COUNCIL REGULATION (EEC) No 1118/88

of 25 April 1988

on a specific common measure to encourage the development of agriculture in certain regions of Spain

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 Regulation (EEC) No 797/85 of 12 March 1985 on improving the efficiency of agricultural structures (1), as last amended by Regulation (EEC) No 1760/87 (2), and in particular Article 18 thereof,

Having regard to the proposal from the Commission (3),

Having regard to the opinion of the European Parliament (4),

Having regard to the opinion of the Economic and Social Committee (5),

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 working out the common agricultural policy;

Whereas, in order to attain the objectives of the common agricultural policy which are set out in Article 39 (1) (a) and (b) of the Treaty, special measures in keeping with the situation of less-favoured agricultural areas must be adopted at Community level;

Whereas specific measures may be adopted pursuant to Article 18 of Regulation (EEC) No 797/85 to encourage agriculture as a whole in the region concerned, in harmony with any development schemes simultaneously undertaken in non-agricultural sectors and with the needs of environmental protection;

Whereas, in Spain, the less-favoured farming areas 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 (6), as last amended by Regulation (EEC) No 797/85, as they are listed in Council Directive 86/466/EEC of 14 July 1986 concerning the Community list of less-favoured farming areas within the meaning of Directive 75/268/EEC (Spain) (7), face major handicaps, in particular in the case of mountain areas and areas qualifying for a 50 % rate of reimbursement from the European Agricultural Guidance and Guarantee Fund, Guidance Section, in accordance with Article 26 (4) of Regulation (EEC) No 797/85;

Whereas the rural infrastructure of those regions is far from adequate, in particular as regards public amenities such as the supply of electricity and drinking water and farm and local roads, and whereas providing or improving such facilities is a major precondition to bringing about an improvement in the agricultural structure and economic situation of rural areas;

Whereas the situation in those areas as regards irrigation is far from adequate; whereas that situation should therefore be improved by renewing and extending existing irrigation networks when these are needed to change over to better types of farming or production;

Whereas reparcelling consolidates agricultural land and lowers production costs;

Whereas, since some farmland is adversely affected by erosion, it is essential to conserve soil and water resources and protect the countryside and its recreational potential;

Whereas a special aid scheme for forestry protection and afforestation can play a major role in less-favoured areas; and whereas forestry can help to ensure the fullest possible use of the agricultural labour force and provide additional farm income;

Whereas a special aid scheme should be introduced with a view to improving farm housing, in particular in order to attract young farmers to settle in such housing;

Whereas the achievement of these objectives should be encouraged by a measure which combines these various elements within one or more programmes;

Whereas the funds available are fairly limited; whereas provision should therefore be made for a Community co-financing rate of 40 % for expenditure incurred in implementing irrigation measures and 50 % for expenditure incurred in implementing other measures;

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(1) OJ No L 93, 30. 3. 1985, p. 1.
(2) OJ No L 167, 26. 6. 1987, p. 1.
(3) OJ No C 25, 30. 1. 1988, p. 8.
(4) Opinion delivered on 15 April 1988 (not yet published in the Official Journal).
(5) Opinion delivered on 23 April 1988 (not yet published in the Official Journal).
(6) OJ No L 128, 19. 5. 1975, p. 1.
(7) OJ No L 273, 24. 9. 1986, p. 104.

Whereas the measures in question therefore 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 3183/87 (2),

HAS ADOPTED THIS REGULATION:

TITLE I

Measures to accelerate agricultural development in Spain's less-favoured areas

Article 1

1. In order to accelerate the development of agriculture in certain Spanish regions and thus improve economic and social cohesion, a common measure within the meaning of Article 18 of Regulation (EEC) No 797/85 is hereby introduced which Spain shall implement with a view to bringing about a significant improvement in agricultural structures, the aim being to reduce production costs and maintain agriculture in the regions concerned, all of which face major socio-structural handicaps, without favouring surplus production.

2. The common measures shall be applicable to the less-favoured areas within the meaning of Directive 75/268/EEC, as defined by Directive 86/466/EEC, with priority given to mountain areas within the meaning of Article 3 (3) of the said Directive and areas qualifying for a rate of reimbursement form the European Agricultural Guidance and Guarantee Fund, Guidance Section, hereinafter referred to as 'the Fund' of 50 % in accordance with Article 26 (4) of Regulation (EEC) No 797/85.

3. The Community may make a contribution towards the common measure by financing via the Fund, measures in support of agriculture which are set out in one or more programmes drawn up by the Spanish Government or by other authorities designated by the Spanish Government for that purpose.

4. For the purposes of coordination with other existing programmes and/or provisions and in order to ensure effective combined use of the various measures, the programme shall include any particulars which may affect agricultural development in the regions concerned.

Article 2

The common measure shall concern:

1. the improvement of the agricultural infrastructure, in particular:

   — the supply of electricity and drinking water to farms, villages and parts of villages whose inhabitants are primarily dependent on agriculture and/or forestry,

   — the construction and improvement of farm roads and local roads used for agriculture and/or forestry;

2. irrigation works, including:

   — renewing and improving existing collective irrigation and drainage networks,

   — installing collective irrigation networks and carrying out drainage operations in cases where those networks and operations are needed to channel production towards non-surplus products in accordance with Article 1a (1) (a) of Regulation (EEC) No 797/85;

3. the reparcelling of agricultural land, involving:

   — a lasting increase in the size of parcels so that, in general, they increase by a factor of at least three,

   — related operations;

4. the prevention of soil erosion involving:

   — the construction or small dams, dykes, retaining walls, breakwaters and windbreaks,

   — the improvement of streams and gullies,

   — the construction on repair of banks,

   — planting with suitable varieties along water courses to improve the soil's retaining capacity;

5. improving privately owned farmland as part of an overall scheme, including:

   — drainage,

   — other soil-improvement measures such as the clearing of stones, the levelling and sowing of pastures, and base dressing;

6. forestry, including:

   — afforestation, including the planting of fast-growing species,

   — improvement of deteriorated woodlands,

   — other supporting measures including measures to prevent and combat forest fires, but not including measures for which aid is paid under Council Regulation (EEC) No 3529/86 of 17 November 1986 on protection of the Community's forests agains fires (1);

7. the improvement of farm housing, especially for young farmers newly installed on the farm concerned, via investment aid not exceeding 20 000 ECU per holding; however, the investment aid shall not exceed the limits laid down in the second subparagraph of Article 4 (2) of Regulation (EEC) No 797/85.

(1) OJ No L 94, 28. 4. 1970, p. 13.
(2) OJ No L 304, 27. 10. 1987, p. 1.
(3) OJ No L 326, 21. 11. 1986, p. 5.

Article 3

1. The programmes referred to in Article 1 (3) shall include the following particulars :

(a) the definition of the geographical area concerned ;

(b) a description of the problems in each sector, the areas affected and the various measures to be adopted under the common measure in order to solve them, together with an estimate of the cost involved and the method of financing ;

(c) the expected timetable for completion of the various measures ;

(d) an indication of the additional effect attributable to the planned measures at national and Community level ;

(e) the arrangements to coordinate the programme with any other programmes or measures which may influence the development agriculture in the regions concerned ;

(f) evidence that the measures contemplated are compatible with the protection of the environment.

2. In the case of the installation of new irrigation networks as referred to in the second indent of Article 2 (2), programmes shall include information showing that production on the land concerned will be in conformity with the list of products towards which a reorientation of production is acceptable within the meaning of Article 1a (1) (a) of Regulation (EEC) No 797/85.

Article 4

1. All programmes shall be forwarded to the Commission by the Spanish Government.

2. The Spanish Government shall, at the Commission's request, provide any backgroud information required in addition to the particulars supplied pursuant to Article 3.

3. Programmes and any amendments thereto shall be adopted in accordance with the procedure laid down in Article 10 after the Fund Committee has been consulted on the financial aspects.

4. When approving programmes, the Commission shall, jointly with the Spanish Government, decide on the arrangements regarding submission to the Commission of regular progress reports on the programmes. The Spanish Government shall at the same time, where appropriate, designate the agency or the regions responsible for the actual implementation of the programme.

TITLE II

General and Financial provisions

Article 5

Investment qualifying for Community aid under other common measures within the meaning of Article 6 (1) of Regulation (EEC) No 729/70 and in particular under Articles 17 or 20 of Regulation (EEC) No 797/85 or Regulation (EEC) No 3529/86, shall not be eligible for aid from the Fund under this Regulation.

Article 6

1. The maximum duration of the common measure shall be five years from the approval of the first programme.

2. During the fourth year the Commission shall report to the Council on the progress of the common measure.

3. Before the expiry of the period referred to in paragraph 1, the Council, acting by qualified majority on a proposal from the Commission, may extend the common measure's period of validity.

4. The estimated cost of the common measure to the Fund is 420 million ECU.

Article 7

1. Expenditure by the Spanish Government in respect of the common measure shall be eligible for assistance from the Fund up to the amounts and percentages specified in paragraph 2.

2. The actual expenditure incurred by the Spanish Government shall be reimbursed by the Fund up to the following limits :

— 50 % for improvements to the agricultural infrastructure as referred to in Article 2 (1), subject to a maximum eligible amount of 190 million ECU ;

— 40 % for irrigation works as referred to in Article 2 (2), subject to a maximum eligible amount of 5 000 ECU per irrigated hectare, and an overall limit of 70 000 hectares and 224 million ECU ;

— 50 % for reparcelling as referred to in Article 2 (3), subject to a maximum eligible amount of 600 ECU per hectare concerned, and an overall limit of 245 000 hectares and 122 million ECU ;

— 50 % for measures to combat soil erosion as referred to in Article 2 (4), subject to a maximum eligible amount of 100 million ECU ;

— 50 % for farmland improvements as referred to in Article 2 (5), within an overall limit of 125 000 improved hectares and maximum total expenditure of 29 million ECU, and provided the recipient's contribution is not less than 20 % ;

— 50 % for forestry as referred to in Article 2 (6), subject to a maximum eligible amount for 2 300 ECU per hectare in the case of afforestation and 2 000 ECU per hectare in the case of the improvement of deteriorated woodlands, and an overall limit of 194 million ECU ;

— 50 % for the investment aid referred to in Article 2 (7), subject to a maximum eligible amount of 25 million ECU.

3. When approving the updating of a programme, the Commission may, at the request of the Kingdom of Spain, and on the basis of data provided by the latter, alter, in accordance with the procedure provided for in Article 10, the limits specified in paragraph 2, without, however, exceeding the estimated cost given in Article 6 (4).

Article 8

For the purposes of the common measure, a Monitoring Committee shall be set up by mutual agreement between the Commission and the Spanish Government.

The Monitoring Committee shall assist the Spanish Government or, where applicable, the authority appointed by the latter to undertake effective implementation of the common measure.

Article 9

1. Applications for reimbursement shall relate to expenditure incurred by the Kingdom of Spain during one calendar year and shall be submitted to the Commission before 1 July of the following year.

2. Aid from the Fund shall be granted in accordance with Article 7 (1) of Regulation (EEC) No 729/70.

3. The Fund may make advance payments on the basis of the financing arrangements adopted by the Kingdom of Spain and in the light of the progress of the programme.

4. 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 10

1. In cases where recourse is had to the procedure laid down in this Article, the matter shall be referred to the Standing Committee on Agricultural Structures by its chairman either on his own initiative or at the request of the representative of a Member State.

2. The chairman shall submit a draft of the measures to be taken. The Standing Committee on Agricultural Structures shall deliver an opinion on the said draft measures within a time-limit set by the chairman according to the urgency of the matter. It shall act by a majority of 54 votes, the votes of the Member States being weighted as laid down in Article 148 (2) of the Treaty. The Chairman shall not vote.

3. The Commission shall adopt measures, which shall apply immediately. However, if the said measures are not in accordance with the opinion of the Standing Committee on Agricultural Structures, they shall be communicated forthwith by the Commission to the Council. In that case, the Commission may defer application of the measures which it has adopted by not more than one month from the date of such communication.

The Council, acting by a qualified majority, may adopt a different Decision within one month.

Article 11

This Regulation shall enter into force on the third day following that of 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 Luxembourg, 25 April 1988.

For the Council

The President

H.-D. GENSCHER