

European Communities

EUROPEAN PARLIAMENT

Working Documents

1977 - 1978

6 July 1977

DOCUMENT 190/77

Report

drawn up on behalf of the Committee on Budgets

**on the fifth financial report on the European Agricultural Guidance and
Guarantee Fund, year 1975**

Rapporteur: Mr F. ALBERTINI

PE 48.097/fin.

By letter of 4 November 1976, the Commission of the European Communities forwarded to the European Parliament the Fifth Financial Report on the European Agricultural Guidance and Guarantee Fund (Year 1975).

On 25 November 1976, the Committee on Budgets requested authorization to draw up a report on this document. On 8 December 1976, the European Parliament authorized the committee to draw up a report, the Committee on Agriculture being asked for its opinion.

On 16 March 1977, the Committee on Budgets appointed Mr Albertini rapporteur.

The Committee on Budgets considered the draft report at its meeting of 22 June 1977. It unanimously adopted the motion for a resolution at the same meeting.

Present: Mr Lange, chairman; Mr Cointat, vice-chairman; Mr Albertini, rapporteur; Lord Bruce of Donington, Mr Caro, Mr Früh, Mr Hamilton, Mr Martens, Mr Radoux, Mr Schreiber, Mr Shaw, Mr Spinelli, Mr Terrenoire and Mr Würtz.

The opinion of the Committee on Agriculture is attached.

CONTENTS

	<u>Page</u>
A. MOTION FOR A RESOLUTION	5
B. EXPLANATORY STATEMENT	8
OPINION OF THE COMMITTEE ON AGRICULTURE	23

The Committee on Budgets hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

on the fifth financial report on the European Agricultural Guidance and Guarantee Fund, year 1975

The European Parliament,

- having regard to the fifth financial report submitted by the Commission of the European Communities to the Council and the European Parliament (Doc. COM(76) 553 final),
 - having regard to the report of the Committee on Budgets and the opinion of the Committee on Agriculture (Doc. 190/77),
1. Considers that the review of the annual financial report on the activities of the EAGGF provides an invaluable means of assessing the financial and budgetary problems associated with the agricultural policy and of helping Parliament to form an opinion on the discharge to be given in respect of the implementation of the budget for a given financial year and on the budgetary policy to be followed for the following financial year;
 2. Points out, however, that in order to meet these requirements, the financial report must provide full and pertinent information on the fundamental problems, on the causes of any inadequacies, on possible remedies and on the agricultural policy programming measures announced by the Commission when submitting the preliminary draft budget;
 3. Notes that, even where it is able to implement regulations of general application, before doing so the Commission often issues ad hoc regulations which have substantial financial implications; considers that these procedures often impede the main function of the budget, which is to determine the annual volume of expenditure, and hinder Parliament in the exercise of its powers either at the time of the establishment of the annual budget or when it deems it necessary to ask the Council to initiate the consultation procedure so that a joint assessment may be made of the financial implications of Community acts of a general nature;

4. Wonders, moreover, following its examination of the fifth report, whether certain provisions relating to the implementation of the agricultural markets policy are not also contradictory and so in practice increase the burden of expenditure to be borne by the Community;
5. Considers it essential for a careful forecast to be made of expenditure under the agricultural markets policy, given that from 1978 the Community budget will be entirely financed from own resources; is convinced, moreover, that trends in the agricultural sector being unpredictable, the necessary expenditure and revenue should be fixed on an annual basis in the budget estimates;
6. Emphasizes once again that the management policy adopted for agricultural markets and the measures taken to finance the elimination of agricultural surpluses directly affect farming structures and must therefore take account of the existing imbalances in the various regions of the Community;
7. Considers that the appropriations entered in the budget for the agricultural markets policy should not escape, in practice, the requirement as to specificity, and thus should not be the subject of systematic transfers during the financial year;
8. Is of the opinion that the policy of financing agricultural surpluses must necessarily be complemented by a policy for the disposal of Community agricultural products, such as to avoid the possibility of financial strain on the Community budget;
9. Considers that the delays in carrying out inspections prior to the settlement of accounts, apart from constituting a permanent breach of the Financial Regulation, may also have serious financial consequences, making nonsense of the Commission's responsibility for the utilization of appropriations under the Guarantee Section;

Guidance Section

10. Points out that, although programmes have already been adopted in the agricultural structures policy sector, adequate financial instruments have still not been established;
11. Calls upon the Commission to use its considerable experience to promote the most efficacious possible financing systems that will provide maximum stimulus to action by beneficiaries and the Member States and satisfactory guarantees of effectiveness in bringing about the desired changes in structures;

12. Asks the Commission in particular to consider how the arrangements for funding individual projects can be improved and thus kept part of the effort to improve agricultural production structures;

Inspections and irregularities

13. Considers it of the utmost importance, in view of the delegation to the national administrations of the management of Community funds, that on-the-spot inspections should be carried out under satisfactory conditions, and that they should cover a sufficient number of projects and be completed within reasonable time-limits;
14. Takes note of the progress achieved in combating fraud and irregularities through the application of Regulation No. 283/72 and the activities of the Special Committee of Inquiry; considers, however, that greater efforts should be made to reduce the number of 'grey areas' in this sector;
15. Feels that a single text consolidating all the agricultural regulations, as proposed by the Commission in 1974, would help to make them better known and thus also to reduce uncertainties about application procedures and, probably, to lessen irregularities as well.

Food aid

16. Wonders whether the management of the relevant part of the budget is at all consistent and requests the committee responsible to consider to what extent the links in the budget between food aid and the Guarantee Section provide scope for a food aid policy separate from the policy of market support.
17. Instructs its President to forward this resolution and the report of its committee to the Council and Commission of the European Communities.

EXPLANATORY STATEMENTIntroduction

1. In accordance with Article 10 of Regulation 729/70, a financial report on the administration of the EAGGF is submitted on 1 July of each year by the Commission to the Council and to Parliament. The purpose of the report is to provide a general survey of the financial and budgetary situation during the previous financial year, on which the responsible institutions may submit comments and recommend such changes as they deem necessary.
2. This year the Committee on Budgets will be submitting its report to Parliament at the same time as the proposal for a decision on the discharge to be given for the 1975 accounts, i.e. later than the committee had originally planned. This delay is due to a number of different circumstances, not least the replacement of two rapporteurs on expiry of their mandate at the European Parliament.
3. The Committee on Budgets report will nevertheless provide a valuable opportunity for reviewing the way in which the agricultural policy is being administered. With this in mind, the rapporteur will endeavour to summarize the main points, having regard to the recent debates and findings of the Committee on Budgets.
4. The financial report deals with four areas of activity, each of which presents a variety of problems:
 - expenditure resulting from the common policy on markets and agricultural prices;
 - financing of the Community policy for improving agricultural structures;
 - the supply of agricultural products as food aid;
 - inspections and the elimination of irregularities.
5. Before considering the various chapters of the financial report, attention must be drawn to a number of weaknesses in the report itself. In short, it may be said that the report is often purely descriptive. Thus:
 - the facts are often incompletely reported;
 - the summaries given are often inadequate;

- When discussing the pattern of expenditure and its administration, the financial report does not take account of the programming aspects announced by the Commission in connection with the common agricultural policy at the time of the presentation of the 1975 budget, in the accompanying explanatory statement.

6. The following examples will serve to illustrate the report's shortcomings:

(a) partial omissions

Paragraph 1.2.1.(b) on page 6 states: '...However, during 1975 the Commission continued to study in detail the problems arising in connection with the financing of costs actually incurred, and in particular made a detailed survey of the elements of cost incurred by intervention agencies. The result of this survey was studied by the EAGGF Committee at the beginning of 1976'.

It is obviously of no help at all to the parliamentary committees simply to be told that the results of the survey were studied by the EAGGF Committee: what is needed is a constructive appraisal of these results.

(b) inadequacy of the summary comments

It is not enough simply to mention the number of days spent by Commission officials on inspection visits; the Commission needs to give at the same time an estimate of the number of days required, at least in theory, to carry out a thorough and effective on-the-spot investigation of the projects financed under the Guarantee Section.

(c) paucity of references to the programming aspects announced in the draft budget

The rapporteur would emphasize that the budget estimates for the Guarantee Section are often significantly modified. He wonders whether it would not be possible - at least to some extent - to make a short-term forecast, i.e. for the following year, of general trends on the agricultural markets and, in this connection, requests the Commission to plan both the commercial and the supply policy to be applied in respect of the Community's agricultural products.

The measures taken in 1975 can thus hardly be accepted as satisfactory, e.g. the system of import subsidies for sugar (at a cost to the Community of 177 m u.a.) and the reintroduction of export refunds in the second half of the year consequent upon the fall in prices on the world market.

-o-O-o-

The report should provide ample and pertinent information on the real issues, because all measures aimed at Community integration ought to be subject to strict control, above all by Parliament. If such information is lacking, a system of control - irritating perhaps in a dynamic Community but essential if real progress is to be achieved - cannot operate effectively.

The financial report should therefore clearly specify the real problems, their causes, the solutions envisaged or actually reached and the shortcomings detected in the present system.

I. Guarantee Section

7. Developments in the financing of the common policy on markets and agricultural prices are described in the first chapter of the financial report.

The main points to be made on this chapter are set out below.

8. In its remarks on the situation in the sugar and the beef and veal sectors, the Commission cites a number of implementing regulations on the organization of the market for the agricultural products concerned. These implementing regulations often provide for the use of substantial Community resources which are not specified in the annual budget. The regulations in question are:

- the regulation concerning a system of premiums for the orderly marketing of certain beef cattle (expenditure charged to the EAGGF in 1975 = 274 m u.a.);
- the regulation introducing special measures to overcome the sugar shortage (expenditure charged to the EAGGF in 1975 = 177 m u.a.);

In the light of these considerations it must be asked:

- whether the special provisions relating to a given market sector covered by existing general regulations are to be implemented on the basis of regulations or whether the Commission ought not instead to have wider and autonomous powers of decision, given that responsibility for management and implementation is broadly assigned to it by the Treaty itself;
- whether it is right that decisions on implementing regulations with direct financial implications should continue to be taken by the Council alone, given that from 1978 the general budget will be wholly financed from the Community's own resources and that it is for the budgetary authority, i.e. the Council and Parliament together, to determine Community revenue and expenditure;
- whether, in view of the Community's limited financial autonomy, which poses the fundamental problem of the allocation of resources, it is not essential for the Council, with the consent of Parliament, to evaluate the total expenditure arising from each regulation as well as the amount of revenue required to cover such expenditure.

9. It must be pointed out how much a self-contradictory agricultural policy could add to Community expenditure. That this is so is evident from the section of the financial report covering the measures applied in 1975 in the sugar sector. These measures may be summarized as follows. In 1975, a new regulation was introduced to maintain the system of production quotas and the arrangements for storage refunds and contributions. At the same time, 520,000 tonnes of sugar were allowed to be imported into the Community to offset the shortage on the internal market. In addition, a premium was granted for the extraction of sugar from molasses. It is likely that the machinery of the agricultural policy requires different measures to be implemented either in respect of a specific product or in the interests of one or other of the Member States. But is it admissible, at least from the financial point of view, to finance measures which are manifestly inconsistent? Moreover, it is difficult to accept the fact that, for several of the measures taken in the first or the second half of the year, no estimate was entered in the budget.

The agricultural policy allows the Commission to do more than simply react to market forces; in a sense it is able to plan and regulate. It cannot therefore take refuge in the argument that the factors determining production and marketing trends for agricultural products are unpredictable. We must insist that it should plan ahead, and this is all the more imperative as, in a public financing system such as that operated by the Community, it is essential to determine both expenditure requirements and the amount of revenue necessary to cover those requirements.

How would it be possible properly to assess the desirability and effectiveness of the Community's measures for financing the agricultural markets if, in the case of every single product over the past five years, the market itself had been subject to many conflicting trends?

Is it not evident from the way in which the appropriations earmarked for the EAGGF Guarantee Section have been deployed that the agricultural policy is always planned on a short-term basis, seldom with a view to the longer-term requirements?

And how could it be otherwise, given that the policy is shaped from one annual price review to another?

This lack of an overall design in the policy of market organization frequently produces results contrary to what might be legitimately expected. And a policy pursued in this way may often ultimately prove much more costly than one that has been rationally planned.

The example of sugar was quoted above: a system under which measures introduced to eliminate one market disequilibrium themselves give rise to other disequilibria does not make much sense.

Reference was made to the premium for extracting sugar from molasses: but at this moment there is a glut of this type of sugar on the Community market.

Similar contradictions exist perhaps in the beef and veal sector. In 1975 measures were promoted to eliminate meat surpluses (financing of buying-in as an intervention measure and for stock-building and hence exports) at the same time as measures to encourage meat production (slaughter premiums, calving premiums and premiums for the conversion of dairy herds to meat production).

The policy of agricultural market management is also a structural policy. The fixing of a price for a product is never an end in itself. The question should therefore be asked whether the profound changes in agricultural structures which result from decisions taken under market organization policies do actually serve their intended purpose.

10. In regulating the commercial aspects of production how is it possible to ignore the differences in agricultural product consumption between the various Community regions?

How can one overlook the fact that in Italy, for instance, the level of self-sufficiency fell between 1968 and 1974 (from 100% to 96% for milk, from 77% to 72% for meat, from 112% to 111% for vegetables) while the exports of countries with surpluses went on increasing normally? Can it really be said that there is no relation between these facts and the Community's agricultural price policy¹?

11. But there can be no denying the contradictions, though they may not be glaring, which often arises between interventions by the Guarantee Section and the objectives pursued in financing individual projects under the Guidance Section.

12. The relationship between the deteriorating state of agricultural structures and agricultural price policy has been pointed out before.²

¹ Consumption trends

	(kg)					
	<u>Eur 9</u>	<u>Italy</u>	<u>F</u>	<u>G</u>	<u>Neth.</u>	<u>Irel.</u>
<u>Meat</u>						
1968	69	50	84	76	57	66
1974	75	63	88	73	65	76
<u>Fresh milk products</u>	100	67	82	85	139	221

Production trends

	(1974 index : 1968 = 100)				
	<u>Eur 6</u>	<u>Italy</u>	<u>F</u>	<u>G</u>	<u>Neth.</u>
Meat and veal	110.7	90.3	111.4	115.7	129.3
Milk	98	104.5	85.4	99	127.4

² We need only quote the research carried out at the request of the Commission of the European Communities by Mr Pizzuti and Mr Nash, whose findings were in favour of closer coordination of the Community's financial instruments.

It is still legitimate to query whether the disparities in the level of development of various Community regions are not partly due to the agricultural markets policy that is followed.

Your rapporteur stresses these contradictions not to reopen the issue of price policy or, more generally, of agricultural market organization, but to emphasize that if a single market is to exist it must be managed according to equilibrium criteria which take account of the real differences in agricultural conditions which are by no means uniform throughout Europe.

This need for equilibrium seems to your rapporteur to be of the essence, in view of the fact that the principle of solidarity is the 'cement' which holds the Community together. The search for balance should prompt a revision of the concept of 'surpluses' and thus a partial revision of financing arrangements for the elimination of agricultural surpluses.

13. With regard to the establishment of a register of olive cultivation, the Commission recalls that expenditure for the establishment of this register is financed by a drawback on olive oil production aid. It does not state, however, how it has fulfilled these obligations in respect of the establishment of the register, how and when it utilized the drawback amounting to 12 million u.a. and how the amount of the drawback compares with the amount of expenditure necessary for the establishment of the register.

These gaps in the report are all the more significant because financing from drawbacks makes sound and efficient management even more necessary.

14. The Commission's remarks on the inadequacy of budgetary resources to finance the agricultural prices fixed in 1975, its comments on the monetary situation and its comparison of initial 1975 budgetary estimates, the actual appropriations, payments effected and transfers within the budget, prompt your rapporteur to draw attention to:

- the often truly summary nature of budgetary estimates;
- the anomalous nature of the budget appropriations in the Guarantee Section which - in view of the considerable and continuous transfers occurring between chapters of the EAGGF budget during the year - can be regarded as representing an overall allocation for agricultural market policy, rather than as budgetary entries fulfilling the criteria of budgetary specificity and transparency;
- the regular use, consistently condemned by the Committee on Budgets, of

supplementary budgets, even to finance expenditure that is foreseeable at the start of the financial year;

- the insufficient utilization of funds available under the headings included in the draft budget;
- excessive carry-overs between financial years;
- the absence of parliamentary control over, or participation by Parliament in, budgetary decisions made in the course of the financial year which substantially alter the initial entries.

Your rapporteur is persuaded that financing of expenditure in the course of a financial year by means of appropriations carried over from earlier years, of supplementary budgets, or of transfers from other chapters and titles of the budget is in contradiction with the strict care with which Parliament seeks, in adopting the budget at the beginning of each year, to establish the Community's needs. He is of the opinion that the power of decision which, despite the modifications to the budgetary provisions of the Treaty, remains in the hands of the Council - and this applies to a wide range of acts of more than merely administrative scope taken in the course of a financial year - is contrary to the principle of increased budgetary powers for the European Parliament and the principle of a genuine sharing of budgetary powers between the Council and Parliament.

15. Clearance and closure of accounts is one of the sensitive points in the implementation of Community agricultural policy. There is no need to repeat all the arguments advanced by the Commission. It should, however, be pointed out that a situation where the final clearance of accounts occurs after a delay of several years and the relevant checks may be made five to nine years after the event, is quite unsatisfactory. And yet, as is clear from the financial report, the corrections that the Commission can make to the final accounts, after scrutinizing the supporting documents and making on-the-spot checks, are very considerable.

16. The observations in the fifth report on the management of appropriations under the Guarantee Section make no reference to the policy for the disposal of surplus agricultural produce. It seems that the Commission does not regard it as part of its task to concern itself with the management of the refund and intervention expenditure either in respect of the ultimate destination of, and trade in, Community produce or in respect of internal trade.

Your rapporteur questions the desirability of the situation which has arisen where Community intervention measures on the agricultural market are considered as ends in themselves. He fears that

such a restricted approach to the results of agricultural trade policy may become financially untenable and prove seriously damaging to the Community's interests.

II. Guidance Section

A. Common measures and special measures

17. Regulation No. 729/70 provided for a transition from a sectoral policy centred on aids to individual projects to a genuine structural policy based on common measures. The fifth financial report clearly demonstrates that, five years after the regulation was issued, the transition has still not been made. Reimbursements under the common measures effected in 1975 totalled 33.8 million u.a., which should be compared with the 3,775 million u.a. of national aids for agricultural structures during the same period.

The former were for:

- aids to hop producers' organizations : 252,000 u.a.;
- statistical surveys on fruit trees: 483,600 u.a.;
- conversion projects in cod fishing: 7.58 million u.a.;
- development of beef and veal production: 25 million u.a.;
- directives concerning modernization of agricultural structures: 1.7 million u.a.

The comparatively modest scale of these measures clearly demonstrates the delays which have built up in this sector. Nevertheless the Commission's forecasts for the following years are optimistic.

18. The only conclusion to be drawn from these figures is that agricultural structures policy is still in the hands of the Member States.

The question arises whether, with the financial instruments available to the Community at present, something can be done to alter this state of affairs. The regulations currently in force give ample scope to Member States to either paralyse Community financing or at least to direct it according to their own ideas. Results available so far are insufficient for a definitive verdict; the Committee on Budgets will appraise the situation at a later date, in the light of the Audit Board's report on the financial year 1976.

B. Individual projects

19. Aids granted in the financial year 1974 for 766 individual projects amounted to 235 million u.a. from Community funds, in a total investment of 1,112 million u.a.

Payments effected in 1975 concerned 1,031 projects and amounted to 138.9 million u.a.

The conditions on which these Community aids are granted, however, raise doubts as to their effectiveness: they are for scattered projects of insufficient relevance to the improvement of agricultural structures:

- (a) careful examination of table 0.V of the report shows that aids to the poorest regions were on a very limited scale;
- (b) in 1968-9, for example:
 - three projects aided production of table wine at a time when the market was suffering from surpluses;
 - a project for the irrigation of orchards, financed by the Fund, coincided with a regulation granting grubbing-up premiums.

20. Nevertheless, the report shows that a considerable number of applications were refused for lack of funds. There is thus a real need for this form of financing. Provided that the release of payments and inspection procedures can be improved, we should continue to make use of it. It should, however, be integrated into an effective structural policy going beyond the processing and marketing of agricultural products.

III. Inspections and irregularities

A. Inspections

21. Inspections are carried out under the various EAGGF financing systems to enable the Commission to decide on such matters as the annual clearance of accounts for the Guarantee Section, and the allocation of aid or payments under the Guidance Section. The purpose of these decisions may also be to establish ways of improving procedures through in-depth studies of specific problems.

22. As regards the Guarantee Section, despite the mass of detail concerning the number of working days spent on inspections, the fifth financial report lays insufficient emphasis on the considerable delays to which they are subject. The Commission clearly possesses insufficient staff to carry out this task.

23. These delays greatly increase the difficulties of inspection, and there is reason to believe that the present staff are unable to exercise effective control over the enormous volume of funds allocated. In short, the conditions under which these inspections are carried out point to a failure of management which might have serious financial consequences.

24. Apart from those made prior to the clearance of accounts, the Commission also carried out on-the-spot inspections and individual inquiries into certain specific problems. Their findings merely emphasize that they ought to be carried out more frequently and effectively.

25. As regards the Guidance Section, fewer checks were made of individual projects than in 1974: whereas in the previous year on-the-spot checks were made of 24 projects, or 6.5% of projects completed during the year, in 1975 only 13, or 2.5% of all completed projects were checked in this way. The Commission puts this down to the fact that its staff were engaged in examining applications for payment. This would imply that whenever the administrative burden increases, less time is devoted to inspections.

26. In proportion to the volume of spending and the number of projects, on-the-spot inspections are much more frequent where specific measures and joint projects are involved. However, it is difficult to assess the

effectiveness of these inspections on the basis of the information contained in the Financial Report. There is some contradiction between the bland comments on the slaughtering premiums in point 6.3.2(b) and the figure given in point 7.3 of 203 cases of irregularities in this sector.

27. If it is held that the Commission cannot shed its responsibility for the utilization of Community funds in the Member States, it is essential that it should be able to carry out the necessary inspections on the spot. In particular, it should not hive off staff assigned to this task as its administrative burden increases. The number of officials assigned to on-the-spot inspections should therefore be proportional to the Commission's administrative workload. In addition, they should be sufficiently specialized and not engaged for other tasks.

B. Irregularities

28. Parliament attaches great importance to the investigation of irregularities and has instructed the Committee on Budgets to draw up a report on the Commission's activities in this sphere. There is therefore no point in going fully into this problem here; a summary of the main lines of activity during the 1975 financial year will suffice.

29. The essential instrument for dealing with irregularities is Regulation No. 283/72. This provides for cooperation between the Member States and the Commission to obtain information on the means employed by national governments to combat fraud and practical methods used to stamp out irregularities. At Community level, this regulation coordinates measures to combat irregularities and sets up a group of experts.

This system took some time to set up but is now operating in a generally satisfactory manner.

There is still room for improvement as regards:

- notification by Member States of cases of irregularities (compliance with deadlines);
- harmonization of national control measures (see Commission proposal Doc. 266/76; rapporteur: Mr Cointat);
- wide use of informatics in this sector;
- professional training of Community and national officials assigned to this task;
- communication to the control body of Parliament of the compendium of irregularities still in the course of preparation.

30. As regards irregularities detected in 1975, the trend revealed in the previous year towards an increase in irregularities in the beef and veal sector was clearly confirmed, reflecting the budget increase in this sector.

Once again, however, most cases occurred in the cereals sector (67). The other cases concern oils and fats, milk products, poultry meat, etc.

31. In the Guarantee Section, 139 cases of irregularities were detected in 1975 involving 2.3 m u.a.

It is interesting to note that 95% of irregularities were detected through the scrutiny of firms' books and commercial documents. None of these cases has yet led to the irretrievable loss of the funds involved.

32. One hundred cases of irregularities were detected in the Guidance Section in 1975, accounting for 382,000 u.a. The areas most affected were those of premiums for the non-marketing of milk and premiums for conversion to beef production.

33. However, the report gives no indication of the number of irregularities which go undetected. Given the derisory total of proven cases and funds recovered as compared with the total amount involved, the extent of fraudulent practice is probably far from negligible.

IV. Financing of food aid for products subject to common market organization

34. The budget system in this sector is identical in all respects to that of the EAGGF's Guarantee Section: monthly advances to the Member States, global commitments, specific commitments and annual clearance of accounts.

35. 1 January 1975 saw the entry into force of Regulation No. 2681/74, which lays down a uniform financial system for all products intended for food aid. This regulation also introduces a breakdown of expenditure between the 'food aid' chapter (cost of products) and the EAGGF's Guarantee Section (refunds). All expenditure for food aid involves two budget entries.

36. The report fails to provide a complete picture of the utilization of appropriations, inasmuch as expenditure relating to refunds is not shown in the chapter on food aid. However, it is clear from the figures that the estimates made for 1975 were far from realistic. The initial allocation of 226 m u.a. (items 9200, 9201, 9211, 9212, 9221 and 9240), increased by 98 m u.a. carried forward from the 1974 financial year, was reduced, by means of transfers to the EAGGF's Guarantee Section through supplementary budget No. 3, by 60 m u.a.

37. In addition, part of this transfer, involving 42.4 m u.a., would appear to be a budgetary contrivance criticized by Parliament in its report on supplementary budget No. 3. This transfer is only temporary, and subject to an equivalent transfer from the Guarantee Section to food aid in 1976.

38. From this available total of 264 m u.a., 59 m u.a. was carried forward to the 1976 financial year automatically and 5.6 m non-automatically, reflecting the long delays in the implementation of the food aid programmes.

39. In accordance with the amendment proposed by Parliament to Article 113 (4) of the Financial Regulation, the budget authority should, in future, control movements of appropriations between the food aid and Guarantee Sections, in order to prevent insufficiently broad lines of demarcation between these two parts of the budget from inhibiting a food aid policy separate from the policy of market support.

OPINION OF THE COMMITTEE ON AGRICULTURE

Draftsman: Mr A. LIOGIER

At its meeting of 22 - 23 November 1976, the Committee on Agriculture appointed Mr Liogier draftsman.

It considered this draft opinion at its meeting of 15 and 16 February 1977, and adopted it by 7 votes in favour with 2 abstentions.

Present: Mr Houdet, chairman; Mr Liogier, vice-chairman and draftsman; Mr Hoffmann, Mr McDonald, Mr Martens, Mr Pistillo, Lord St Oswald, Mr Vitale and Lord Walston.

1. Article 10 of Regulation (EEC) 729/70 of the Council of 21 April 1970, on the financing of the common agricultural policy¹, provides that 'Before 1 July of each year, the Commission shall submit to the Council and to the European Parliament a financial report on the administration of the Fund during the preceding financial year and, in particular, on the state of its resources and the nature of its expenditure and the conditions for achieving Community financing'.

2. It is thus on the basis of this regulation that the European Parliament is required to deliver an opinion on the Fifth Financial Report on the EAGGF, year 1975.

The report centres around four main points:

I. GUARANTEE SECTION

3. The Guarantee Section of the EAGGF is responsible for financing expenditure resulting from the common policy on markets and agricultural prices, in other words it provides export refunds designed to facilitate the sale of Community agricultural products on the world market and effects intervention purchases for the purpose of stabilizing the agricultural markets.

4. In 1975 expenditure for the Guarantee Section was 9.6. % higher than the appropriations originally provided, totalling 4,727m u.a. as against the original figure of 4,312m u.a. (see Annex I). The reasons for this additional expenditure were as follows:

- (a) the average increase of 9.6. % in agricultural prices for the 1975/76 marketing year, the resulting additional expenditure not having been included in the 1975 budget because of the Council's refusal to adopt the Commission's suggestion that a 200m u.a. appropriation should be provided for in the preliminary draft budget in anticipation of the price decisions to be taken by the Council in the spring of 1975.
- (b) the sharp increase in agromonetary expenditure (monetary compensatory amounts, effect of the double conversion rate) as a result of divergent currency trends in the Member States. For monetary compensatory amounts alone, expenditure totalled 406.3m u.a. in 1975, compared with 332.5m u.a. in 1974. Appropriations earmarked to cover this expenditure amounted to 700m u.a., i.e. approximately 15 % of the total expenditure of the Guarantee Section. In addition, expenditure under the heading of 'accession' compensatory amounts totalled 415m u.a., 166.2m u.a. higher than anticipated because of the increase in imports from the United Kingdom, more particularly in the dairy products sector.

¹ OJ No L 94, 28.4.1970, p. 13

(c) increase in expenditure on specific sectors

- . For sugar, a new basic regulation (Regulation (EEC) 3330/74¹, amended by Regulation (EEC) 2623/75²) was introduced to cope with the sugar shortage in the Community in the 1974/75 marketing year. The resulting measures called for additional expenditure of 173.6m u.a.;
- . In the case of wine, expenditure increased from 41.9m u.a. in 1974 to 139.1m u.a. in 1975; the distillation measures taken as a result of two exceptionally good harvests alone cost 102m u.a. and the figure would have been 155m u.a. if it had not been for the delay in payment in one Member State of 53m u.a.

5. On the other hand, savings have been effected in the following sectors, although they are not sufficient to counterbalance the increased expenditure mentioned in the previous paragraph:

- (a) In the dairy products sector, the appropriations earmarked for the disposal of butter and skimmed-milk powder stocks were appreciably less than in previous years because of the fall in the volume of stocks of butter and the saturation of the market both inside and outside the Community in the case of skimmed-milk powder. Expenditure was 69.3m u.a. lower than in 1974 - a reduction of 5.6 % - and 403.1m u.a. less than the original appropriations provided for in the 1975 budget.
- (b) In the pigmeat, egg and poultrymeat sectors, expenditure was about 93.9m u.a. less than anticipated.
- (c) In the cereals sector, substantial savings were effected in the case of durum wheat, although overall expenditure in this sector was approximately equal to the original appropriations.
- (d) For rice, actual expenditure was only 4.2m u.a. compared with the 29.7m u.a. entered in the 1975 budget.

6. The dairy sector, which accounted for 24 % of the expenditure, is still the most important sector in the Guarantee Section, although it accounted for considerably less of the expenditure than in 1973 and 1974, when the figure was approximately 40 %.

The beef and veal sector which, in 1973, accounted for only a small proportion of the expenditure (0.45 %) has become the second most important sector in the Guarantee Section, with 20.7 %. The proportion accounted for by cereals, 13 %, has remained unchanged. Finally, attention should be drawn to the increase in agromonetary expenditure, 24.8 % more in 1975 than in 1974 for monetary compensatory amounts and 195.3 % more for 'accession' compensatory amounts.

¹ OJ No L 359, 31.12.1974, p. 1

² OJ No L 268, 17.10.1975, p. 1

7. The division of expenditure between the Member States reflects the increasing extent to which the new Member States are becoming integrated in the Community agricultural system.

Thus the proportion of expenditure accounted for by the United Kingdom rose from 8.6 % to 17.2 % between 1974 and 1975, and Ireland's share from 4.9 % to 5.2 %. Only Denmark's share has fallen - from 9 % in 1974 to 6.6 % in 1975.

In monetary terms, this trend is even more noticeable. Expenditure for the United Kingdom rose from 268m u.a. in 1974 to 815m u.a. in 1975 (an increase of 204 %), expenditure for Ireland (245m u.a. in 1975) increased by 60 % and expenditure for Denmark (312m u.a. in 1975) increased by 9.1 %.

8. Trends in the expenditure of the EAGGF Guarantee Section between 1971 and 1975 were as follows:

	Expenditure - EAGGF Guarantee Section		Community GDP at market prices (m u.a.)	EAGGF Guarantee Section expenditure as percentage of Community GDP	
	gross (m u.a.)	not including agricultural levies (m u.a.)		gross	net
a	b	c	d	e = 100 b/d	f = 100 c/d
1970	2,604	1,754	477,000	0.55	0.37
1971	1,514	810	528,000	0.29	0.15
1972	2,258	1,459	602,000	0.38	0.24
1973	3,815	3,264	837,000	0.46	0.39
1974	3,107	2,777	931,000	0.34	0.30
1975	4,727	4,137	1,038,000	0.46	0.39

It will be noted that the Guarantee Section's expenditure represents only a small proportion of the Community GDP, less than 0.5 %.

Although the common agricultural policy is far from perfect - consider, for example, the surpluses in the milk and wine sectors - it must be acknowledged that it enables the Community to be self-sufficient in most products at a cost that the latter can in the long run meet without any difficulty. Consequently, although it is important to be careful, it would not be advisable to put a ceiling on the Guarantee Section's expenditure, given that the Community must, in addition to safeguarding its own supplies, be able to export its agricultural products - a not inconsiderable source of foreign currency earnings in the present international economic situation.

II. GUIDANCE SECTION

9. Through the Guidance Section of the EAGGF, the Community helps to improve the agricultural structures of the Member States. The funds available, totalling 325m u.a. (see Regulation (EEC) 729/70¹ amended by Regulation (EEC) 2788/72²) are primarily intended for the financing of common measures, the granting of capital subsidies for individual projects for the improvement of agricultural structures under Regulation 17/64/EEC³ and the refund of certain expenditure for special measures adopted by the Council before the implementation of Regulation (EEC) 729/70.

Common measures

10. The common measures adopted by the Council in 1975 on the basis of Article 6 of Regulation (EEC) 729/70 are as follows:

- Council Directive 75/108/EEC of 20 January 1975⁴ on the organization of a structures survey for 1975 as part of the programme of surveys on the structure of agricultural holdings
- Council Directive 75/268/EEC of 28 April 1975⁵ on mountain and hill farming and farming in certain less-favoured areas.

For these measures the financial contribution of the EAGGF Guidance Section is fixed at 25 % of the expenditure incurred by the Member States (however, since 1 January 1976 the refund rate, pursuant to Directive No 76/400/EEC⁶, has reached 35 % in the case of Ireland and Italy).

11. In addition, the first decisions of the Commission on the refund of aid granted by the Member States pursuant to Directives 72/159/EEC⁷ 72/160/EEC⁸ and 72/161/EEC⁹ - relating respectively to the modernization of farms, measures to encourage the cessation of farming and the reallocation of utilized agricultural area for the purposes of structural improvement, and the provision of socio-economic guidance and the acquisition of occupational skills by persons engaged in agriculture - represented a total of approximately 1.76m u.a. Measures in this field were introduced progressively, sometimes at a later date than intended and only by certain Member States.

¹ OJ No L 94, 28.4.1970, p.1

² OJ No L 295, 30.12.1972, p. 1

³ OJ No . 34, 27.2.1964, p. 586/64

⁴ OJ No L 42, 15.2.1975, p. 21

⁵ OJ No L 128, 19.5.1975, p. 1

⁶ OJ No L 108, 26.4.1976, p. 21

⁷ OJ No L 96, 23.4.1972, p. 1

⁸ OJ No L 96, 23. 4.1972, p. 9

⁹ OJ No L 96, 23.4.1972, p. 15

(Germany, Denmark, Netherlands, United Kingdom). (see Annex 2).

12. Other common measures have been introduced pursuant to Regulation(EEC) 1696/71¹ (aid to organizations of hop producers), Regulation(EEC) 1353/73² (measures to promote the production of beef and veal), Directive 71/286/EEC³ (statistical surveys of plantations of certain types of fruit trees), Directive 75/108/EEC⁴ (surveys on the structure of agricultural holdings) and Regulation(EEC) 2722/72⁵ (conversion projects in the salt cod-fishing industry)

(see Annex 2)

Individual projects

13. Under Regulation 17/64/EEC, the Commission decided to contribute to the financing of 766 individual projects for 1974 (out of a total of 1,296 projects submitted), the total cost of which was 234.9 m u.a. These 766 projects represented, in all, 1,111m u.a. (see Annex 3). Each project thus represents an average investment of 1,451,103m u.a.; the average EAGGF contribution would be 306,788m u.a.

In December 1975, the Commission decided to grant aid for the first part of 1975 to 319 projects, the total cost being 108.4m u.a.

Since 1964 the Guidance Section of the EAGGF has granted aid for 4,764 individual projects.

Special measures

14. In 1975 the Guidance Section of the EAGGF granted aid for the following projects (see Annex 4) on the basis of the regulations mentioned:

- . premiums for the slaughter of cows and the non-marketing of milk and milk products (R(EEC) 1975/69)⁶ 2.7m u.a.
- . premiums for the grubbing-up of fruit trees (R(EEC) 2517/69)⁷ 7.6m u.a.
- . aid to organizations of fruit and vegetable growers (R(EEC) 1035/72)⁸ 1.05m u.a.

¹ OJ No L 175, 4.8.1971, p. 1

² OJ No L 141, 28.5.1973, p. 18

³ OJ No L 179, 9.8.1971, p.21

⁴ OJ No L 42, 15.2.1975, p.21

⁵ OJ No L 291, 28.12.1972, p. 30

⁶ OJ No L 252, 8.10.1969, p. 1

⁷ OJ No L 318, 18.12.1969, p. 15

⁸ OJ No L 118, 20.5.1972, p. 1

- . aid to organizations of producers in the fisheries sector (R(EEC) 2142/70¹ 0.03m u.a.
- . improvement of production and marketing in the Community citrus fruits sector (R(EEC) 2511/69)²

In view of the delays in implementing the last measure in the two Member States concerned, namely France and Italy, there was no expenditure under this heading in 1974. No expenditure was incurred until 1975 and applications for refunds were submitted by 1 July 1976.

III. VERIFICATIONS AND IRREGULARITIES

15. In 1975 the Commission greatly extended its verifications of EAGGF expenditure, particularly that incurred by the Guarantee Section.

Guarantee Section

16. The inspection visits carried out by the Commission have enabled it to clear the accounts for the 1971 and 1972 financial years and refuse expenditure representing a total of 51.8m u.a. However, some delegations did not accept all the Commission's decisions and three Member States - Germany, France and the Netherlands - have lodged appeals with the Court of Justice in respect of a total sum of 24.6m u.a.

17. In addition, the Commission has audited the accounts for the financial years 1967/68 to 1970. Because a considerable time has elapsed since then, inspection visits were mainly concerned with the accounts.

18. In addition, the Commission has spent 97 days on inspection visits to the following sectors, namely:

- . 40 days spent largely in a principal producing country verifying intervention conditions in the beef and veal sector;
- . 15 days investigating the conditions in which skimmed-milk powder is to be incorporated in compound feedingstuffs;
- . 4 days verifying the application of the system of private storage of pigmeat in a Member State.

¹ OJ L 236, 20.10.1970, p. 5

² OJ L 318, 18.12.1969, p. 1

- . 12 days spent in a detailed examination of certain cases of irregularity prejudicial to the EAGGF, which had been communicated pursuant to Articles 3, 4 and 5 of Regulation(EEC) 283/72.

The Commission also states (page 63) that 'the information obtained has been made available in documentary form to the Special Committee of Inquiry for its work in the beef and veal sector'.

The European Parliament urges that such information should be passed on to it to provide it with an accurate picture of the difficulties of managing the common agricultural policy.

19. In addition to the inspection visits mentioned in the previous paragraph, 77 days were spent in visits connected with the beef and veal sector, relating to:

- . application of the system of monetary compensatory amounts in intra-Community trade;
- . correct declaration of the quality and quantity of goods imported or exported;
- . the way in which national administrative departments and where necessary the administrative services of other Member States are informed of theft, loss and falsification of customs seals and documents.

Guidance Section

20. In 1975, inspection visits were made in connection with 13 individual projects, representing 2.5 % of the projects completed in the year.

21. Similarly, as regards special measures, inspection visits were made in connection with the premiums paid by Italy from 1973 to 1974 for the grubbing up of fruit trees, the premiums paid by the Federal Republic of Germany for the slaughter of cows and the non-marketing of milk and milk products and the launching aid granted in Germany to organizations of producers of fruit and vegetables.

22. As regards common measures, inspections were carried out in connection with the premiums granted in 1973 and 1974 by the United Kingdom for the conversion of dairy herds to beef production.

o
o o

23. Regulation(EEC) 729/70¹ on the financing of the common agricultural policy, in Article 8, establishes the principle of Community liability for sums lost as a result of irregularities in cases where the Member States cannot be held liable.

¹OJ No L 94, 28.4.1970, p. 13

24. To combat irregularities, the Community has introduced arrangements for recovering sums wrongly paid in connection with the financing of the common agricultural policy and establishing an information system in this field (Regulation(EEC) 283/72¹).

25. In 1975, the Commission submitted to the Council a report on the implementation of the above regulation², indicating that it is operating satisfactorily and is at the moment the main method of dealing with irregularities.

26. On the basis of this regulation, the Commission, in its recommendation of 3 February 1975³, calls upon the Member States to reinforce the cooperation between their respective national authorities in order to combat fraud more effectively.

IV. FINANCING OF COMMUNITY FOOD AID FOR PRODUCTS SUBJECT TO COMMON MARKET ORGANIZATION

27. In order to obtain the necessary produce for fulfilling supply agreements concluded by the Community with the recipient country or body, the Community, within the framework of common market organizations, collects the necessary stocks of food by means of invitations to tender or by private contracts, depending on the market situation. This procedure is the responsibility of the intervention agencies in the Member States.

28. As for the financial arrangements, monthly advances are paid to the Member States and the accounts are cleared once a year. The system is thus similar to that in the Guarantee Section.

Regulation(EEC) 2681/74 of 21 October 1974⁴ on the Community financing of expenditure incurred in respect of the supply of agricultural products as food aid altered the existing arrangements with effect from 1 January 1975 by introducing a uniform system for all products and stipulating that all food aid expenditure should be entered under Title 9 'Food aid expenditure' of the budget of the Communities (see Article 2 of the above regulation).

¹ OJ No L 36, 10.2.1972, p. 1

² COM(75) 507 final, 15.10.1975

³ OJ No L 44, 18.2.1975, p. 23

⁴ OJ No L 288, 25.10.1974, p. 1

29. In 1975, monthly advances were 52 % higher than in 1974, rising from 121.4m u.a. to 184.5m u.a. This increase resulted from the fact that the nine (rather than five) Member States were concerned, that expenditure on measures relating to milk products was entered under the chapter 'food aid expenditure' and the food aid contributed by the Community in the form of cereals under the 1971 Convention on Food Aid had been increased.

Out of the total expenditure of 164m u.a. in 1975, 99m u.a. were set aside for aid in the form of cereals and 63m u.a. for milk products.

30. Documentary verifications and inspection visits were carried out in 1975 in respect of expenditure prefinanced by the Member States as part of the food aid programme for 1970/71, the last programme under the 1967 Convention. As a result of these verifications 241,363.55 u.a. was not recognized as eligible for Community financing.

o

o o

CONCLUSIONS

31. The Committee on Agriculture once more deplores the fact that the amount earmarked for the Guarantee Section is sixteen times greater than the amount for the Guidance Section (4,727m u.a. as against 280.3m u.a.), although the market support policy constitutes only a small proportion of the Community's gross domestic product.

32. The Committee considers that agromonetary expenditure - which represents 8.8 % of the Guarantee Section's expenditure in the case of monetary compensatory amounts alone and 8.6 % in the case of 'accession' compensatory amounts - is far too high. In this connection it believes that, with a view to abolishing these compensatory amounts, it would be advisable to earmark equivalent amounts either for the improvement of the agricultural structures proper, or for the elimination of regional disparities by making these appropriations available to the Social Fund or the Regional Development Fund, since only structural measures can in the long term combat the inflation which is threatening the common agricultural market and hence the Community's survival.

33. The committee deplores the delay in clearing the aid granted in certain Member States. It therefore welcomes Regulation (EEC) 3171/75¹ which stipulates, in Article 2, that the sums that remain unused, either because the beneficiary has abandoned the project or because the work has not been commenced within two years of notification of the decision, shall be used to finance other projects. The unused funds can thus be used to improve agricultural structures, which will undoubtedly represent a saving for a given financial year.

¹ OJ No L 315, 5.12.1975, p. 1

34. The committee welcomes the extension of the checks carried out by the Commission departments, and the work of the Special Committee of Enquiry. It considers that the European Parliament should be notified of all conclusions reached by the Commission or the Special Committee of Enquiry as a result of these enquiries so that it can exercise its control responsibilities as effectively as possible.

35. The committee therefore welcomes the section of the Fifth Financial Report relating to the investigation of irregularities, particularly in the beef and veal sector, which usefully complements the report by the Special Committee of Enquiry on this sector¹. It also feels that it should be informed as soon as possible of all conclusions that the Commission might draw from the reports of the Special Committee of Enquiry so that Parliament can obtain a clear picture of the difficulties encountered by the Commission in the management of the various sectors of the common agricultural policy.

36. The committee feels that there is still scope for further improvement in the measures to combat fraud and urges the Member States to step up their cooperation in this field. Indeed, quite apart from the financial implications which are, after all, negligible (0.04 % of the Guarantee Section's expenditure), it is essential to combat irregularities since they are prejudicial to the image of the common agricultural policy and hence of the Community itself.

37. As regards food aid, the committee notes that advances accounted for a sum of 184,520,205.41 u.a. and expenditure 163,979,335.46 u.a. i.e. the percentage utilized was 89 %, 2 % higher than in 1974. Thus it welcomes the fact that the Community is stepping up its operations in this field, in the interests of solidarity with the poorest countries in the world; nevertheless it considers that the use of the aid by the recipients should be more closely controlled to ensure that Community funds are being utilized to the best possible effect and that the ultimate beneficiaries of the aid, namely the peoples of these countries, are actually receiving and deriving the maximum benefit from the food aid paid for the European taxpayer.

38. The Committee on Agriculture therefore welcomes the submission of an annual financial report on the EAGGF which provides a picture of the management of the most important Community fund in terms of the expenditure involved and the effects that the Community funds placed at the Fund's disposal have on agricultural policy.

¹ COM(76) 370 final

EAGGF - Guarantee Section

Sector	A Appropriations originally entered in 1975 budget (in m u.a.)	B Payments 1975 (in m u.a.)	C Difference between A and B (as a percentage)	D Proportion of 1975 payments (as a per- centage)	1974 payments (in m u.a.)	Difference between 1974 and 1975 (as a percentage)
CEREALS						
- excluding durum wheat	478.5)	490.1)	+ 2.4	10.3) 399.7	+ 55.3
- durum wheat	185.5) 664.0	130.8) 620.9	- 29.5	2.7)	
RICE	29.7	4.2	- 85.8	0.0	1.2	+ 250.0
MILK/MILK PRODUCTS	1,552.9	1,149.8	- 25.9	24.3	1,219.1	- 5.6
OILS AND FATS						
- olive oil	455.5	205.0	- 55.0	4.3	130.1	+ 57.5
- oilseeds	76.5	26.4	- 65.5	0.5	10.9	+ 142.2
SUGAR	135.6	309.2	+ 128.0	6.5	108.8	+ 184.1
BEEF AND VEAL	448.0	980.0	+ 118.7	20.7	324.4	+ 202.1
PIGMEAT	130.0	53.8	- 58.6	1.1	66.5	- 19.1
EGGS AND POULTRYMEAT	26.0	8.4	- 67.6	0.2	16.9	- 50.3
FRUIT/VEGETABLES	83.5	90.2	+ 8.0	1.9	66.9	+ 34.8
WINE	104.2	139.1	+ 33.5	2.9	41.9	+ 232
TOBACCO	166.4	228.5	+ 37.3	4.8	183.6	+ 24.5
FISHERIES	2.5	9.3	- 272.0	0.2	1.1	+ 745.5
FLAX AND HEMP	12.6	13.9	+ 10.3	0.3	11.7	+ 18.8
SEEDS	18.5	23.8	+ 28.6	0.5	15.2	+ 56.5
HOPS	7.2	7.9	+ 9.7	0.2	4.4	+ 79.5
SILKWORMS	2.0	0.8	- 60.0	0.0	0.4	+ 100.0
DEHYDRATED FODDER	10.5	11.1	+ 5.7	0.2	3.6	+ 208.3
PRODUCTS NOT INCLUDED IN ANNEX II	32.2	23.8	- 26.1	0.5	12.8	+ 85.9
MONETARY COMPENSATORY AMOUNTS	248.8	414.9	+ 66.7	8.8	332.5	+ 24.8
ACCESSION COMPENSATORY AMOUNTS	105.4	406.3	+ 285.5	8.6	137.6	+ 195.3
TOTAL	4,312.0	4,727.3	+ 9.6	100.0	3,089.3	+ 53.0

EAGGF - Guidance Section

Annex 2

JOINT MEASURES

(in u.a.)

	BELGIUM	DENMARK	GERMANY	FRANCE	IRELAND	ITALY	LUXEMBOURG	NETHERLANDS	UNITED KINGDOM	TOTAL
<u>Directives:</u>										
Directive 72/159/EEC		24,237,000	906,273,78					155,956,99	59,858,95	1,146,326,72
Directive 72/160/EEC			6,863,46					483,40	206,52	7,553,38
Directive 72/161/EEC			589,995,17							589,995,17
Hops				138,804,31					113,257,21	252,061,52
Beef and veal	551,869,71	765,151,58	4,463,169,94	6,926,550,86	362,073,41		40,328,46	505,457,18	11,314,610,95	24,929,212,09
Stat. surveys fruit trees			42,000,00			441,600,00				483,600,00
Surveys of structure			960,000,00		325,712,19				235,506,82	1,521,219,01
Salt cod-fishing industry			2,868,852,15	2,031,201,58						4,900,053,73
TOTAL	551,869,71	789,388,58	9,837,154,50	9,096,556,75	687,785,60	441,600,00	40,328,46	661,897,57	11,723,440,45	33,830,021,62

EAGGF - Guidance Section
INDIVIDUAL PROJECTS

ANNEX 3

	BELGIUM		DENMARK		GERMANY		FRANCE		IRELAND		ITALY		LUXEMBOURG		NETHERLANDS		UNITED KINGDOM		Total no. of projects	Total aid granted	Total investment	
	No. of projects	Aid granted (in u.a.)	No. of projects	Aid granted (in u.a.)	No. of projects	Aid granted (in u.a.)	No. of projects	Aid granted (in u.a.)	No. of projects	Aid granted (in u.a.)	No. of projects	Aid granted (in u.a.)	No. of projects	Aid granted (in u.a.)	No. of projects	Aid granted (in u.a.)	No. of projects	Aid granted (in u.a.)				
IMPROVEMENT OF PRODUCTION STRUCTURES																						
• Land improvements	22	1,930,095	-	-	32	7,664,836	35	7,269,892	-	-	-	-	-	-	5	3,640,869	-	-	94	20,505,692		
• Hydraulic works and irrigation	3	22,681	-	-	9	2,246,259	8	3,710,574	-	-	18	5,982,481	1	51,480	2	452,094	8	1,285,163	49	13,750,732		
• Afforestation	-	-	-	-	53	14,588,451	5	846,504	-	-	1	137,201	-	-	-	-	-	-	59	15,572,216		
• Miscellaneous	4	443,570	1	183,381	5	6,072,465	5	4,614,501	6	3,756,160	87	21,623,222	-	-	4	138,681	21	2,743,805	133	30,576,055		
TOTAL 1		2,396,346		183,381		30,572,011		16,431,571		3,756,160		27,743,134		51,480		4,231,644		4,028,968		89,404,695		
Total amount of investment (in u.a.)	29	9,757,555	1	860,228	99	122,573,126	53	69,157,206	6	14,828,245	106	115,301,220	1	114,400	11	23,421,883	29	19,993,057	335		376,571,600	
IMPROVEMENT OF MIXED FARMING																						
• (Total 2)		1,963,306		504,167		772,739		6,701,678		-		7,541,833		-		26,057		9,065,671			26,675,466	
Total amount of investment (in u.a.)	4	9,024,382	3	2,018,666	5	4,042,430	10	29,561,603	0	-	21	36,620,654	0	-	1	123,153	8	56,433,071	52		138,357,095	
IMPROVEMENT OF PRODUCTION STRUCTURES																						
• Milk products	9	3,271,116	6	1,585,547	19	7,528,228	9	6,038,960	5	2,812,786	13	2,570,561	2	732,440	5	3,202,621	11	2,937,718	79	31,479,977		
• Meat	13	2,469,086	8	6,037,771	6	1,935,450	3	1,119,981	12	4,472,901	1	224,198	-	-	1	101,420	6	2,504,952	50	18,968,759		
• Fruit and vegetables	10	1,662,920	-	-	17	3,777,734	7	3,608,715	2	84,302	17	4,301,424	-	-	5	2,157,658	2	2,307,382	60	17,905,135		
• Wine	-	-	-	-	16	4,565,215	10	3,943,436	-	-	58	14,942,473	1	130,000	-	-	-	-	85	23,481,124		
• Cereals	4	332,014	3	562,495	1	547,200	4	2,079,961	-	-	9	2,331,829	-	-	-	-	3	466,005	24	6,322,554		
• Miscellaneous	4	59,212	3	996,639	1	121,333	7	2,035,698	6	858,815	26	5,431,543	1	39,030	8	4,277,600	25	6,419,278	81	20,762,258		
TOTAL 3		8,330,348		2,192,452		18,475,220		19,626,751		8,228,301		29,711,900		338,920		9,832,299		14,622,225		118,916,847		
Total amount of investment (in u.a.)	40	11,313,137	20	45,670,278	60	105,023,726	40	94,544,083	25	42,715,407	124	148,061,215	4	4,841,923	19	55,541,192	47	68,248,695	379		596,615,291	
TOTAL AID GRANTED (TOTAL 1 + TOTAL 2 + TOTAL 3)																						
	73	12,690,000	24	9,870,000	164	49,820,000	103	42,770,000	31	11,984,964	251	65,095,000	5	940,000	31	14,100,000	84	27,730,034	766	234,999,998		
TOTAL INVESTMENT		60,095,074		48,558,172		232,246,782		193,263,092		57,544,152		290,577,189		4,959,328		79,086,228		145,214,823			1,111,544,800	

EAGGF - Guidance SectionSPECIAL MEASURES

(in u.a.)

	Premium for slaughter of cows and non-marketing of milk	Grubbing-up of fruit trees	Fruit and vegetables	Fisheries	TOTAL
BELGIUM	158,335,46	9,264,00			167,599,46
DENMARK					-
GERMANY	1,254,224,63	1,666,94	259,845,08	8,909,88	1,524,646,53
FRANCE	1,265,192,03	28,872,00	34,140,62	21,336,75	1,349,541,40
IRELAND					-
ITALY		7,566,406,01	750,211,32		8,316,617,33
LUXEMBOURG	9,562,46				9,562,46
NETHERLANDS	108,703,04	3,862,60			112,565,64
U.K.			9,213,59		9,213,59
Total:	2,796,017,62	7,610.071,55	1,053,410,61	30,246,63	11,489,746,41