I

(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 1760/78

of 25 July 1978

on a common measure to improve public amenities in certain rural areas

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 [1],

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 Mediterranean regions of the Community are in a particularly unfavourable situation owing to the absence or inadequacy of electricity and potable water supplies or of a rural road network ;

Whereas the less-favoured agricultural regions of Italy and southern France, 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 [2], and the whole of the Mezzogiorno are lacking in these amenities ;

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

Whereas the provision of electricity and potable water supplies and a proper rural road network 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 outline programmes 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 40 % of the total investment ;

---

[1] OJ No C 108, 8. 5. 1978, p. 49.
[2] OJ No L 128, 19. 5. 1975, p. 1.

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);

Whereas aid from the Fund provisionally estimated at 125 million 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 (3); 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:

Article 1

1. In order to improve agricultural production and working conditions in certain rural areas, a common measure within the meaning of Article 6 (1) of Regulation (EEC) No 729/70 is hereby set up for the improvement of public amenities.

2. The common measure shall apply to:

— the less-favoured areas within the meaning of Council Directive 75/268/EEC of Italy and in the regions of Midi-Pyrénées, Languedoc-Roussillon, Provence-Côte d'Azur and Corsica and the departments of Pyrénées-Atlantiques, Ardèche and Drôme in southern France,

— the other areas of the Mezzogiorno which are not less-favoured areas within the meaning of Directive 75/268/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 programmes described in Title I and which meet the conditions of Title II.

TITLE I

Outline programmes

Article 2

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

— the provision of electricity and potable water supplies to villages or parts of villages whose inhabitants are dependent principally on agriculture and to isolated farmsteads,

— the construction and improvement of farm roads and local roads which are mainly used for agriculture and forestry.

They shall be drawn up by the Member States concerned.

Article 3

The following minimum particulars shall be given in the outline programmes:

(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 and the reasons for so defining it;

(c) the estimated time required to carry out the programme, which shall not normally be more than five years;

(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.

Article 4

1. The outline programmes and any modifications to them shall be sent by the Member State concerned to the Commission.

2. The Member States concerned 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 programmes and any modifications thereto shall be decided in accordance with the procedure laid down in Article 16.

(1) OJ No L 94, 28. 4. 1970, p. 13.
(2) OJ No L 295, 30. 12. 1972, p. 1.
(3) OJ No 136, 17. 12. 1962, p. 2892/62.

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 may 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 through the Member State concerned.

2. In order to qualify for aid from the Fund, projects must have been approved by the Member State on whose territory they are to be carried out.

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 16, 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 16, 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 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 European Regional Development Fund, hereinafter referred to as '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 125 million units of account, or 25 million units of account per year.

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 Member State on whose territory the project is to be carried out must be at least 20 % ;

(c) the subsidy granted by the Fund shall be 40 %.

Article 13

1. Advances may be granted by the Fund on the basis of the rules on financing adopted by the Member State concerned and in the light of the progress of the projects.

2. Advances may not exceed 80 % of the Community contribution to the cost of the projects.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 14

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. Without prejudice to Article 6 (5) of the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities [1], 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. Appropriations which have been released in accordance with Article 22 (3) of Council Regulation No 17/64/EEC of 5 February 1964 on the conditions for granting aid from the European Agricultural Guidance and Guarantee Fund [2], as last amended by Regulation (EEC) No 3171/75 [3], and which were originally allocated to projects referred to in Article 11 (1) (a) and (b) of Regulation No 17/64/EEC being carried out within the same geographical area as is covered by this Regulation, may be used, from the 1978 financial year, to finance projects submitted pursuant to this Regulation.

5. 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 15

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 Member States concerned.

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 16. An application for aid may, however, be carried forward once only.

Article 16

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.

---

(1) OJ No L 356, 31. 12. 1977, p. 1.

(2) OJ No 34, 27. 2. 1964, p. 586/64.

(3) OJ No L 315, 5. 12. 1975, p. 1.

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

Article 17

With effect from the date of entry into force of this Regulation, Part II of Regulation No 17/64/EEC, shall no longer apply in the fields referred to in Article 11 (1) (a) and (b) thereof for those areas covered by this Regulation.

Article 18

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, 25 July 1978.

For the Council

The President

J. ERTL