been catered for;
- ii) The criterion of added value, which is reckoned by reference to the cost of the foreign products used, favours the acquisition of origin in a given country by goods which are produced there from semi-finished products bought at abnormally low prices.

With this criterion, moreover, there is a risk of arriving at solutions contrary to

those sought through the principal rule when factors unconnected with manufacture, such as profit margins, transport costs, etc., enter into the value added. In these cases there is great danger that the main rule will be abandoned in favour of the subsidiary rule over which no difficulties of interpretation can arise.

8. It consequently appeared safer and more effective to clarify the general rule of Article 5 (1), wherever necessary, by common implementing provisions. These will be worked out by the Origin of Goods Committee in accordance with the procedure set out in Articles 9 to 11 of the draft.

9. The purpose of the second sentence of Article 5 (3) is to secure homogeneity in the implementing provisions and to ensure that such provisions will not jeopardize the objectives of Community measures concerning trade with non-member countries. The reference to the value-added criterion makes it clear that this is a subsidiary and not a cardinal rule, but it compels the Committee to refer to it when the other criteria of the main rule do not suffice by themselves to arrive at a satisfactory common solution.

10. Article 5 (2) is to meet cases in which, if certain goods would attract charges on being imported into the EEC, non-member countries' exporters might be tempted to mask their original source by means of processing operations which, although sufficient for the purposes of paragraph 1, are merely designed to enable the goods to pass into the EEC on more advantageous terms and thus circumvent EEC commercial and tariff regulations.

### Origin of Goods Committee

11. The task of the Origin of Goods Committee is purely advisory. It will render opinions on cases where there is the risk of divergent implementation in the Member States. In this way it will gradually establish a common practice on origin consonant with economic realities and circumstances.

12. In the interest of the Community the proposed procedure must preserve the elasticity of the definition given in Article 5. But it will allow the necessary refinements to be made within the desirable time-limits and ensure at any moment that the definition is applied uniformly. Community

solutions will be applied by the Commission, bearing in mind the Committee's advice, but the Council will have the last word whenever a Member State appeals to it to arbitrate on questions of principle.

### How far the definition applies

13. It is necessary to exclude from the scope of the present definition preferential trade between the Member States and countries having special agreements with them which contain exceptions to the most-favoured-nation clause — for example, preferential trade within a customs union or free-trade area, or resulting from exemption granted to the Contracting Parties on the basis of Article XXV or by virtue of Article 1 (2b) of the General Agreement. The rules on origin in these various preference areas are designed for purposes very different from those of the concept of origin defined in this draft. In the former case it is a question of deciding precisely which products may benefit from total removal of customs duties and quantitative restrictions; the definition and methods of checking are established by common accord between the Parties, which give each other the necessary assistance. In relations with non-member countries, rules on origin constitute an independent instrument of customs policy, the purposes of which are indicated in section 1 above.

14. As regards the petroleum products referred to in Article 3 of the draft, the definition of origin is an important factor in the common commercial and energy policy now being worked out. In order to avoid prejudging the content of this policy, the petroleum sector is provisionally excluded from the scope of the regulation.

### Certificate of origin

15. Where required, the origin of imported goods is attested by the production of a certificate of origin. But, apart from the International Convention relating to the Simplification of Customs Formalities signed

in Geneva on 3 November 1923, which does little more than provide for the mutual recognition of authorities empowered to issue such certificates, there are no international rules on the content and form of certificates of origin. It was therefore necessary, in the interest of exporters in non-member countries and in order to facilitate checks on origin, to lay down the minimum conditions to which these certificates must conform in order to be accepted as documentary evidence. This is the purpose of Article 7. The same conditions will also apply to certificates issued in the EEC (Art. 8).

It must be noted that a certificate answering these conditions does not prevent the customs authorities from exercising their own judgment; they remain fully entitled to check the real origin of goods and can require any other necessary evidence. It is necessary that they should have this freedom of judgment for the simple reason that certificates are issued according to the rules on origin applicable in the exporting countries, whilst the customs authorities base their appraisal on their own national rules.

16. Article 8 (2) provides that certificates for goods originating in a Community Member State must certify their EEC origin. This rule, however, is not an absolute one. Certification of origin in a Member State (as opposed to EEC origin) is permissible where EEC origin is not acknowledged by the authorities of the importing country (as is the case with countries not recognizing the European Economic Community as an entity, or where special reasons make this necessary). It may also be necessary when the foreign buyer needs an assurance that the goods have been produced in a particular area of the Community. In this instance, the certificate of origin also serves as a certificate of quality or brand.

Article 8 (3) requires authorities in the Community issuing certificates of origin to use a standard form, which is appended to the draft and which is, in principle, to be the only one used from the end of the transition period onwards.

## Proposal for a Council regulation relating to a common definition of the origin of goods

*The Council,*

*Having regard to the Treaty establishing the European Economic Community, and in particular Articles 111 and 155 thereof;*

*Having regard to the proposal of the Commission;*

*Whereas all Member States have to determine and check the origin of goods when-*

ever this is necessary in order to apply the customs tariff, quantitative restrictions or any other measures regarding trade;

*Whereas* all Member States must themselves certify the origin of the goods they export whenever such certification is required by the authorities of the importing country and in particular when there are advantages attaching to such certification;

*Whereas* in both these cases the Member States at present apply their own rules in determining, checking and certifying origin and whereas disparities between these rules are liable to cause disparities in the application of the customs tariff, quantitative restrictions and other measures referred to above;

*Whereas* it is therefore necessary to draw up rules common to all the Member States in this field;

*Whereas* goods wholly produced in one country and incorporating no imported product originate in that country; whereas, however, it is necessary to determine what goods fall into this class;

*Whereas*, moreover, with the development of international trade and international division of labour the various stages in the manufacture of a product are to a growing extent being carried out by firms established in different countries, and whereas it is necessary to determine which of these countries must be deemed the country of origin;

*Whereas* it is reasonable to consider as country of origin the country in which the final, substantial and economically justified processing or working has taken place; whereas, however, to this rule there must be added certain supplementary conditions;

*Whereas*, as regards petroleum products, a common energy policy is in course of preparation, and it is therefore appropriate that rules of origin for these products should be laid down as part of this policy;

*Whereas* the common rules of origin set out in the present regulation have a purpose and a scope differing from those of the origin regulations made in pursuance of trade agreements embodying exceptions to the most-favoured-nation clause and to which either the Member States or the Community are parties; and whereas it must therefore be stated that the rules in the present regulation are without prejudice to the above-mentioned rules and regulations;

*Whereas* evidence of the origin of a given product is usually furnished by means of a certificate of origin issued by a governmental authority or a body appointed for this purpose; and whereas it is necessary to stipulate the form and content of such certificates;

*Whereas* it is necessary to provide for a Community certificate of origin which will gradually supersede the certificates issued in each of the Member States;

*Whereas* it is necessary to ensure the uniform application of the provisions of the present regulation and whereas, except in cases where such uniform application has already been ensured by decisions of commercial policy, it is necessary to provide for an expeditious Community procedure to amplify the principles laid down in the present regulation.

*Has adopted the present regulation :*

#### *Article 1*

This regulation defines the origin of goods for the purposes of uniform application of:

a) The common customs tariff, quantitative restrictions and all other measures concerning the importation of goods adopted by the Community or by the Member States;

b) All measures concerning the exportation of goods adopted by the Community or by the Member States, and for the purposes of drawing up certificates of origin.

#### *Article 2*

The provisions of the present regulation shall be without prejudice to any special rules applying to trade between the Community or a Member State and countries with which the Community or its Member States have agreements embodying an exception to the most-favoured-nation clause, particularly agreements in the form of a customs union or a free-trade area.

#### *Article 3*

The manner of determining origin in the case of goods under the following headings in the common customs tariff: 27.07 B, 27.09, 27.10, 27.11, 27.12, 27.13, 27.14, 27.15, 27.16, 29.01 A, 29.01 B II, 29.01 D I, 34.03 A, ex 34.04 (waxes based on products

from Heading 27.13 B), 38.14 B I, 38.19 E, will be laid down in the course of establishing a common energy policy.

#### *Article 4*

Goods wholly produced in a given country shall be deemed to originate in that country.

"Goods wholly produced in one country" are :

- a) Mineral products extracted from the ground in that country;
- b) Vegetable products harvested in that country;
- c) Live animals born and raised in that country;
- d) Products obtained from live animals kept in that country;
- e) Products obtained by hunting or fishing conducted in that country;
- f) Marine products taken from the sea by a vessel registered or notified in that country and flying the flag of that country;
- g) Products obtained aboard a factory ship registered or notified in that country and flying the flag of that country from marine products originating in the same country;
- h) Scrap and waste resulting from manufacturing operations and used articles, provided that the latter have been collected in that country and are fit only for the recovery of raw materials;
- i) Goods produced exclusively in that country from animals or from products referred to in a) to h) above or their derivatives.

#### *Article 5*

1. A product in the production of which two or more countries have taken part shall be deemed to originate in the country in which the final, substantial and economically justified processing or working took place, provided that such processing or working was done by a firm equipped for this purpose and resulted in the creation of an entirely new product or provided that such processing or working represents an important stage in the manufacture of the article.

2. Any processing or working designed to circumvent provisions applicable in the Community or the Member States to goods originating in given countries shall not be

regarded as conferring on the goods the origin of the country of processing or working within the meaning of this article.

3. The rules and criteria set out in this article shall, where appropriate, be amplified by implementing provisions in accordance with the procedure laid down in Articles 9 to 11 of this regulation. For this purpose, due regard shall be had to the value added to the products by their processing or working and to the objectives of Community measures in the field of trade.

4. Commercial policy measures adopted by the Community may depart from the rules and criteria set out in this article or may define their scope more precisely.

#### *Article 6*

Accessories, spare parts and the tools accompanying machinery, appliances, apparatus or vehicles and normally constituting part of their equipment shall be deemed to have the same origin as the goods they accompany.

#### *Article 7*

1. Where the origin of goods must be attested on importation by the production of a certificate of origin, this certificate must :

a) Have been drawn up by a governmental authority or a body of the country of issue duly appointed for this purpose and of the highest integrity;

b) Supply all the particulars necessary to identify the goods to which it refers, and more especially :

i) The number, nature, marks and serial numbers of packages;

ii) The nature of the goods and their gross and net weight;

iii) The name of the consignor;

c) Specify the country in which the goods referred to originate.

2. Provided that the certificate of origin shall not prevent the competent authorities from forming their own judgment and that they may, if in doubt, require additional evidence that the origin indicated is determined in conformity with this regulation or with provisions adopted for its implementation.

### *Article 8*

1. Certificates of origin relating to goods exported from the Community must satisfy the conditions set out in Article 7 (1a and b) above.
2. The certificate of origin shall state that the goods originated in the European Economic Community. However, if necessary, it may also indicate that they originated in a particular Member State.

Where Article 5 (1) applies but several Member States have contributed successively to the manufacture of a product, only Community origin may be certified.

3. The Member States shall take steps to ensure that, by the end of the transition period, all certificates of origin issued by their governmental authorities or approved bodies conform as far as possible to the specimen appended to this regulation.

### *Article 9*

An Origin of Goods Committee, hereinafter referred to as the "Committee" shall be set up. It shall be composed of representatives of the Member States and presided over by a representative of the Commission.

### *Article 10*

1. The Committee shall have power to examine all problems arising in the implementation of Articles 4 to 8 of this regulation.
2. Matters shall be referred to the Committee by its chairman or by a Member State. Meetings shall be convened by the chairman. If an urgent matter is raised by a Member State, a meeting shall take place within two weeks from the date on which the request was made by the Member State.  
  
The Member States may refer to the Committee cases in which the nature of the processing or working, for the purposes of Article 5 (1 and 2) of this regulation, is not clearly established, or in which a problem arises in connection with the application of the above-mentioned article.
3. The Member States shall inform the Committee of any measures taken by their central administrations in pursuance of the present regulation.

### *Article 11*

1. The opinions of the Committee shall be communicated by its chairman to the Commission within a week from the end of the Committee meeting.

The Commission, as advised by the Committee, shall decide on the solution to be adopted or the problem in question within two weeks from the date of the said communication.

2. The provisions adopted by the Commission shall enter into force two weeks after their notification to the Member States unless, within one week from the date of such notification, a Member State shall have submitted to the Commission a request for reference to the Council on matters of principle. The grounds for such a request must be stated without delay.
3. In such event the Council, bearing in mind the opinions expressed by the Committee and the grounds on which the Commission has taken its decision, shall give rulings to be applied in accordance with the provisions of Article 111 of the Treaty.
4. If, within two months from the date of the request for reference to the Council, the latter body has not given a ruling in accordance with paragraph 3 above, the measures decided by the Commission shall enter into force two weeks after the expiry of this time-limit.

### *Article 12*

For the purposes of Article 4 to 6 of this regulation, the Member States shall be deemed to constitute a single territorial entity.

Similarly, for the determination of the origin of goods on importation into the Community, countries forming a customs union, within the meaning of Article XXIV of GATT, may be considered as constituting a single territorial entity.

### *Article 13*

This regulation shall enter into force on... and shall be binding in every respect and directly applicable in each Member State.

## *ANNEX*

### **The certificate of origin**

The certificate of origin must conform to the specimen appended. It shall be filled out by typewriter or by hand — in the latter case, in ink in capital letters.

The certificate shall measure 21 × 30 cm. The paper must be wood-free sized writing paper weighing not less than 64 grammes per square metre. Each certificate must have a sepia guilloched overprint designed to show up any mechanical or chemical forgery.

The Member States may reserve to themselves authority to print certificates or may have this done by approved printing houses. In the latter case, this must be indicated on each form. Each certificate must also bear a special sign or mark allocated to the approved printing house and a serial number for identification purposes.

**Application for certificate of origin**

I, the undersigned <sup>(1)</sup>, .....

.....

.....

Consignor of the goods described below  
consigned to <sup>(2)</sup> .....

.....

.....

Country of destination  
.....

PACKAGES		Description of goods	Gross weight (kg)	Net weight (kgs or other measures hl, m <sup>3</sup> , etc.)
Marks and numbers	Number and nature			

Notes : .....

.....

.....

declare that these goods originate <sup>(3)</sup> in .....

and apply for a certificate of origin.

Done at ..... on .....

(Signature)

<sup>(1)</sup> Name or firm name, full address.  
<sup>(2)</sup> Name or firm name, full address of consignee.  
<sup>(3)</sup> Where necessary, the circumstances justifying the claim of origin should be indicated on the back of this form.

**Certificate of origin**

Consignor .....

.....

.....

Consignee .....

.....

.....

Country of destination .....

.....

PACKAGES		Description of goods	Gross weight (kg)	Net weight (kgs or other measures hl, m <sup>3</sup> , etc.)
Marks and numbers	Number and nature			

Notes : .....

.....

.....

The goods described above are certified as originating in .....

Done at ..... on .....

.....

(Authority or approved body)

Stamp

.....

(Signature)

**Proposal for a Council directive concerning application  
by the Member States of their legislation on agricultural leases  
to farmers who are nationals of other Member States**

(submitted by the Commission to the Council on 21 January 1965)

*The Council of the European Economic Community,*

*Having regard to the Treaty setting up the European Economic Community, and in particular Article 54 (2 and 3) thereof;*

*Having regard to the General Programme for abolishing restrictions on freedom of establishment<sup>(1)</sup>, with particular reference to Title IV, F, 3 of that Programme;*

*Having regard to the proposal of the Commission;*

*Having regard to the opinion of the European Parliament;*

*Having regard to the opinion of the Economic and Social Committee;*

*Whereas the General Programme for abolishing restrictions on freedom of establishment includes, as regards attaining the said freedom in the agricultural sector, a special time-table taking due account of the features peculiar to agricultural activity; whereas the third series of measures under this time-table includes the provision that each Member State shall, at the beginning of the third year of the second stage, adjust its system of agricultural leases so that the relevant legislation shall apply to farmers who are nationals of other Member States and are farming under the said system in the same way as it applies to farmers who are nationals of the country concerned;*

*Whereas the present directive does not apply to beneficiaries of Council Directives Nos. 63/261 and 63/262 dated 2 April 1963<sup>(2)</sup>, who already enjoy equality of treatment with nationals as regards the system of agricultural leases;*

*Whereas Title III, A of the General Programme includes among the restrictions to be abolished any provisions or practices which, in respect of foreigners only, prevent, restrict or make subject to conditions the exercise of rights arising out of agricultural leases,*

*Has adopted the following directive:*

*Article 1*

Each Member State shall abolish, in accordance with the provisions laid down hereunder, in respect of nationals and companies of other Member States who are engaged in an agricultural activity in its territory or who are becoming established there for that purpose, hereinafter referred to as beneficiaries, all restrictions relating to the system of agricultural leases.

*Article 2*

1. The present directive shall apply to agricultural leases and to the exercise and enjoyment by farmers of the rights connected therewith, such as the right of pre-emption on the sale of the whole or part of the property which is the subject of such leases.

2. The present directive shall apply to the activities referred to in Schedule V to the General Programme for abolishing restrictions on freedom of establishment (ex Major Group 01, Agriculture, of the International Standard Industrial Classification of All Economic Activities)<sup>(3)</sup>, viz:

*a)* General agriculture: growing of field crops, fruits, nuts, seeds, vegetables, flowers and ornamental plants both in the open and under glass;

*b)* Raising of livestock, poultry, rabbits, fur-bearing or other animals, bees; and the production of meat, milk, wool, hides, skins or furs, eggs, honey.

*Article 3*

1. The member countries shall abolish those restrictions which:

*a)* By statute, regulation or administrative instruction, prevent the beneficiaries of the

<sup>(1)</sup> See official gazette of the European Communities, No. 62, 20 April 1963, pp. 1323 and 1326.

<sup>(2)</sup> Statistical Office of the United Nations, Statistical Papers, Series M, No. 4, Rev. 1 (New York, 1958).

<sup>(1)</sup> See official gazette of the European Communities, No. 2, 15 January 1962, p. 36.

present directive from entering into agricultural leasing agreements, impose special conditions as to the conclusion or execution by them of such agreements, or restrict their enjoyment of the rights and benefits deriving therefrom;

b) Result from administrative practices whereby discriminatory treatment is applied to the said beneficiaries as compared with the treatment accorded to nationals of the country concerned in respect of agricultural leases.

2. Among the restrictions to be abolished, special attention is drawn to provisions which wholly or partly exclude beneficiaries from benefit of the regulations on agricultural leases on equal terms with nationals of the country concerned, viz:

*In France :*

Exclusion of foreign farmers from benefit of the regulations governing agricultural leases (Article 869 of the *Code Rural*);

Exclusion of foreigners from entry on the electoral rolls for the election of assessors to the Joint Tribunals dealing with agricultural leases (Article 4 of Decree No. 58-1293 dated 22 December 1958);

*In Belgium :*

Limitation of the term of the foreign workers' card to two years (Article 2 of the Royal Decree on the professional activities of foreigners dated 16 November 1939).

#### *Article 4*

The Member States shall introduce the necessary measures to conform with the present directive within six months of notification thereof and shall inform the Commission forthwith of the action taken.

#### *Article 5*

The present directive is addressed to all Member States.

## **Proposal for a Council directive concerning the freedom of farmers who are nationals of a Member State established in another Member State to transfer from one farm to another** (submitted by the Commission to the Council on 20 January 1965)

*The Council of the European Economic Community,*

*Having regard to* the Treaty setting up the European Economic Community, and in particular Article 54 (2 and 3) thereof;

*Having regard to* the General Programme for abolishing restrictions on freedom of establishment<sup>(1)</sup>, with particular reference to Title IV, F, 3 of that Programme;

*Having regard to* the proposal of the Commission;

*Having regard to* the opinion of the European Parliament;

*Having regard to* the opinion of the Economic and Social Committee;

*Whereas* the General Programme for abolishing restrictions on freedom of establishment includes, as regards attaining

the said freedom in the agricultural sector, a special time-table taking due account of the features peculiar to agriculture; whereas the third series of measures under this time-table includes the provision that each Member State shall recognize, at the beginning of the third year of the second stage, the right to transfer from one farm to another in respect of farmers who are nationals of another Member State and who have been established for more than two years in the territory of the Member State concerned;

*Whereas* the right to transfer referred to in the present directive is irrespective of the legal conditions under which the farm is run; whereas it must not have the effect of impairing the rights of the person concerned with respect to his position as a foreigner, nor must it set any *de facto* restriction on his right to transfer from one farm to another;

*Whereas* the present directive does not apply to beneficiaries of Council Directive

<sup>(1)</sup> See official gazette of the European Communities, No. 2, 15 January 1962, p. 36.

No. 63/261 of 2 April 1963<sup>(1)</sup>, who already enjoy equality of treatment with nationals as regards transferring from one farm to another;

*Whereas*, in so far as it is necessary for the purposes of the present directive to refer to a definition of an agricultural undertaking, such definition shall be a matter for the Member State concerned, in particular as regards minimum area;

*Whereas* Article 4(2) of Council Directive No. 63/262 of 2 April 1963, concerning freedom of establishment on farms that have been derelict or uncultivated for more than two years, expressly postpones the recognition of the right to transfer until such time as the present directive becomes effective,

*Has adopted the present directive :*

#### *Article 1*

Each Member State shall abolish, in accordance with the provisions laid down hereunder, as regards nationals and companies of other Member States who have been engaged in an agricultural activity in its territory for more than two years, hereinafter referred to as beneficiaries, all restrictions on their right to transfer from one farm to another.

#### *Article 2*

1. For the purposes of the present directive, the right to transfer is defined as the right of beneficiaries to move freely to another farm of their choice situated in the country in which they are established under the same conditions as nationals of that country. Such transfer shall be feasible irrespective of the legal conditions under which either the new or the old farm is worked.

2. For the purposes of the present directive, an agricultural activity is defined as one of the activities referred to in Schedule V to the General Programme for abolishing restrictions on freedom of establishment (ex Major Group 01, Agriculture, of the International Standard Industrial Classification of All Economic Activities)<sup>(1)</sup>, viz :

<sup>(1)</sup> See official gazette of the European Communities, No. 62, 20 April 1963, p. 1323.

<sup>(1)</sup> Statistical Office of the United Nations, Statistical Papers, Series M, No. 4, Rev. 1 (New York, 1958).

a) General agriculture : growing of field crops, fruits, nuts, seeds, vegetables, flowers and ornamental plants both in the open and under glass;

b) Raising of livestock, poultry, rabbits, fur-bearing or other animals, bees; and the production of meat, milk, wool, hides, skins or furs, eggs, honey.

#### *Article 3*

1. The member countries shall abolish those restrictions which :

a) By statute, regulation or administrative instruction, prevent the beneficiaries of the present directive from transferring from one farm to another or make such transfers subject to special conditions;

b) Result from administrative practices whereby discriminatory treatment is applied to the said beneficiaries as compared with the treatment accorded to nationals of the country concerned in respect of such transfers.

2. Among the restrictions to be abolished, special attention is drawn to provisions which wholly or partly deny beneficiaries the right to transfer from one farm to another on equal terms with nationals of the country concerned, viz. :

#### *In France :*

The requirement that foreigners who are beneficiaries of Council Directive No. 63/262 of 2 April 1963 shall obtain permission before establishment on farms other than derelict or uncultivated farms (Article 3 of Decree No. 63-1019 of 10 October 1963);

The requirement that foreigners shall, in case of transfer, obtain a new foreign farmers' card or a new farming permit (Article 4 of Decree No. 5472 of 20 January 1954 and Article 4 of the Ministerial Order of 31 March 1955);

#### *In Belgium :*

The possibility of restricting the validity of a foreign workers' card to only one farm (Article 2 of the Royal Decree on the professional activities of foreigners, 16 November 1939).

3. The transfer to a new farm shall not impair the rights accorded to the person concerned with respect to his position as

a foreigner in pursuance of Council Directive No. 63/262.

#### Article 4

The member countries shall introduce the necessary measures to conform with the present directive within six months of

notification thereof and shall inform the Commission forthwith of the action taken.

#### Article 5

The present directive is addressed to all Member States.

### Proposal for a Council regulation to render more effective the action of the European Social Fund

(submitted by the Commission to the Council on 27 January 1965)

#### Proposal for a Council regulation amending Council Regulation No. 9 on the European Social Fund, as previously amended by Regulation No. 47/63/CEE

*The Council of the European Economic Community,*

*Having regard to* the Treaty establishing the European Economic Community, and in particular Article 127 thereof;

*Having regard to* Council Regulation No. 9 on the European Social Fund <sup>(1)</sup>, as amended by Regulation No. 47/63/CEE <sup>(2)</sup>, and in particular Articles 29 and 32 thereof;

*Having regard to* the proposal of the Commission, drawn up in consultation with the Committee of the European Social Fund;

*Having regard to* the opinion of the European Parliament;

*Having regard to* the opinion of the Economic and Social Committee;

*Whereas*, in order to ensure that assistance from the Fund for vocational retraining and resettlement schemes financed out of public funds shall be granted on equal terms in all Member States, it is necessary to review some of the criteria governing the operations of the Fund, in particular the definition of a public body;

*Whereas* it is desirable to expedite the action of the Fund in the case of vocational retraining schemes carried out in connection with regional development or schemes for migrant workers by making advance

payments on the amounts finally refunded in respect of such schemes;

*Whereas* it is advisable to amend those articles which have given rise to technical difficulties in the application of certain provisions of Regulation No. 9 and to rescind those articles which were of a transitory nature and are now superfluous,

*Has adopted the present regulation :*

#### Article 1

The third paragraph of Article 1 of Regulation No. 9 shall henceforward read as follows :

“Similarly, the Fund shall make no contribution to the expenditure referred to in the first paragraph of this article if such expenditure qualifies for a non-repayable grant from the High Authority as provided for in the Treaty setting up the European Coal and Steel Community”.

#### Article 2

1. The first paragraph of Article 2 of Regulation No. 9 shall henceforward read as follows :

“For the purposes of Article 1 of the present regulation, the term ‘unemployed worker’ shall mean any person registered with an official employment exchange as seeking work and who is totally without employment, either as a wage-earner or as self-employed person.”

<sup>(1)</sup> Official gazette No. 56, 31 August 1960, p. 1189/60.

<sup>(2)</sup> *Ibid.*, No. 86, June 1963, 10 p. 1605/63.

2. Sub-paragraph a) in the third paragraph of Article 2 of Regulation No. 9 shall henceforward read as follows :

“a) A wage-earner or self-employed person who has manifestly been under-employed for a long period and is registered with an official employment exchange as seeking full-time employment”;

#### Article 3

The first paragraph of Article 3 of Regulation No. 9 shall henceforward read as follows :

“For the purposes of Article 1 of the present regulation, the vocational retraining of unemployed workers shall mean any training which is given under a pre-established programme laying down *inter alia* the scope and duration of such training and whose purpose is to provide the said workers with gainful employment involving either retraining or a change of occupation, trade or job. The change may relate to the nature or to the degree of skill of the previous job, and may apply to all workers, whatever their existing skills, who cannot *take up new wage-earning employment* until they have received training designed to change or improve their qualifications”.

#### Article 4

Article 4 of Regulation No. 9 shall henceforward read as follows :

1. “The Fund shall provide assistance for the vocational retraining of unemployed workers only when the said workers fulfil the following conditions :

a) After retraining, they must be engaged within the Community in a *new wage-earning activity* in the occupation, trade or job for which they have been retrained, or in a similar branch of activity;

b) They must have been engaged in the *said wage-earning activity* for at least six months of the twelve-month period following the end of the retraining course.

2. *The twelve-month period referred to in paragraph 1 b) above shall be extended to eighteen months if the Member State concerned is able to show that there are special employment difficulties in the region where the worker has been re-employed.*

3. *Similarly, if, by reason of call-up for compulsory military service, including reserve service, engagement in the activity*

*referred to in paragraph 1 above has not been possible within the time-limits specified at 1 b) and 2 above, the periods of twelve or eighteen months from the end of the retraining course shall be extended by a period of time equal to that taken up by such compulsory military service”.*

#### Article 5

Article 5, a) 1 of Regulation No. 9 shall henceforward read as follows :

“1. Subsistence allowances, unemployment benefit, incentive bonuses, *wages and social charges*, and payments to maintain full entitlement to family allowances and social security benefits”;

#### Article 6

A new Article 5a, worded as follows, shall be inserted between Articles 5 and 6 of Regulation No. 9 :

“1. *The Fund shall be authorized to make advance payments on the total amount of its contribution :*

a) *in respect of vocational retraining schemes intended to facilitate the setting up of new industries under a regional development or reorganization plan;*

b) *in respect of rapid training schemes for migrant workers organized either in the host country or in the country of origin.*

2. *Such advance payments may be made from the start of the said retraining schemes, up to 25% of the amount of the total estimated expenditure for which a refund will be claimed in due course in accordance with Article 20.*

3. *If the advance payment made in respect of the said schemes proves to exceed the amount eligible for final refund, the excess may be recovered by the Fund as provided for in the Financial Regulation dated 31 January 1961 concerning financial arrangements relating to the European Social Fund (Article 209 (b) of the Treaty) (1).*

#### Article 7

Article 6 of Regulation No. 9 shall henceforward read as follows :

“1. For the purposes of Article 1 of the present regulation, the ‘resettlement of an unemployed worker’ shall mean a change

(1) Official gazette No. 22, 30 March 1961, p. 509/61.

of residence within the Community which has become necessary in order to take up new wage-earning employment, of a non-seasonal character, offered or approved by the appropriate employment service or services. The former and new places of residence shall be those recognized as such by the Member State or States requesting assistance from the Fund under the terms of Article 17 of the present regulation.

2. *If a worker does not immediately transfer his residence to his new place of work, the resettlement of such worker shall be deemed to take effect as from the commencement of his travelling to and from work, provided that the permanent transfer of his residence referred to in paragraph 1 above takes place within a maximum period of six months.*"

#### Article 8

Article 7 of Regulation No. 9 shall henceforward read as follows :

"1. Assistance from the Fund for the resettlement of unemployed workers shall be granted only where the workers concerned fulfil the following conditions :

a) Within a maximum period of six months from the date of their departure from their former residence or from the date on which they begin travelling back and forth, they must be engaged in new wage-earning employment in another place or be attending at that place a course of vocational training as defined in Article 3 of the present regulation;

b) They must have been employed, in such other place, in one or more paid jobs during at least six months of the twelve-month period following either their departure from their former place of residence, or the commencement of their travelling to and from work, or following the end of their retraining course.

2. *Provided that if, by reason of call-up for compulsory military service, including reserve service, such employment has not been possible within this time-limit, the twelve-month period referred to in paragraph 1 b) above shall be extended by a period of time equal to that taken up by such compulsory military service.*"

#### Article 9

Article 8 of Regulation No. 9 shall henceforward read as follows :

"Within the limits specified in Article 1 of the present regulation, assistance shall be granted from the Fund in respect of expend-

iture arising in connection with resettlement, namely :

1. The travelling expenses of the worker and his dependants, recognized as such by the Member State or States requesting assistance from the Fund under the terms of Article 17 of the present Regulation and, where appropriate, the cost of conducting workers on the journey;

2. The cost of moving his furniture or a corresponding lump-sum payment;

3. An allowance to cover other resettlement costs, including, where applicable, the cost of living apart from his family, up to an amount not exceeding three times the average weekly wage actually received by the worker over his first six months of work at his new place of residence, plus twice that wage for each person dependent upon him; provided always that the allowance so calculated shall not exceed fifteen times the average weekly wage actually received".

#### Article 10

The last paragraph of Article 12 of Regulation No. 9 shall be deleted.

#### Article 11

Article 16 of Regulation No. 9 shall henceforward read as follows :

"By not later than 1 April each year, all Member States shall submit to the Fund an estimate, supported by explanations, of the approximate total assistance they will be requesting from the Fund during the next financial year."

#### Article 12

Article 17 of Regulation No. 9 shall henceforward read as follows :

"Applications for assistance from the Fund shall be submitted to the Commission by one or more Member States and must relate to expenditure incurred by Member States or public bodies from 1 January 1958 onwards."

#### Article 13

The first paragraph of Article 18 of Regulation No. 9 shall henceforward read as follows :

"For the purposes of Article 1 of the present regulation, the term 'public body'

shall mean, in addition to local and regional authorities, such bodies as have been *instituted or recognized by statute for the purpose of carrying out functions in the public interest*, having legal personality and financial autonomy, provided that they are supervised by the State or by a local or regional authority and that their terms of reference include activities which are within the competence of the Fund or that they effectively bear the expenditure relating to such activities."

#### Article 14

The first paragraph of Article 19 of Regulation No. 9 shall henceforward read as follows:

"Applications from Member States for assistance from the Fund shall be submitted to the Commission:

a) In respect of vocational retraining, within eighteen months after the end of the calendar half-year during which the retraining course is completed. *This time-limit shall be extended to twenty-four months in those cases where the time-limit referred to in Article 4 (1) above is itself extended to eighteen months. Such periods of eighteen or twenty-four months shall, where appropriate, be extended for a further period as provided for in Article 4 (3) above.*

b) In respect of resettlement, within twenty-four months after the end of the calendar half-year during which the worker finally leaves his former residence or during which the retraining course at the new place of residence is completed, *subject to the possibility of an extension as provided for in Article 7 (2) above. Provided that applications in respect of expenditure arising from a change of residence by dependants as referred to in Article 8 (1) above, for the purpose of joining the worker concerned, may be submitted separately within twelve months from the expiry of the time-limit laid down above for submitting applications relating to expenditure incurred on behalf of the worker himself.*"

#### Article 15

1. Sub-paragraph 2 d) in the second paragraph of Article 20 of Regulation No. 9 shall henceforward read as follows:

"d) the total number of *persons* involved in the scheme and the number of *these* who, *after retraining*, have actually been *paid employment*, according to the terms of Article 4 above, for at least six months";

2. Sub-paragraph 2 e) i) in the second paragraph of Article 20 of Regulation No. 9 shall henceforward read as follows:

"1. Residence allowances, unemployment benefit and incentive bonuses, wages and social charges and costs and payments to maintain full entitlement to family and social security benefits";

3. The final paragraph of Article 20 of Regulation No. 9 shall henceforward read as follows:

"In respect of retrained *persons* who have been in paid employment, according to the terms of Article 4, for at least six months, separate figures for each centre or course, of the aggregate costs allowed, together with lists of names with the necessary particulars to identify the *said persons*, shall accompany the request or be communicated subsequently."

#### Article 16

A new Article 20a, worded as follows, shall be inserted between Articles 20 and 21 of Regulation No. 9:

"Applications for advance payments from the Fund shall be submitted to the Commission by the Member States. They shall include full explanations and all necessary information enabling the merits of the proposed schemes to be judged in the light of the provisions of Articles 1 to 5a above."

#### Article 17

The first sentence of Article 22 of Regulation No. 9 shall henceforward read as follows:

"Member countries shall submit to the Commission a request for prior approval at least two months before work is begun on any conversion scheme for which the assistance of the Fund is sought."

#### Article 18

Article 29 of Regulation No. 9 shall henceforward read as follows:

"The Committee must be consulted in advance concerning the following matters:

1. The preliminary draft annual budget of the Fund;
2. The list of approved public bodies and amendments thereto;

3. Applications for assistance from the Fund or for advance payments thereon;
4. Applications for prior approval by the Commission of conversion schemes;
5. Matters pertaining to the Fund's participation in the execution of a common vocational training policy;
6. Executive measures to implement the present regulation;
7. The advisability of revising the present regulation and any proposed amendments;
8. Any changes in the operations of the Fund at the end of the transition period.

*The Committee must also be consulted, in the course of each financial year, regarding retrain-*

*ing and resettlement schemes contemplated by the Member States for the following financial year in so far as the Fund may be affected thereby”.*

#### Article 19

The present regulation shall come into force on the day following its publication in the official gazette of the European Communities.

The present regulation shall be binding in all its parts and directly applicable in all Member States.

### Proposal for a supplementary Council regulation on the European Social Fund

*The Council of the European Economic Community,*

*Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof;*

*Having regard to the Protocol concerning Italy, and in particular the fourth paragraph of the substantive text thereof;*

*Having regard to Council Regulation No. 9 on the European Social Fund<sup>(1)</sup>, as amended by Regulations Nos. 47/63/CEE<sup>(2)</sup> and .....<sup>(3)</sup>;*

*Having regard to the proposal of the Commission, drawn up in consultation with the Committee of the European Social Fund; Having regard to the opinion of the European Parliament;*

*Having regard to the opinion of the Economic and Social Committee;*

*Whereas, with the development of the economic and social situation and full employment in most regions of the Community, the unemployment problem is no longer acute; and whereas the efforts to be made in pursuit of the aims set out in Article 123 of the Treaty, namely to increase the availability of employment and*

*the geographical and occupational mobility of workers, must henceforth be devoted to maintaining the high level of employment which has been attained, to training a labour force which will answer the requirements arising from technological progress and to eliminating such regional disparities as persist in these respects;*

*Whereas it is necessary, for this purpose, to promote the vocational training and retraining of workers whose stable employment is threatened either because they are unskilled or because their skills are not those required for modern production techniques;*

*Whereas, moreover, in pursuing a regional development policy the conversion schemes to be promoted should include the establishment of new industries to absorb the manpower made redundant by the closing down of other industries;*

*Whereas the inadequacy of the facilities available for retraining surplus manpower in development areas hinders the absorption of the pockets of unemployment still remaining in the Community; whereas, consequently, it is necessary to promote the construction, extension and equipment of training centres for the said areas;*

*Whereas existing measures to provide workers with employment under resettlement schemes are to a considerable extent frustrated by the housing situation; whereas the said situation is incompatible with the improvement of living standards which is*

<sup>(1)</sup> Official gazette No. 56, 31 August 1960, p. 1189/60.

<sup>(2)</sup> *Ibid.*, No. 86, 10 June 1963, p. 1605/63.

<sup>(3)</sup> *Ibid.*, No. ..., ..., p. ..../....

an aim of the Treaty, and also hinders the geographical mobility of workers and their families; whereas, furthermore, the adaptation of workers who take advantage of freedom of establishment, and that of their families, to their new environment is essential of their stability and to the success of their resettlement in another country; and whereas in this matter the activities of welfare services play an important part;

Whereas the courses of policy referred to above are appropriate to the aims of the Community set out in Articles 2, 3c) and 3j) of the Treaty and are essential to the achievement of those aims; whereas they are consonant with the general aims of the European Social Fund stated in Article 125, namely to promote and facilitate vocational retraining and resettlement and to assist workers affected by industrial conversion; and whereas, consequently, it is appropriate to adapt the Fund's operations so that these courses of policy may be followed;

Whereas, however, the said adaptation entails the exercise of powers which are not granted by Article 125 of the Treaty,

*Has adopted the present regulation :*

## I. Definitions

### *Article 1*

In the present regulation :

1. "The Fund" means the European Social Fund established under Article 123 of the Treaty of Rome;
2. "Regulation No. 9" means Council Regulation No. 9 concerning the European Social Fund<sup>(1)</sup> as amended by Regulations Nos. 47/63/CEE<sup>(2)</sup> and .....<sup>(3)</sup>;
3. "Public body" means a public body as defined in Article 18 of Regulation No. 9.

## II. Assistance from the Fund for the retraining of workers

### *Article 2*

The Fund shall repay 50 % of the expenditure incurred by Member States or

public bodies in respect of the vocational retraining of any wage-earner who is stated by the relevant official employment exchange to be in one of the following situations :

- a) That, being over 18 years of age and completely unskilled, he is receiving training under a scheme approved, for reasons of employment policy, by the relevant employment exchange or other appropriate policy, by the relevant employment exchange or other appropriate body designated under national legislation, such scheme being carried out under the supervision of the government or of a public body;
- b) That, being over 25 years of age, he is receiving retraining necessitated by the advance of production techniques under a scheme approved by the relevant employment exchange or other appropriate body designated under national legislation, such scheme being carried out under the supervision of the government or of a public body;
- c) That, having migrated from one member country to another member country, he is receiving retraining under a scheme approved by the relevant employment exchange and carried out under the supervision of the government or of a public body.

### *Article 3*

For the purposes of Article 2, vocational retraining shall mean any training which is given under a pre-established programme laying down, *inter alia*, the scope and duration of such training and whose purpose is to improve the possibilities of employment for unskilled workers, workers requiring retraining because of the development of new production techniques, or workers requiring additional training consequent on their migration from one member country to another.

The present article shall not apply to normal training facilities intended primarily for young people.

### *Article 4*

The Fund shall provide assistance in respect of the vocational retraining of workers within the meaning of Article 2 of the present regulation only where the said workers fulfil the following conditions :

- a) After retraining, they must be engaged within the Community in a new wage-earning activity in the occupation, trade

<sup>(1)</sup> Official gazette No. 56, 31 August 1960, p. 1189/60.

<sup>(2)</sup> *Ibid.*, No. 86, 10 June 1963, p. 1605/63.

<sup>(3)</sup> *Ibid.*, No. ...., p. ....

or job for which they have been retrained, or in a similar branch of activity;

b) They must have been engaged in the said wage-earning activity for at least six months of the twelve-month period following the end of the retraining course.

#### *Article 5*

Grants from the Fund in aid of vocational retraining within the meaning of Article 2 of the present regulation shall be made in respect of all the items of expenditure listed in Article 5a) and b) of Regulation No. 9 and in accordance with the conditions described in the said article.

### III. Contributions by the Fund in respect of industrial conversion schemes

#### *Article 6*

The Fund shall reimburse 50 % of the expenditure incurred by Member States or public bodies in respect of wage support for workers affected by conversion schemes in which an undertaking which has closed down is replaced by one or more other undertakings.

#### *Article 7*

For the purposes of Article 6 of the present regulation, a conversion scheme shall mean the establishment of one or more undertakings in an area which is suffering from or threatened by employment difficulties, such establishment being encouraged by the public authorities to counteract the adverse social and economic effects of the closure of another undertaking in the said area, provided that the new undertaking(s) shall:

a) Engage in economic activities different from those of the undertaking which has closed down; and

b) Re-engage all or part of the workers becoming redundant through the closure of the former undertaking without involving a general change of residence on the part of the workers concerned.

#### *Article 8*

For the purposes of Article 6 of the present regulation, a worker affected by a conversion scheme shall mean any worker who was permanently employed by an undertaking or division of an undertaking which is replaced by one or more other undertakings under the conditions set out in Article 7 above, and who either has been working short time pending the closure of the former undertaking or is unemployed as a result of such closure.

#### *Article 9*

For the purposes of Article 6 of the present regulation, wage support for workers affected by conversion schemes shall mean maintenance of 90 % of gross earnings plus all payments to maintain entitlement to statutory and other benefits.

Gross earnings shall be as calculated in accordance with the provisions of Article 11 of Regulation No. 9.

#### *Article 10*

Grants from the Fund for conversion schemes within the meaning of Article 6 of the present regulation shall be made in respect of all expenditure arising from wage support for workers affected by the conversion schemes in question, as provided for under Article 12a) and b) of Regulation No. 9.

#### *Article 11*

Where conversion schemes necessitate the retraining of workers, the Fund shall make grants in respect of such retraining, provided that the draft of the scheme, as provided for in article 12 below, demonstrates the necessity thereof and that the said retraining is conducted in accordance with the provisions of the present regulation or with those of Regulation No. 9.

#### *Article 12*

1. For conversion schemes within the meaning of Article 6 above, the Fund shall make grants only on the following conditions:

a) That the Member State concerned has submitted to the Commission beforehand a draft of the scheme with particulars of financing; and

b) That the Commission has approved the scheme before operations are begun.

2. Grants shall be made only in respect of such workers affected by conversion schemes as have been in full-time employment with the newly established undertakings(s) for at least six months.

#### *Article 13*

1. The Member States shall submit to the Commission, at least two months before operations are begun, an application for approval of any conversion scheme in respect of which it is intended to request assistance from the Fund.

2. Such application shall comprise, in addition to the reasoned opinion of the government concerned, all necessary particulars for a proper appraisal of the project and at least the information referred to in Article 22 of Regulation No. 9 except as regards the number of workers who will be kept in employment as a result of measures taken by the undertaking itself.

### IV. Grants from the Fund for the building, extension and equipment of vocational retraining centres

#### *Article 14*

The Fund shall reimburse 50 % of the expenditure incurred by Member States or public bodies for the building, extension or equipment of vocational retraining centres for the benefit of Community areas which are the subject of a development or reorganization policy.

#### *Article 15*

Contributions from the Fund in pursuance of Article 14 above shall cover not only expenditure for the building, extension and equipment of the retraining centres concerned, but also, where appropriate, expenditure on accommodation for trainees. The Fund shall make no contribution to land-purchase and building expenditure relating to accommodation for teaching staff.

#### *Article 16*

Grants from the Fund under Article 14 above may only be made on the following conditions :

a) That the Member State concerned has first submitted to the Commission a project for the building, extension or equipment of the centre or centres in question;

b) That the Commission has approved the said project before work was begun.

#### *Article 17*

The Member States shall submit to the Commission, at least two months before the operation in question is begun, an application for approval of any project for the building, extension or equipment of a retraining centre or centres. Such application shall supply all particulars necessary for a proper appraisal of the project and at least the following information :

a) The reasons for and aims of the project in the light of regional requirements within the meaning of Article 14 above;

b) The scope of the project, the method of financing and the total estimated cost;

c) The number of places it will offer by categories of worker;

d) The number and type of dwellings provided for trainees, with evidence as to needs;

e) The situation, specialization and capacity of other training centres, existing and planned, in the area concerned.

The application shall also include a note from the Member State concerned giving the reasons for which the area where the project will be carried out is considered as a development or reorganization area within the meaning of Article 14 above.

#### *Article 18*

1. The Fund may make advances on its contribution under Article 14 above in respect of the building, extension or equipment of retraining centres.

2. Such advances may be made from the commencement of the said works up to 25 % of the total estimated cost for which an application for a grant from the Fund will in due course be made, in accordance with Article 21 below. The advances may be paid in instalments as the work proceeds.

3. Advance payments as provided for by the present article may be made only if the approval of the Commission has been obtained regarding the project for the works in

question in accordance with Article 17 above.

4. If the advance payment made in respect of the said works proves to exceed the amount of the final reimbursement, the excess may be recovered by the Fund as provided for in the Financial Regulation dated 31 January 1961, in particular the procedures governing the financial operations of the European Social Fund (Article 209*b*) of the Treaty<sup>(1)</sup>.

## V. Grants from the Fund for the resettlement of workers

### *Article 19*

The Council, on a proposal of the Commission, shall make a yearly allocation to the Social Fund of an amount not exceeding 20 % of the Fund's budget for the same financial year. This amount shall be applied as decided by the Commission for the following purposes :

- a) The provision of housing for workers who have moved to another Community country and propose to settle there;
- b) The establishment or support of social services to assist migrant workers and their families.

### *Article 20*

Expenditure by the Fund under Article 19 above shall be subject to the following conditions :

- a) That a contribution equal to that of the Fund is made by the Member State concerned or by a public body;
- b) That the Commission has recognized the desirability of the housing construction proposed, of the proposed social services or of support for a programme drawn up by existing social services.

## VI. Procedure in applying for grants from the Fund

### *Article 21*

Applications for grants from the Fund under Articles 2, 6 and 14 above shall be

submitted to the Commission by the Member States concerned and shall be in respect of expenditure borne by the said States or by public bodies.

### *Article 22*

1. Applications from Member States for grants from the Fund shall be submitted :

- a) In respect of retraining, as provided under Article 2 above, within eighteen months of the end of the calendar half-year during which the retraining course was completed;
  - b) In respect of conversion schemes, as provided under Article 6 above, within twelve months of termination of the conversion works approved;
  - c) In respect of the building, extension or equipment of retraining centres, as provided under Article 14 above, within twenty-four months of termination of the works approved.
2. Applications made later than the time-limits set out in paragraph 1 above will not be entertained.

### *Article 23*

1. In all applications it must be shown that the declared expenditure has been incurred in accordance with the provisions of the present regulation.
2. All applications to the Fund in respect of vocational retraining schemes within the meaning of Article 2 above must include, as a minimum requirement, full details to establish that the application relates to wage-earners within the meaning of Article 2 above, together with the same information as is required under Article 20 of Regulation No. 9, with the exception of the information required under sub-paragraph c) of the said Article 20.
3. All applications to the Fund in respect of conversion schemes within the meaning of Article 6 of this regulation must include, as a minimum requirement, the particulars referred to in Article 23 of Regulation No. 9.
4. All applications to the Fund in respect of the building, extension or equipment of retraining centres within the meaning of Article 14 above must include, as a minimum requirement, the following information :

- a) Full details to establish that the works have been carried out in conformity with

<sup>(1)</sup> Official gazette No. 22, 30 March 1961, p. 509/61.

the project as approved by the Commission;

b) The expenditure incurred in respect of which reimbursement at the rate of 50 % is claimed;

c) Where the total estimated expenditure for the project as approved by the Commission is exceeded, full details to show that the excess expenditure has been incurred owing to increased costs.

#### *Article 24*

Applications for advance payments as provided for under Article 18 above shall be submitted to the Commission by Member States. They shall include the explanations of the government concerned together with the necessary particulars to establish that the proposed works are in conformity with the project approved by the Commission in accordance with Article 16 above.

#### *Article 25*

In respect of operations under Articles 2, 6 and 14 of the present regulation, the provisions of Articles 16, 24 and 26 of Regulation No. 9 shall also be applicable, together with any executive measures introduced by the Commission relating to the said articles under Article 31 of the said Regulation No. 9.

#### *Article 26*

The Committee of the European Social Fund set up in pursuance of Article 124 of the Treaty must be consulted in advance on the following matters :

a) Applications for grants from the Fund or for advances on such grants;

b) Applications for prior approval by the Commission of conversion schemes;

c) Applications for prior approval by the Commission of projects for the building, extension or equipment of retraining centres;

d) Action by the Fund under Articles 19 and 20 of the present regulation;

e) Executive measures in pursuance of the present regulation;

f) Proposals to revise the present regulation.

#### *Article 27*

Executive measures in pursuance of the present regulation shall be introduced by the Commission.

#### *Article 28*

At intervals of not more than two years, the Commission shall consider the revision of the present regulation and, if thought fit, make proposals to the Council thereon.

#### *Article 29*

The present regulation shall come into force on the day following its publication in the official gazette of the European Communities.

The present regulation shall be binding in all its parts and directly applicable in all Member States.

### **Proposal for a Council regulation concerning Community grants towards the retraining of farmers wishing to change their occupation within agriculture**

(submitted by the Commission to the Council on 3 February 1965)

*The Council of the European Economic Community,*

*Having regard to the Treaty setting up the European Economic Community and in particular Article 43 thereof;*

*Having regard to the proposal of the Commission;*

*Having regard to the opinion of the European Parliament;*

*Whereas* the implementation of the common agricultural policy demands a special effort of adjustment on the part of the rural population;

*Whereas* the development and specialization of agriculture demand higher levels of training for the farming population, especially where there are changes in the pattern of production;

*Whereas* investment in agriculture, especially investment eligible for Community contributions from the Guidance Section of the European Agricultural Guidance and Guarantee Fund, also demands a higher level of training for the beneficiaries;

*Whereas* the Community must make a special financial effort to promote the retraining of persons engaged in agriculture;

*Whereas* efforts directed towards retraining of persons engaged in agriculture are handicapped in many areas by lack of a sufficient number of retraining centres;

*Whereas* Community grants to retraining centres during their early years of operation will encourage the establishment of a sufficient number of such centres;

*Whereas* attendance at retraining centres can be ensured only by offering financial assistance to the persons concerned to enable them to suspend their normal activities during the retraining period;

*Whereas* the numbers retrained within agriculture can be increased considerably by making Community grants on a lump-sum basis in respect of persons who have followed the appropriate courses;

*Whereas* the funds allocated by Member States for retraining in agriculture should not be reduced in consequence of financial contributions from the Community;

*Whereas* retraining centres must satisfy certain minimum standards laid down by the Community and must also be approved by Member States;

*Whereas* the needs vary in different areas of the Community and it is therefore necessary to define the areas eligible for Community grants;

*Whereas* these Community grants will be important for the structural improvement of agriculture and the Commission should therefore be assisted in these tasks by the Standing Committee on Agricultural Structures,

*Has adopted the present regulation :*

#### *Article 1*

If, in a given area or in a type of farming in that area, conversion or far-reaching changes in the pattern of agriculture become necessary, as a consequence either of structural improvements or of changes in the demographic, economic and market situation, the Community shall make grants towards the appropriate retraining of farmers and members of their family working on the farm.

#### *Article 2*

The grants provided for in Article 1 shall be made also towards the retraining of migrant farmers, provided that migration complies with the conditions laid down by national regulations.

### Section I

Community grants to encourage  
the establishment of centres  
for retraining in agriculture

#### *Article 3*

1. To facilitate the initial operation of agricultural retraining centres in the areas referred to in Article 1, a grant shall be made in accordance with the procedures laid down in Article 18 and through the intermediary of a body designated for that purpose by each Member State.

2. This grant shall cover the following proportions of working expenses :

a) For centres set up after 1 January 1965 and before 1 January 1970 :

75 % of expenses during the first five years;

25 % of expenses during the following five years;

b) For centres already in existence on 1 January 1965 :

75 % of expenses during the period between 1 January 1965 and the completion of the first five years of the centre's existence;

25 % of expenses during the following five years.

#### *Article 4*

The following expenses incurred for retaining as under Articles 1 and 2 shall be eligible as working expenses :

- a) Wages and salaries, as well as social charges, for teaching staff;
- b) Expenses for teaching materials and school equipment;
- c) Administrative expenses, rent, insurance, maintenance, heating and lighting;
- d) The cost of study visits and practical demonstrations.

#### *Article 5*

To qualify for the grants provided for under Article 3, retraining centres must be approved by Member States in accordance with Articles 9 and 10.

The centres may be public, semi-public or private.

This regulation does not cover normal agricultural training intended primarily for young people.

Sections of general agricultural schools which undertake retraining shall be considered as retraining centres.

### Section II

Grants to encourage attendance at agricultural retraining centres

#### *Article 6*

In order to encourage the attendance at agricultural retraining centres of persons falling under Articles 1 and 2 and in addition fulfilling the conditions set out in Article 7, the Community shall make grants on a lump-sum basis to cover the cost of assistance to the said persons, in accordance with the procedure laid down in Article 18 and through the intermediary of a body designated for that purpose by each Member State.

#### *Article 7*

The grants referred to in Article 6 shall be paid only in respect of persons fulfilling the following conditions :

- a) They must be not less than 16 and not more than 45 years old when enrolling at a retraining centre;
- b) They must have successfully completed a retraining course at a centre within the meaning of Article 5;
- c) They must, after retraining, have taken a new job corresponding to their newly acquired qualifications;
- d) They must have been working at this job for at least six months following the completion of the retraining course;
- e) If they fall under Article 1, they must, prior to their retraining, have been farming or working on the family farm in an area defined in accordance with Article 12;
- f) If they fall under Article 2, they must satisfy the conditions laid down in the relevant national regulations.

#### *Article 8*

The amount of the grants made under Article 6, expressed in units of account on a lump-sum basis reckoning the weeks of theoretical and practical training undergone, shall be fixed in accordance with the procedure laid down in Article 18.

### Section III

General provisions

#### *Article 9*

Not later than six months after the entry into force of this regulation, Member States shall transmit to the Commission a list of retraining centres approved by them for purposes of retraining within the meaning of Articles 1 and 2, indicating the dates of foundation and approval of each centre.

Member States shall also furnish the Commission with the necessary particulars to establish that the centres conform to the minimum standards provided for in Article 10.

#### *Article 10*

After consulting the Advisory Committee on Vocational Training set up by the

(<sup>1</sup>) Official gazette of the European Communities, No. 63; 20 April 1963, p. 1338/63.

Council by decision of 2 April 1963<sup>(1)</sup>, the Commission shall lay down the minimum standards which retraining centres must meet to qualify for approval by a Member State.

These standards shall concern in particular :

- a) The minimum curriculum and especially the proportions devoted to general basic training, general technical training and specialized training;
- b) The minimum and maximum length of retraining courses;
- c) The management of the centres : its appraisal with reference to the quality of the training and to quantitative and financial aspects.

#### *Article 11*

Criteria for the definition of the areas referred to in Article 1 shall be adopted in accordance with the procedure laid down in Article 18.

#### *Article 12*

Using the criteria laid down in pursuance of Article 11 above, Member States shall define the areas concerned and inform the Commission thereof.

They shall transmit to the Commission all the information needed to establish that the areas so defined answer the above-mentioned criteria.

#### *Article 13*

1. Applications for Community grants under Article 3 shall be submitted by Member States to the Commission not later than 1 July each year in respect of the period 1 January to 31 December of the preceding year.

2. Applications for Community grants under Article 6 shall be submitted by Member States to the Commission within 12 months from the end of the retraining period.

#### *Article 14*

Applications submitted in accordance with Article 13 shall contain all the necessary particulars to check their conformity with this regulation.

They shall contain the minimum information :

1. As regards applications for Community grants under Article 3 :

The name of the training centre, together with the dates of its foundation and approval;

The number of teaching staff and students; Details of the curriculum indicating the number of hours of each course;

Full details of expenses qualifying for reimbursement according to Article 4.

2. As regards applications for grants under Article 6 :

All the information needed to establish that the persons concerned satisfy the conditions laid down in this regulation, in particular :

a) In the case of persons falling under Article 1 :

The area where they were working before retraining and the kind of job;

The reasons for retraining;

The place where they are now working and the kind of job;

b) In the case of persons falling under Article 2 :

Evidence that they satisfy the conditions of relevant national regulations;

The reasons for retraining;

Evidence that the persons concerned have successfully completed their courses at a training centre within the meaning of Article 5;

Evidence that they have been working for at least six months since their retraining at a job of a kind for which they are now qualified.

#### *Article 15*

The grants provided for in Article 3 and Article 6 shall be a charge on the budget of the Community : expenditure relating to the Commission — common agricultural policy, special Head, under Article 41 a) of the Treaty.

#### *Article 16*

The total funds allocated by Member States to the vocational retraining of the categories of persons to whom this regulation applies shall not be reduced in conse-

quence of the Community grants provided for therein.

#### *Article 17*

1. In the implementation of this regulation the Commission shall be assisted by the Standing Committee on Agricultural Structures established by the Council by decision of 4 December 1962 (1).

2. When a matter is referred to the Standing Committee on Agricultural Structures, that Committee shall deliver its opinion by the system of weighted voting laid down in Article 148 (2) of the Treaty. The procedure of Article 18 shall be applicable.

3. For the purposes of the present article every Member State shall be represented by at most five officials in the Standing Committee on Agricultural Structures.

#### *Article 18*

1. Where reference is made herein to the procedure laid down in the present article, the Chairman shall refer the matter to the Committee either on his own initiative or at the request of the representative of a Member State.

2. The Commission's representative shall submit a draft of the measures to be taken.

(1) Official gazette of the European Communities, 17 December 1962, p. 2892/62.

The Committee shall deliver its opinion on such measures within a time-limit which the Chairman may determine according to the urgency of the questions to be considered. Such opinion shall be adopted by a majority of 12 votes.

3. The Commission shall adopt measures which are immediately applicable. Provided always that should such measures not coincide with the Committee's opinion, they shall at once be communicated by the Commission to the Council. In this event the Commission may defer application of the measures it has decided upon for not more than one month from the date of such communication.

The Council may within one month adopt a different decision by qualified majority.

#### *Article 19*

The Member States shall extend their full collaboration to the Commission to enable it to obtain such supplementary information as it may deem expedient in order to satisfy itself as to the validity of applications for Community grants submitted in accordance with this regulation. Where necessary, the Member States shall facilitate contacts with the bodies concerned.

This regulation shall be binding in all its parts and directly applicable in every Member State.

## **Proposal for a Council regulation concerning Community grants towards the training of advisers to staff information services for farmers and farmworkers wishing to change their occupation**

(submitted by the Commission to the Council on 3 February 1965)

*The Council of the European Economic Community,*

*Having regard to the Treaty setting up the European Economic Community and in particular Article 43 thereof;*

*Having regard to the proposal of the Commission;*

*Having regard to the opinion of the European Parliament;*

*Whereas the implementation of the common agricultural policy demands increased*

*adaptability and occupational mobility among the farming population;*

*Whereas in many areas of the Community adaptation can take place only if persons remaining in agriculture make a complete change of occupation;*

*Whereas in deciding to take up a new job in agriculture or in another sector the persons concerned must know precisely the opportunities offered and the consequences of the change;*

*Whereas* it is desirable to support the activities of services supplying the necessary information;

*Whereas* the main problem confronting these services is the difficulty of recruiting qualified advisers in sufficient numbers;

*Whereas* the establishment of centres offering normal and advanced training courses for such advisers can be encouraged, and their work facilitated, by Community subsidies during the early years of operation;

*Whereas* grants to students, covered by Community subsidies, are required in order to ensure that these centres attract a sufficient number of students;

*Whereas* the funds allocated by Member States for the training of such advisers should not be reduced by reason of financial contributions from the Community;

*Whereas* normal training courses must satisfy certain minimum standards laid down by the Commission and must also be approved by Member States;

*Whereas* advanced training courses must be approved by the Commission;

*Whereas* the needs vary in different areas of the Community and it is therefore necessary to define the areas eligible for Community grants;

*Whereas* these Community grants will be important for the structural improvement of agriculture and the Commission should therefore be assisted in these tasks by the Standing Committee on Agricultural Structures,

*Has adopted the present regulation :*

#### *Article 1*

For the purposes of this regulation the term information service shall mean any agency supplying information and advice to farmers and farmworkers who, by reason of changes in the social and economic conditions of agriculture, wish,

- a) while remaining in agriculture, to take up a completely new occupation, involving the adoption of new farming patterns, structural reorganization, a change-over of crops or a move to a different farm; or
- b) to move to another economic sector.

#### *Article 2*

The Community shall make a grant towards the training of advisers for the services defined in Article 1, hereinafter called "advisers", who will work in areas defined in accordance with Article 16, such grants to be made through the intermediary of a body designated for that purpose by each Member State and in accordance with the provisions of this regulation.

### Section I

#### Community grants towards the establishment of training centres for advisers

#### *Article 3*

1. To encourage the establishment of training centres for advisers the Commission shall make a grant in accordance with the procedures laid down in Article 22.

2. This grant shall cover the following proportions of working expenses:

a) For centres set up after 1 January 1965 and before 1 January 1970 :

75 % of expenses during the first five years;

25 % of expenses during the subsequent five years;

b) For centres already in existence on 1 January 1965 :

75 % of expenses during the period between 1 January 1965 and the completion of the first five years of the centre's existence :

25 % of expenses during the subsequent five years.

#### *Article 4*

The following expenses incurred for the training of advisers shall be eligible as working expenses :

a) Wages and salaries, as well as social charges, for teaching staff;

b) Expenses for teaching materials and school equipment;

c) Administrative expenses, rent, insurance, maintenance, heating and lighting;

d) The cost of study visits and practical demonstrations.

### Article 5

To qualify for grants under Article 3 training centres for advisers must be approved by Member States in accordance with Articles 13 and 14.

The centres may be public, semi-public or private.

Sections of general agricultural schools which undertake the training of advisers shall be considered as training centres.

## Section II

Grants for attendance  
at training centres for advisers

### Article 6

With a view to facilitating attendance at training centres for advisers, persons satisfying the conditions set out in Article 7 shall receive assistance, the cost of which shall be covered by Community grants on a lump-sum basis made according to the procedure laid down in Article 22.

### Article 7

Such grants shall be made only in respect of persons fulfilling the following conditions :

- a) They must be employed as advisers by a body having the functions set out in Article 1;
- b) They must have successfully completed a course at an approved training centre;
- c) They must have been working as advisers in an area defined in accordance with Article 2 for at least six months following the end of their training course.

### Article 8

The amount of the grants, expressed in units of account on a lump-sum basis reckoning the weeks of theoretical and practical training, shall be fixed in accordance with the procedure laid down in Article 22.

## Section III

Grants in respect of advanced training

### Article 9

With a view to promoting the advanced training of advisers, persons satisfying the conditions set out in Article 10 shall receive assistance, the cost of which shall be covered by Community grants on a lump-sum basis made according to the procedure laid down in Article 22.

### Article 10

Such grants shall be made only in respect of persons fulfilling the following conditions :

- a) They must have completed an advanced training course, the curriculum of which has received the prior approval of the Commission in accordance with Article 11;
- b) They must have been working as advisers for at least 12 months;
- c) They must, after completion of the advanced training course, be working as advisers in an area defined in accordance with Article 2.

### Article 11

Not later than six months before the beginning of an advanced training course, the curriculum thereof shall be submitted by Member States to the Commission for its approval.

In the absence of any reply from the Commission within three months of the date of submission, the curriculum shall be deemed approved.

### Article 12

The amount of the grants made under Article 6, expressed in units of account on a lump-sum basis reckoning the weeks of theoretical and practical training, shall be fixed in accordance with the procedure laid down in Article 22.

## Section IV

### General provisions

#### *Article 13*

Member States shall transmit to the Commission a list of their approved training centres for advisers, indicating in each case the dates of foundation and approval.

Member States shall also furnish the Commission with the necessary particulars to establish that the centres satisfy the minimum standards provided for in Article 14.

#### *Article 14*

After consulting the Standing Committee on Agricultural Structures set up by the Council by decision of 4 December 1962<sup>(1)</sup>, the Commission shall lay down the minimum standards which training centres must meet to qualify for approval by a Member State.

These standards shall concern :

- a) The minimum syllabuses of normal training courses;
- b) The minimum and maximum duration of normal training courses;
- c) The frequency and maximum duration of advanced classes;
- d) The management of the centres its appraisal with reference to the quality of the training and to quantitative and financial aspects.

#### *Article 15*

Criteria for the definition of the areas referred to in Article 2 shall be adopted in accordance with the procedure laid down in Article 22.

#### *Article 16*

Using the criteria laid down in pursuance of Article 15 above, Member States shall define the areas concerned and inform the Commission thereof.

<sup>(1)</sup> Official gazette of the European Communities, 17 December 1962, p. 2892/62.

They shall transmit to the Commission all the information needed to establish that the areas so defined answer the above-mentioned criteria.

#### *Article 17*

1. Applications for Community grants under Article 3 shall be submitted by Member States to the Commission not later than 1 July of each year in respect of the period 1 January to 31 December of the preceding year.

2. Applications for Community grants under Article 6 shall be submitted by Member States to the Commission within 12 months from the end of the training period.

3. Applications for Community grants under Article 9 shall be submitted by Member States to the Commission not later than 1 July of each year in respect of courses held during the period 1 January to 31 December of the preceding year.

#### *Article 18*

Applications submitted in accordance with Article 17 shall contain all the necessary particulars to check their conformity with this regulation.

They shall contain the following minimum information :

1. As regards applications for grants under Article 3 :

The name of the training centre, together with the dates of its foundation and approval;

The number of teaching staff and students; Details of the normal curriculum indicating the number of hours of each course;

The frequency and duration of advanced training classes;

2. As regards applications for grants under Article 6 :

All the information needed to establish that the persons concerned satisfy the conditions set out in Article 7;

3. As regards applications for grants under Article 9 :

All the information needed to establish that the persons concerned satisfy the conditions set out in Article 10.

*Article 19*

The grants provided for in Articles 3, 6 and 9 shall be a charge on the budget of the Community: expenditure relating to the Commission — common agricultural policy, special Head, under Article 41 a) of the Treaty.

*Article 20*

The total funds allocated by Member States to the training of advisers to whom this regulation applies shall not be reduced in consequence of the Community grants provided for therein.

*Article 21*

1. In the implementation of this regulation the Commission shall be assisted by the Standing Committee on Agricultural Structures.
2. When a matter is referred to the Standing Committee on Agricultural Structures, that Committee shall deliver its opinion by the system of weighted voting laid down in Article 148 (2) of the Treaty. The procedure of Article 18 shall be applicable.
3. For the purposes of the present article every Member State shall be represented by at most five officials in the Standing Committee on Agricultural Structures.

*Article 22*

1. Where reference is made herein to the procedure laid down in the present article, the Chairman shall refer the matter to the Committee either on his own initiative or

at the request of the representative of a Member State.

2. The Commission's representative shall submit a draft of the measures to be taken. The Committee shall deliver its opinion on such measures within a time-limit which the Chairman may determine according to the urgency of the questions to be considered. Such opinion shall be adopted by a majority of 12 votes.

3. The Commission shall adopt measures which are immediately applicable. Provided always that should such measures not coincide with the Committee's opinion, they shall at once be communicated by the Commission to the Council. In this event the Commission may defer application of the measures it has decided upon for not more than one month from the date of such communication.

The Council may within one month adopt a different decision by qualified majority.

*Article 23*

The Member States shall extend their full collaboration to the Commission to enable it to obtain such supplementary information as it may deem expedient in order to satisfy itself as to the validity of applications for Community grants submitted in accordance with this regulation. Where necessary, the Member States shall facilitate contacts with the bodies concerned.

This regulation shall be binding in all its parts and directly applicable in every Member State.