II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 30 July 1996

approving a Finnish aid programme implementing in particular Article 141 of the Act concerning the conditions of accession of the Republic of Austria, the Republic of Finland and the Kingdom of Sweden and other related measures

(Only the Finnish and Swedish texts are authentic)

(97/428/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community and in particular Article 93 thereof,

Having regard to the Act of Accession of Austria, Finland and Sweden, and in particular Article 141 thereof,

Having regard to Council Regulation (EEC) No 2078/92 of 30 June 1992 on agricultural production methods compatible with the requirements of the protection of the environment and the maintenance of the countryside [1], as last amended by Regulation (EC) No 2772/95 [2],

Whereas, on 3 June 1996, Finland notified the Commission, pursuant in particular to Article 143 of the Act of Accession, of an aid programme implementing in particular Article 141 and containing other related measures; whereas by letter dated 26 July 1996 Finland undertook to ensure that at least 70 % of total commitments under Article 141 envisaged in the current programme were made prior to the end of 1999;

Whereas this notification was modified by letter dated 18 July 1996;

Whereas the aid for diversification, of an amount not exceeding ECU 100 000 during a three-year period for on-farm non-agricultural activities (products not falling within Annex II to the Treaty) comply with the Commission notice on the *de minimis* rule for State aid [3];

Whereas the aid in the form of a one-off payment for farms, farmland and for production rights when giving up agricultural production complies with Article 92 of the Treaty in so far as it will facilitate the development of certain economic activities or of certain economic areas, and does not adversely affect trading conditions to an extent contrary to the common interest;

Whereas the aid for setting-up for young farmers of an amount not exceeding 35 % of the costs of setting-up, supplementary to aid provided under Commission Decision C(95) 2522 of 8 December 1995, complies with Article 92 of the Treaty in so far as it will facilitate the development of certain economic activities or of certain economic areas, and does not adversely affect trading conditions to an extent contrary to the common interest;

Whereas the aid for the development of quality systems for training, studies, technical assistance services and quality controls, of an amount not exceeding 100 % of the costs (70 % for the quality controls) complies with Article 92 of the Treaty in so far as it will facilitate the

[1] OJ No L 215, 30. 7. 1992, p. 85.
[2] OJ No L 288, 1. 12. 1996, p. 35.
[3] OJ No C 68, 6. 3. 1996, p. 9.

development of certain economic activities or of certain economic areas, and does not adversely affect trading conditions to an extent contrary to the common interest;

Whereas the aid for utilized agricultural areas to supplement those approved by Commission Decisions C (95) 2056 of 10 October 1995 and C (96) 5 of 5 February 1996 and the aid to farmers not participating under these schemes but giving the same undertakings comply with the objective of Regulation (EEC) No 2078/92 regarding the nature of the measures and with Commission policy on State aid;

Whereas, where there are serious difficulties resulting from accession which remain after full utilization of the provisions of Articles 138, 139, 140 and 142. Article 141 of the Act of Accession enables the Commission to authorize Finland to grant national aid to producers so as to facilitate their full integration into the common agricultural policy;

Whereas the said measures and the measures already adopted in accordance with Articles 138, 139, 140 and 142 have been shown to be insufficient to avoid serious difficulties;

Whereas owing to climatic conditions as well as to the small size of the farms and the higher levels of fixed costs, the profitability of agricultural production in southern Finland is greatly reduced; whereas this situation linked to a reduction of support would cause a significant fall in farmers' income and endanger the continuation of agricultural production; whereas therefore aid for structural improvement should be granted to the extent to which it contributes to maintaining and improving the existing production patterns;

Whereas the aid for investment in primary production of no more than 50 % for the pigmeat, poultrymeat and eggs sectors, and 75 % for other sectors of the total cost of the investment complies with Article 141 in so far as it redresses serious difficulties resulting from Finland's accession;

Whereas investment aid complying with the individual maximum limits laid down by Commission Decision C (96) 733 of 19 April 1996 on improving the efficiency of agricultural structures in Finland within the meaning of Council Regulation (EEC) No 2328/91 [1], as last amended by Commission Regulation (EC) No 2387/95 [2] is insufficient, and Finland should be allowed to derogate from the maximum total amount of investment laid down in Article 12 (2) of Regulation (EEC) No 2328/91; whereas the aid should not entail an increase in total production capacity; whereas the aid can be authorized under Article 141;

Whereas the aid for income support for a maximum amount of FM 25 000 per beneficiary per year over five years in case of change of production complies with Article 141 in so far as it redresses serious remaining difficulties resulting from Finland's accession;

Whereas the duration of the measures adopted pursuant to Article 141 should be from 1 January 1997 to 31 December 2001; whereas, nonetheless, the Commission should, before 31 December 1999, review the result of the measures in solving the serious difficulties and in assisting the full integration of Finnish farmers in the common agricultural policy,

HAS ADOPTED THIS DECISION:

Article 1

The Commission authorizes Finland to grant from 1 January 1997 to 31 December 2001:

(a) an aid of at most 50 % for the pigmeat, poultrymeat and eggs sector and 75 % for other sectors of the total cost of the investment to farmers with a development plan for investments in primary production (on-farm agriculture and horticultural activities) which do not entail an increase in the total production capacity of the sectors existing at the date of this Decision. However, the individual maximum limits laid down by Commission Decision C (96) 733 of 19 April 1996 shall be observed,

(b) an aid to farmers of a maximum amount of FM 25 000 per beneficiary per year for no more than five years, as an income support in case of change of production.

Article 2

Finland may grant the following aid, for an indeterminate period, which is considered as compatible with Article 92 of the Treaty:

(a) an aid to farmers of at most ECU 100 000 per beneficiary during a three-year period for on-farm non-agricultural activities (products not falling within Annex II of the Treaty) and of at most ECU 1 000 for training but not exceeding 100 % of the costs;

(b) a one-off payment to farmers when giving up permanently agricultural production by selling farms, farmland and milk quotas, such quotas being only linked to the sale of land. The amount of the aid is calculated on the basis of the following maximum rates of compensation:

[1] OJ No L 218, 6. 8. 1991, p. 1.
[2] OJ No L 244, 12. 10. 1995, p. 50.

— sales of milk quota: FM 1/litre,

— sales of arable land: FM 5 000/ha,

— sales of livestock: FM 3 000/LU;

(c) to the beneficiaries of measure provided for in Regulation (EEC) No 2328/91 for setting up young farmers an aid to supplement those approved by Commission Decision C(95) 2522 of 8 December 1995 of a maximum amount of FM 30 000 but not exceeding 35 % of the costs of setting-up;

(d) an aid for development of quality systems of an amount of:

— 100 % of the expenses for training and technical assistance services,

— 70 % of the expenses for quality control;

(e) to the beneficiaries of measures provided for in Regulation (EEC) No 2078/92 an aid to supplement those approved by Decisions C(95) 2056 of 10 October 1995 and C(96) 5 of 5 February 1996 and to other farmers not participating under these schemes but giving the same undertakings of an amount of up to:

Regions	A	B	Archipelago
(a) cereals, starch potatoes, etc. (1):	1 050	850	FM 1 050/ha
(b) grass, potatoes, sugar beets:	1 200	1 200	FM 1 200/ha
(c) vegetables, annual plants:	3 350	2 350	FM 2 350/ha
(d) fruits and berries, perennial plants:	3 560	3 560	FM 3 560/ha

(1) Limited to cereals including whole crop for fodder, peas for human consumption, broad beans and all oil seeds.

Article 3

The Commission shall, before 31 December 1999 and on the basis of the information to be provided by Finland before 1 July 1999, examine the results of the measures provided for in Article 1 and decide, in accordance with Article 141, upon their possible continuation.

Article 4

This Decision is addressed to the Republic of Finland.

Done at Brussels, 30 July 1996.

For the Commission

Franz FISCHLER

Member of the Commission