COUNCIL DECISION

of 27 July 1981

on the level of the interest rate subsidy provided for by Directive 72/159/EEC on the modernization of farms, to be applied in Ireland

(81/598/EEC)

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 Council Directive 72/159/EEC of 17 April 1972 on the modernization of farms [1], as last amended by Directive 81/528/EEC [2], and in particular the second subparagraph of Article 8 (2) and the second subparagraph of Article 19 (1) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament [3],

Whereas the second subparagraph of Article 8 (2) of Directive 72/159/EEC provides that Member States may be authorized to grant interest rate subsidies exceeding 5 %, if such action is warranted by the situation of the capital market in that Member State, and to lower the minimum rate payable by the beneficiary to 2 % in certain regions;

Whereas the Irish Government has requested authorization to raise the level of the interest rate subsidy to 10 % and, in the less-favoured regions of Ireland to 12 %;

Whereas the Irish Government has also requested to be permitted to grant the additional amount of the interest rate subsidy also to farm loans contracted to finance expenditure on development plans eligible for reimbursement by the European Agricultural Guidance and Guarantee Fund, hereinafter called the 'Fund' which have not as yet been amortized;

Whereas the current interest rate of 17·25 % in Ireland for long-term agricultural loans and the interest rate subsidies of 10 and 12 % will mean that the rate remaining to be paid by the beneficiary shall exceed the minimum laid down by Council Directive 72/159/EEC or by Council Directive 75/268/EEC of 28 April 1975 on mountain and hill farming and farming in certain less-favoured areas [4], as last amended by Directive 80/666/EEC [5]; whereas the request of the Irish Government should be acceded to;

Whereas the Irish Government has, furthermore, requested a Community contribution to the expenditure arising from the increase in the subsidy; whereas, in view of the limited funds available to the Irish Government to finance the measure, a contribution from the Fund is essential pursuant to Article 19 of Directive 72/159/EEC or Article 15 of Directive 75/268/EEC; whereas, accordingly, it is necessary to include the measure in favour of farms, whose development plan has already been approved by the time this Directive takes effect, in the common measure referred to in Article 15 of Directive 72/159/EEC,

HAS ADOPTED THE FOLLOWING DECISION:

Article 1

Ireland is hereby authorized to increase the interest rate subsidy provided for in the first subparagraph of Article 8 (2) of Directive 72/159/EEC to 12 % in the less-favoured areas within the meaning of Directive 75/268/EEC and to 10 % in other regions. The authorization applies to development plans approved after this Decision takes effect.

Article 2

Ireland is hereby authorized to grant an interest rate subsidy of 5 %, payable for a period of not more than two years commencing on or after 1 January 1981 and ending at the latest on 31 December 1983, on the outstanding part of farm loans contracted in the financing of eligible expenditure relating to development plans already approved under Directive 72/159/EEC by the time this Decision takes effect.

Article 3

The expenditure incurred by Ireland pursuant to Articles 1 and 2 of this Decision shall be eligible for assistance from the Fund within the limit fixed in the first subparagraph of Article 19 (3) of Directive 72/159/EEC or in Article 15 (1) of Directive 75/268/EEC.

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[1] OJ No L 96, 23. 4. 1972, p. 1.
[2] OJ No L 197, 20. 7. 1981, p. 41.
[3] Opinion delivered on 10 July 1981 (not yet published in the Official Journal).
[4] OJ No L 128, 19. 5. 1975, p. 1.
[5] OJ No L 180, 14. 7. 1980, p. 34.

Article 4

1. The measure provided for in Article 2 forms part of the common measure referred to in Article 15 of Directive 72/159/EEC, the financial and general provisions of which apply, taking account of the present Decision.

2. The estimated total cost of the measures referred to in Articles 1 and 2 payable by the Fund amounts to 17 million ECU.

Article 5

This Decision shall apply until 31 December 1983.

Article 6

This Decision is addressed to Ireland.

Done at Brussels, 27 July 1981.

For the Council

The President

P. WALKER