

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 700 final.

Brussels, 12 November 1980

Proposal for a

COUNCIL REGULATION (EEC)

for a common measure to stimulate the improvement of public facilities
in certain less favoured areas of the Federal Republic of Germany

(submitted to the Council by the Commission)

COM(80) 700 final.

EXPLANATORY MEMORANDUM

In certain less favoured areas in the Federal Republic of Germany within the meaning of Council Directive 75/268/EEC of 28 April 1975, on mountain and hill farming and farming in certain less favoured areas (1) public facilities and water engineering are particularly deficient.

The elimination or at least the reduction of these deficiencies, particularly those relating to farm roads and water engineering in agriculture, forms an important prerequisite for the structural improvement and the efficacy of the reform of agriculture in those regions.

As a result, the creation and the improvement of agricultural roads and the undertaking of measures in the field of water engineering, particularly those concerning the flood control and soil protection are necessary.

A financial contribution by the Community for such projects, within the framework of a common measure, can contribute to a significant reduction in the adverse effects of these infrastructural deficiencies.

(1) O.J. No L 128, 19.5.1975, p.1

Proposal for a Council Regulation for
a common measure to stimulate the improvement
of public facilities in certain less favoured
areas of the Federal Republic of Germany

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 by virtue of Article 39 (2) (a) of the Treaty, the social structure
of agriculture and the structural and natural disparities between agricultural
regions must be taken into account in determining the common agricultural
policy,

Whereas in order to attain the objectives of the common agricultural policy
set out in Article 39 (1) (a) and (b) of the Treaty, special measures must
be taken, at Community level, to remedy the situation in those agricultural
areas where production conditions are particularly difficult,

Whereas certain less favoured areas of the Federal Republic of Germany
within the meaning of Council Directive 75/268/EEC of 28 April 1975 on
mountain and hill farming and farming in certain less favoured areas (1) are
characterised by deficiencies in the public amenities, including water engi-
neering in agriculture,

Whereas structural changes and agricultural reforms in these regions cannot
be effective unless these amenities are improved,

(1) O.J. No L 128, 19.5.1975, p. 1

Whereas it seems opportune that the provision of a proper rural road network, as well as the improvement of water engineering should be encouraged by means of Community aid,

Whereas the projects must also, in order to qualify for Community financing, contribute in particular to a lasting improvement in the public amenities available to agricultural holdings, have adequate economic justification and be coordinated with other measures for encouraging agriculture and for improving amenities; whereas they must also form part of ^{an} outline programme coordinating the various programmes and measures for the balanced development of agriculture and public amenities in the areas concerned,

Whereas to ensure coordination of action by the Community and by the Member State, the projects to be financed by the European Agricultural Guidance and Guarantee Fund, hereinafter referred to as the Fund, should be approved and part-financed by the Member State concerned,

Whereas to secure observance by the recipients of the conditions on which aid is granted from the Fund, an effective control system should be set up and provision made for suspension, reduction or termination of aid from the Fund,

Whereas in view of the special difficulties affecting these regions, the Community should provide aid from the Fund in the form of a capital subsidy not exceeding 30 % of the total investment,

Whereas the measures referred to above accordingly constitute a common measure within the meaning of Article 6 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),

(1) O.J. No L 94, 28.4.1970, p. 13

(2) O.J. No L 295, 30.12.1972, p. 1

Whereas aid from the Fund provisionally estimated at 45 million European units of account over five years will contribute to improving public amenities in these regions,

Whereas a procedure for approval of the projects should be established which ensures close cooperation between the Member States and the Commission within the Standing Committee on Agricultural Structure, set up under Article 1 of the Council Decision of 4 December 1962 on the coordination of policies on the structure of agriculture (1); whereas consultation of the Fund Committee referred to in Article 11 of Regulation (EEC) No 729/70 should also be provided for,

HAS ADOPTED THIS REGULATION :

(1) O.J. No 136, 17.12.1962, p. 2892/62

Article 1

1. In order to improve agricultural production and working conditions in certain less favoured areas of the Federal Republic of Germany, a common measure within the meaning of Article 6 (1) of Regulation (EEC) No 729/70 is hereby set up for the stimulation of the improvement of public amenities.
2. The common measure shall apply in certain less-favoured areas of the Federal Republic of Germany within the meaning of Council Directive 75/270/EEC, Article 3.

These areas include

- areas appearing in Directive 75/270/EEC which form part of the regions referred to in Article 92(2)(c) of the Treaty;
 - areas which form part of the less favoured agricultural regions within the meaning of Article 3(4) and (5) of Directive 75/268/EEC, classified under numbers 12, 13, 15, 16 and 25 in Directive 75/270/EEC, in which at the date of entry into force of the present Regulation a compensatory allowance is paid in accordance with the first indent of Article 4(1) of Directive 75/268/EEC;
 - areas of the Region of Hanrück which appear in Directive 75/270/EEC.
3. The Commission may grant aid for the common measure, in accordance with Titles III and IV, by financing, from the Guidance Section of the Fund, projects which are included in the outline programme described in Title I and which meet the conditions of Title II.

TITLE I

Outline programme

Article 2

The outline programme for the improvement of public amenities shall cover :

- water engineering measures in agriculture including the establishment of reservoirs, the regulation of water courses and the control of floods;
- the construction and improvement of farm roads and local roads which are mainly used for agriculture and forestry.

It shall be drawn up by the Federal Republic of Germany.

Article 3

- (1) The following minimum particulars shall be given in the outline programme :
- (a) a description of the measures planned and how it is expected that the programme will be financed;
 - (b) the limits of the area covered by the programme;
 - (c) the estimated time required to carry out the programme;
 - (d) the provisions for coordination with any other programmes or measures for the balanced development of agriculture and public amenities in the areas covered by the programme and for giving priority to projects which are complementary to these programmes or measures.
 - (e) an assurance that the actions undertaken are compatible with the protection of the environment.
- (2) All the measures included in this action must fall within the framework of a regional development programme when the Federal Republic of Germany is obliged to forward it to the Commission in accordance with Article 6 of the Regulation on the European Regional Development Fund, hereinafter referred to as the ERDF.

Article 4

1. The outline programme and any modifications to it shall be sent by the Federal Republic of Germany to the Commission.
2. The Federal Republic of Germany shall supply any additional information of the kind referred to in Article 3 that may be requested by the Commission in order to assess the programme.

Article 5

Commission approval of the outline programme and any modifications thereto shall be decided in accordance with the procedure laid down in Article 15.

TITLE II

Projects

Article 6

1. For the purposes of this Regulation, "project" means any material investment in the public, semi-public or private sector relating wholly or in part to the measures described in Article 2.
2. Projects any embrace one or more of the actions indicated in Article 2. They may be implemented in all or part of an area covered by the outline programme.

Article 7

Projects must :

- (a) be included in the outline programme;
- (b) contribute to a lasting improvement in the amenities necessary for agricultural holdings;
- (c) be shown to be economically sound;
- (d) be coordinated with other measures for encouraging agriculture and for improving amenities.

TITLE III

Procedure for the security of projects

Article 8

1. Applications for aid from the Fund must be submitted by the Federal Republic of Germany.
2. In order to qualify for aid from the Fund, projects must have been approved by the Federal Republic of Germany.

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3. Applications for aid must be supported by proof that the project fulfils the conditions laid down in Title I.
4. The information to be provided with applications and the form in which this is to be presented shall be determined in accordance with the procedure laid down in Article 15 after consultation with the Fund Committee on the financial aspects.

Article 9

1. The Commission shall decide on the granting of aid from the Fund in accordance with the procedure laid down in Article 15 after consulting the Fund Committee on the financial aspects.
2. The Member State and the recipient of aid shall be notified of the Commission's decision.

Article 10

This Regulation shall not apply ^{to} projects for which Community aid is being provided under other common measures within the meaning of Article 6 (1) of Regulation (EEC) No 729/70 or through the ERDF.

TITLE IV

Financial and general provisions

Article 11

1. The period envisaged for carrying out the common measure is five years from the date of entry into force of this Regulation.
2. Before expiry of the period referred to in paragraph 1, this Regulation shall be reviewed by the Council, acting on a proposal from the Commission.
3. The estimated total cost to the Fund of the common measure, for the period envisaged in paragraph 1, shall amount to 45 million European units of account.

4. Article 6 (5) of Regulation (EEC) No 729/70 shall apply to this Regulation.

Article 12

1. The aid from the Fund shall consist of capital subsidies granted in one or more instalments.
2. Of the total cost of the investment involved in each project :
 - (a) the financial contribution of the beneficiary must be at least 10 %;
 - (b) the financial contribution of the Federal Republic of Germany must be at least 20 %;
 - (c) the subsidy granted by the Fund shall be 30 %.

Article 13

1. Natural or legal persons or groups of such persons who would in the last resort bear the cost of carrying out the project may qualify for a contribution from the Fund.

The aid from the Fund shall be paid by agencies designated for that purpose by the Member State concerned.
2. Throughout the period of application of this aid measure the authority or agency designated for the purpose by the Member State concerned shall send the Commission, on request, all supporting documents which may be needed to show that the financial or other conditions laid down for each project are fulfilled. The Commission may, if necessary, make on-the-spot inspections.

After consulting the Fund Committee on the financial aspects, the Commission may decide to suspend, reduce or terminate aid provided from the Fund, in accordance with the procedure laid down in Article 16 :

 - if the project is not carried out as planned, or
 - if some of the conditions laid down are not fulfilled, or

- if the beneficiary, contrary to the information contained in his application and set out in the decision to grant aid, has neither begun the work within two years of the date of notification of that decision, nor furnished adequate assurances before the end of the said period, that the project will be carried out.

The decision shall be notified to the Member State concerned and to the beneficiary.

The Commission shall take steps to recover monies the payment of which was not, or has ceased to be, justified.

3. The appropriations released either as the result of a decision taken in accordance with the second subparagraph of paragraph 2 of this Article or through the beneficiary abandoning the project or reducing the scale of the investment on which the aid decision was based, may be used to finance other projects.
4. Detailed rules for the implementation of this Article shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 14

Applications submitted to the Commission for aid from the Fund for projects which could not be granted for lack of funds may, if the applicants so agree, be carried forward to the following financial year by the Federal Republic of Germany.

Requests for carrying forward applications must be made to the Commission within 30 days of the date on which the Member State was notified of the decision taken in accordance with the procedure laid down in Article 15. An application for aid may, however, be carried forward once only.

Article 15

1. Where the procedure laid down in this Article is to be followed, the matter shall be referred to the Standing Committee on Agricultural Structure, either by the chairman on his own initiative or at the request of the representative of a Member State.
2. The representative of the Commission shall submit a draft of the measures to be adopted. The Standing Committee on Agricultural Structure shall deliver an opinion on those measures by a majority of 41 votes within a time limit set by the chairman according to the urgency of the matter; the votes of the Member States shall be weighted as provided for in Article 148(2) of the Treaty. The Chairman shall not vote.
3. The Commission shall adopt measures which shall be immediately applicable. However, if such measures are not in accordance with the opinion of the Standing Committee on Agricultural Structure, they shall forthwith be communicated by the Commission to the Council; in that event, the Commission may defer application of the measures which it has adopted for not more than one month from the date of such communication.

The Council, acting by a qualified majority, may take a different decision within one month.

Article 16

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,

FINANCIAL STATEMENT

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Date : 3.10.1980

1. BUDGET HEADING : 828 to be created

APPROBIATIONS : -

2. TITLE : Proposed Council Regulation concerning a common measure to improve rural infrastructure in certain agricultural less favoured zones of the German Federal Republic.

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

4. AIMS OF PROJECT :
To improve in certain less favoured zones in Germany, rural roads and the regulation of water courses.

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (80)	FOLLOWING FINANCIAL YEAR (81)	
			C.A.	P.A.
5.0 EXPENDITURE	/			
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)		-	9	p.m.
- NATIONAL ADMINISTRATION		-	18	p.m.
- OTHER		-	-	-
5.1 RECEIPTS				
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)		-	-	-
- NATIONAL		-	-	-

		1981	1982	1983	1984
5.0.1 ESTIMATED EXPENDITURE	Commit.	9	9	9	9
5.1.1 ESTIMATED expend.	Payment	p.m.	3	6	9

5.2 METHOD OF CALCULATION see annex.

6.0 CAN THE PROJECT BE FINANCED FROM APPROBIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ?

NON APPLICABLE

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6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET ?

NON APPLICABLE

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6.2 IS A SUPPLEMENTARY BUDGET BE NECESSARY ?

~~XX~~/NO

6.3 WILL FUTURE BUDGET APPROBIATIONS BE NECESSARY ?

YES ~~XX~~

OBSERVATIONS :

ANNEX

The surface area concerned by the measures represents 9 % of the surface area of the German Federal Republic.

On average, over a 5 year period, national aid for these sectors amounts to 1,315 MEUA.

Hence the aid for the zones concerned can be evaluated at about 120 MEUA.

However, the costs of carrying out this type of work, in these difficult regions can be 50 % greater than the average costs.

As a result, the national aid will be equivalent to 180 MEUA.

The objective being to accelerate the execution of these works by about 25 %, the Community financial contribution should correspond to 25 % of 180 MEUA, that is 45 MEUA.

The timetable of this aid could be as follows :

Year	1	2	3	4	5	6	7	8	Total
Commitments	9	9	9	9	9	-	-	-	45
Payments	p.m.	3	6	9	9	9	6	3	45