

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 865 final

Brussels, 15th December 1980

PROPOSAL FOR A COUNCIL DECISION

prolonging Council Decision 76/402/EEC of 6 april 1976 on the level of the interest rate subsidy, provided for by Directive 72/159/EEC on the modernisation of farms, to be applied in Italy

(presented by the Commission to the Council)

COM(80) 865 final

Explanatory Memorandum

1. Following the request of the Italian Government and on the proposal of the Commission, the Council having regard to the high interest rate for long term loans, in its decision of 6 April 1976 on the level of the interest rate subsidy provided for by Directive 72/159/EEC on the modernisation of farms (1), to be applied in Italy (Dec. 76/402/EEC) (2), authorised the Italian Government to increase the interest rate subsidy to:
 - a) 12 % in the areas defined within the meaning of the Directive on mountain and hill farming and farming in certain less-favoured areas (3);
 - b) 11 % in the Mezzogiorno region and in the depressed regions of the Centre and North of Italy, other than the areas referred to under a) and
 - c) 9 % in the other regions.
2. In addition the Council decided in this Decision that the expenditure of the Italian Government resulting from this increased level of interest subsidy rate shall be eligible according to the provisions of Directive 72/159/EEC.
3. The above mentioned Council Decision is applicable until 31 December 1980 (4). The situation on the capital market in Italy is practically unchanged with regard to that of the Spring of 1976. The interest rate for long term agricultural loans has even increased slightly. The Italian Government consequently requested a prolongation of the Council Decision which appears completely justified having regard to this situation.

(1) OJ no L 96, 23.4.1976, p. 1
(2) OJ no. L 108, 26.4.1976, p. 39
(3) OJ no L 128, 19.5.1975, p. 1
(4) OJ no L 12, 17.1.1980 p. 29

THE COUNCIL OF THE EUROPEAN COMMUNITIES -

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Directive 72/159/EEC of 14 April 1972 on the modernisation of farms (1), and in particular the second subparagraph of Article 8(2),

Having regard to the proposal from the Commission,

Whereas the Italian Government has requested the prolongation of the authorisation of Council Decision 76/402/EEC

(2), as last amended by Council Decision 80/30/CEE (3), which is applicable until 31 December 1980;

Whereas the current rate of interest for long-term agricultural loans is 15,6 % which is 2,2 % greater than the rate on which Council Decision 76/402/EEC was based;

Whereas an interest rate of 15,6 % and interest rate subsidies of respectively 9 %, 11 % and 12 % will mean that the beneficiary is called upon to bear a rate of interest in excess of the minimum laid down by Directive 72/159/EEC;

HAS ADOPTED THE FOLLOWING DECISION :

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- (1) OJ No. L 96, 23.4.1972, p. 1
(2) OJ No. L 108, 26.4.1976, p. 39
(3) OJ No. L 12, 17.1.1980, p. 29

Article 1

Article 4 of Council Decision 76/402/EEC is amended as follows:

"Article 4

This Decision shall apply until 31 December 1982".

Article 2

This Decision is addressed to the Italian Republic.

Done at

For the Council

FINANCIAL STATEMENT

Date : 26.11.1980

1. BUDGET HEADING : Article 810

APPROBIATIONS :

2. TITLE : Proposal for a Council Decision on the prorogation of Decision No 76/402/EEC concerning the level of interest rate subsidy envisaged by Directive 72/159/EEC on the modernisation of farms, to be applied in Italy.

3. LEGAL BASIS : Article 6 of Regulation 729/70/EEC

4. AIMS OF PROJECT : Prorogation for two years, until 31 December 1982, of the high rates of interest subsidy fixed by Council Decision No 76/402/EEC.

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (1981)	FOLLOWING FINANCIAL YEAR (1982)
5.0 EXPENDITURE			
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)		9,2	9,2
- NATIONAL ADMINISTRATION		26,24	26,24
- OTHER		-	-
5.1 RECEIPTS			
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)		-	-
- NATIONAL		-	-

	1981	1982	1983
5.0.1 ESTIMATED EXPENDITURE	9.2 MEUA	9.2 MEUA	9.2 MEUA
5.1.1 ESTIMATED RECEIPTS			

5.2 METHOD OF CALCULATION

1. The Italian implementing legislation has not changed the ceilings of expenditures fixed by the Directives.
2. Assumption : 40 % of expenditures shall be incurred in the Mezzogiorno and thus according to Council Decision 80/666/EEC shall be reimbursed at a rate of 50 %, the remainder being reimbursed at 25 %.
3. The main effect, to be achieved in relation to this proposal, in relation to the budget, shall be to ensure the total use of the funds allocated to this measure by the Italian Government.

6.0 CAN THE PROJECT BE FINANCED FROM APPROBIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ? XXX/NO

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET ? XXX/NO

6.2 IS A SUPPLEMENTARY BUDGET BE NECESSARY ? XXX/NO

6.3 WILL FUTURE BUDGET APPROBIATIONS BE NECESSARY ? XXX/NO

OBSERVATIONS :