

COMMISSION OF THE EUROPEAN COMMUNITIES

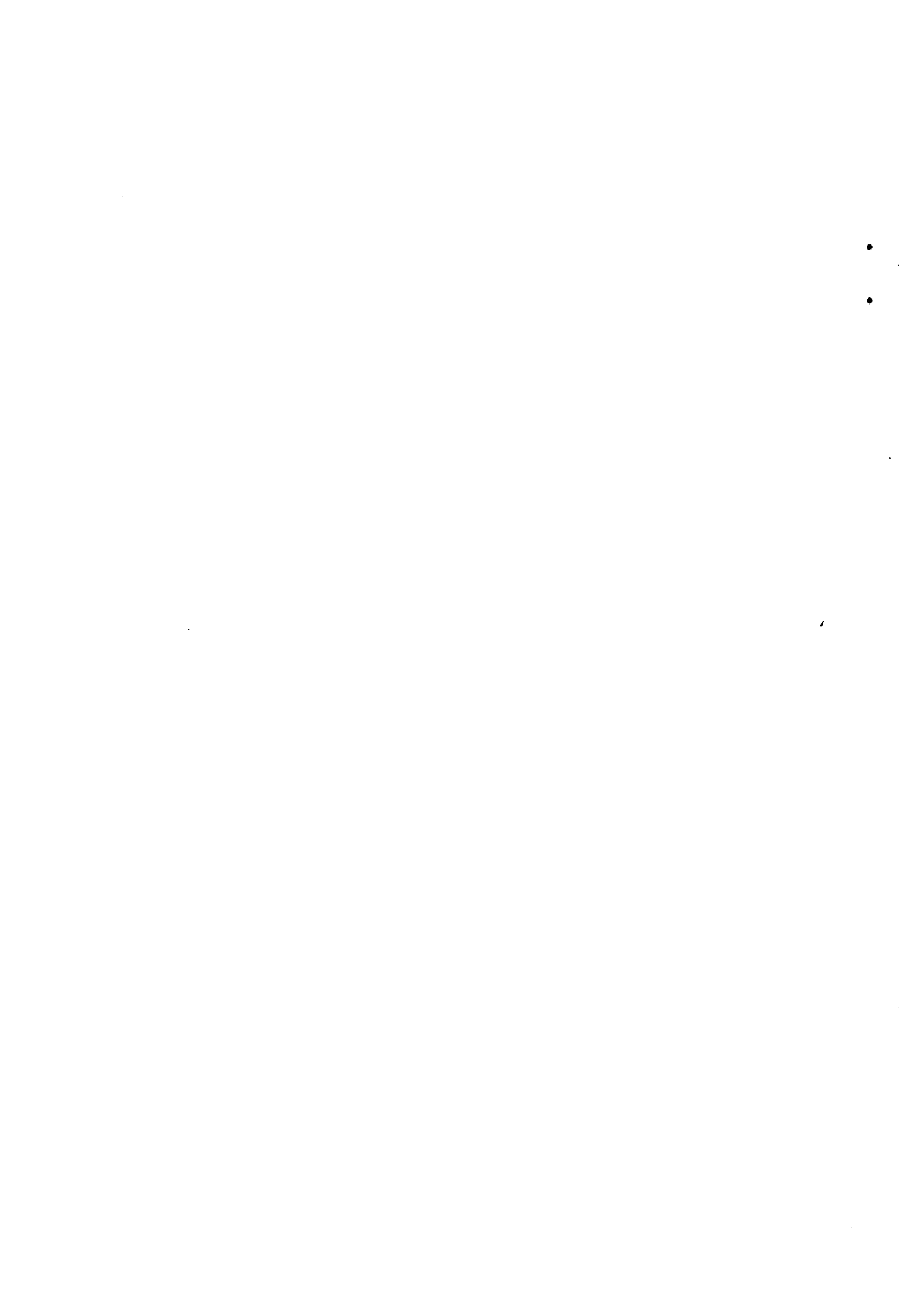
COM (78) 473 final

Brussels, 26 september 1978

PROPOSAL FOR COUNCIL REGULATION (EEC)
AMENDING REGULATION (EEC) No 729/70 CONCERNING
THE AMOUNT ALLOTTED TO THE EAGGF, GUIDANCE SECTION.

(Presented by the Commission to the Council)

COM (78) 473 final



Explanatory memorandum

1. Article 6(5) of Regulation (EEC) No 729/70 fixes the amount allotted annually to the EAGGF, Guidance Section. This amount was originally fixed at 285 million units of account. Later, it was increased to 325 million units of account by Regulation (EEC) No 2788/72, in order to meet the increased needs of the enlarged Community.
2. From 1980 onwards, this allotment will not suffice to cover the expenditure incurred on measures which are already in force or which are foreseen, even if the surplus appropriations placed on the reserve in certain previous financial years are taken into account.
3. In view of this situation, the Council asked the Commission at its 516th meeting of 8-12 May 1978 to put forwards a proposal for amending the amount allotted as soon as possible.
4. The Commission proposal provides for an annual target amount which will be adjusted each year by the budgetary procedure, so that variations in expenditure from year to year can be taken into account. In addition, the proposal provides for a five-year appropriation ceiling which fixes at 4200 millions of ECU the total aid available for each five-year period, initially therefore from the period from 1 January 1980 to 31 December 1984. If the Council has not adopted a new decision by the latter date, the same amount will be available for the following five-year period.
5. According to current commitments and forecasts, certain common measures currently in vigor shall no longer require commitment appropriations in 1984. Since it can be considered that the Community effort in socio-structural policy will not be diminished globally, the Commission has estimated, for 1984, an expenditure corresponding to the average expenditure of the preceding years.

proposal for Council Regulation (EEC)
amending Regulation (EEC) No 729/70
concerning the amount allotted to the EAGGF, Guidance
Section

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Whereas the amount allotted to the Guidance Section of the EAGGF by Article 6(5) of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy ⁽¹⁾, as last amended by Regulation (EEC) No 2788/72 ⁽²⁾, will from 1980 onwards no longer be sufficient to meet expenditure by this Section on the improvement of agricultural structures,

Whereas the amount allotted should be fixed annually by budgetary procedure in terms of the commitments to be met,

Whereas the amount of aid that may be awarded by the EAGGF, Guidance Section, should be fixed for a five year period from 1.1.1980 and, except in the case of a new Council decision, for each successive five year period,

(1) OJ No L 94, 28.4.1970, 13

(2) OJ No L 295, 30.12.1972, 1

HAS ADOPTED THIS REGULATION :

Article 1

Article 6(5) of Regulation (EEC) No 729/70 is amended to read as follows :

"For the year 1972 the appropriations for the Guidance Section of the Fund shall amount to 285 million units of account. From 1 January 1973 to 31 December 1979 each appropriations shall amount to 325 million units of account per year.

From 1 January 1980 aids attributable to the Guidance Section of the Fund are evaluated at an average of 840 million european units of account. The appropriation to be entered in the budget shall be fixed annually by budgetary procedure in function of the aid to be financed in the framework of common measures and special measures for that year. However, for each five-year period, the total aid charged to the Guidance Section of the Fund may not exceed 4200 million european units of account. This amount may be increased by the Council, acting according to the procedure laid down in the third subparagraph of Article 43(2) of the Treaty, only for common measures provided for in paragraph 2."

Article 2

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

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

Done at Brussels,

For the Council,

The President

FINANCIAL STATEMENT

DATE : 4.8.1978

1. BUDGET LINE CONCERNED : 8

CREDITS :

2. ACTION : Proposal for a Regulation amending Regulation (EEC) No 729/70 concerning the amount allotted to the EAGGF, Guidance Section

3. LEGAL BASIS : Article 43 of the Treaty

4. OBJECTIVES :

To increase the amount allotted to the EAGGF, Guidance Section, in order to cover expenditure arising from measures in force, or which have been proposed or are to be proposed by the Commission to the Council

5. FINANCIAL CONSEQUENCE

5.0 EXPENDITURE

-CHARGED TO THE EC BUDGET
(REFUNDS/INTERVENTIONS)

-CHARGED TO NATIONAL ADMINSTR.

-CHARGED TO OTHER NATIONAL GROUPS

5.1 RECEIPTS

-OWN RESOURCES OF THE EC
(LEVIES/CUSTOMS DUTIES)

-NATIONAL

PERIOD OF 12 MONTHS

CURRENT FINANCIAL YEAR

FOLLOWING FINANCIAL YEAR

	YEAR 80	YEAR 81	YEAR 82
-CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)	-	-	-
-CHARGED TO NATIONAL ADMINSTR.	-	-	-
-CHARGED TO OTHER NATIONAL GROUPS	-	-	-
-OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)	-	-	-
-NATIONAL	-	-	-

5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE 840 million EUA 840 million EUA 840 million EUA

5.1.1 PLURIANNUAL PATTERN OF RECEIPTS

5.2 METHOD OF CALCULATION

see annex

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ?

YES/NOX

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ?

YES/NOX

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ?

YES/NO

6.3 CREDITS TO BE WRITTEN INTO FUTURE BUDGETS ?

YES/NOX

COMMENTS :

Forecast for the EAGGF, Guidance Section

ANNEX

Appropriations

(million EUA)

<u>A. MEASURES IN FORCE</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
- Modernization of farms	81.1	90.3	105.0	110	115
- Cessation of farming	1.7	2.1	2.2	2.5	3
- Socio-economic guidance	3.14	2.86	3.02	3.0	3
- Hill farming	99.46	94.04	94.92	100	110
- Improvement of the citrus fruit sector	t.e.	5.5	5.5	5.5	5.5
- Marketing and processing: in the Community	80	80	80	80	80
in the Mezzogiorno and the South of France	42	42	42	42	42
- Individual project (Regulation 17/64)	-	-	-	-	-
- Producer groups: - hops	0.4	1.5	0.7	t.e.	t.e.
- fruit and vegetables	3.5	3.5	3.5	3.5	3.5
- fisheries sector	0.1	0.1	0.1	0.1	0.1
- Producer groups and associations thereof	3.73	4.16	4.48	4.69	4.8
- Conversion of vineyards	31.5	24.2	t.e.	-	-
- Conversion to beef production	4.5	0.1	t.e.	-	-
- Reorganization of fruit production	4	t.e.	-	-	-
- Non marketing of milk	73.4	39.8	65.7	41.4	48.9
- Eradication of certain cattle diseases	20.0	45.5	19.0	45.5	t.e.
- Restructuring of wine-growing in Languedoc-Roussillon and certain other regions of France	21.7	21.2	20.7	20.2	19.7
- Irrigation in the Mezzogiorno	26.7	46.7	71.7	71.7	41.7
- Infrastructure of less-favoured areas	25	25	25	25	25
- Drainage in the West of Ireland	3.5	6.1	6.1	5.4	5.3
TOTAL A	525.43	534.66	549.62	560.49	507.5

(million CFA)

<u>B. PROPOSED OR FUTURE MEASURES</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
- Amendment of measures and amounts granted under Directives					
- 72/159/EEC	7.6	11.4	13.4	14	14.4
- 72/160/EEC	6.73	13.65	14.17	14.5	14.7
- 72/161/EEC	0.29	0.63	1.0	1.2	1.3
- 75/268/EEC	8.14	19.02	24.55	24.9	25
- Forestry measures in dry Mediterranean regions	20	40	60	60	50
- Advisory service for farmers in Italy	0.03	0.18	0.63	1.88	3.08
- Aid for young farmers	4	6.25	6.25	6.25	6.25
- Protection against flooding in Hérault	1.97	2	2	2	2
- Public irrigation work in Corsica	1.5	3	4.5	4.5	1.5
- Drainage work on the border between Ireland and Northern Ireland	1	1	2	2	2
- Other structural measures for Ireland	20	30	30	30	30

(million EUA)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
- Forestry measures	5	15.6	16.5	17.7	18.9
- Potato producer groups	t.e.	3	4	3.9	1.7
- Cessation of milk production	0.5	1	1.5	2.49	7.5
- European inter-trade organization					
- table wine	0.17	0.17	0.17	0.17	0.17
- poultry farming	0.21	0.21	0.21	0.21	0.21
- Deep sea fishing	10	15	15	15	15
- Inshore fishing	22	41	27	30	30
- Wine sector					
- Conversion	t.e.	10.95	21.2	22.08	20.82
- Permanent abandonment	t.e.	4.4	4.4	4.4	2.5
- Cessation of farming	t.e.	0.88	1.76	2.64	3.3
- Projects in the Charentes	3.3	3.3	3.4	t.e.	t.e.
- Restructuring	22.3	22.3	22.3	22.3	22.3
TOTAL B	<u>134.74</u>	<u>244.94</u>	<u>276.02</u>	<u>282.12</u>	<u>272.63</u>
TOTAL A + B	660.17	799.60	825.64	842.61	780.13
Reserve for possible future projects		35	35	35	35
TOTAL		<u>834.6</u>	<u>860.64</u>	<u>877.61</u>	<u>815.13</u>

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C. Commitments for 1984 are estimated at the average of those for the years from 1980 to 1983:

$$(834.6 + 860.64 + 877.61 + 815.13) : 4 = 847$$

Commitments for the five-year period from 1 January 1980 to 31 December 1984 will therefore amount to 4235 million EUA (5 x 847)

The sum of 4741 million EUA, which is the reserve (Chapter 88) remaining at the beginning of 1980, and which may therefore be used in that year, must be deducted from this total.

$$4235 - 4741 = 4187.59$$

This sum therefore represents an average annual allotment of 840 million EUA.