

COUNCIL REGULATION (EEC) No 2224/86

of 14 July 1986

**adapting, on account of the accession of Spain, Regulations (EEC) No 797/85,
(EEC) No 355/77 and (EEC) No 1360/78 on agricultural structures**

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 ⁽¹⁾,

Having regard to the opinion of the European Parliament ⁽²⁾,

Whereas the Declaration made by the Community on 18 April 1985 in the context of the negotiations on Spain's accession to the Communities provides that, following Spanish accession, there should be an extension to that State of the scope of certain specific provisions and more favourable conditions laid down in the Community's horizontal legislation as at the date of accession, and in particular those on behalf of less-favoured areas;

Whereas the structural situation in Spanish agriculture and the situation on the Spanish capital markets justify the application of the special conditions referred to in Article 2 (1) (d) and Article 4 (2) of Council Regulation (EEC) No 797/85 of 12 March 1985 on improving the efficiency of agricultural structures ⁽³⁾, as last amended by Regulation (EEC) No 3827/85 ⁽⁴⁾;

Whereas in the mountain areas and less-favoured areas of Spain the minimum level of utilized agricultural area for farms qualifying for the compensatory allowance referred to in Title III of Regulation (EEC) No 797/85 is too high, at three hectares, given the preponderance of very small farms in that country; whereas the level should be fixed at two hectares;

Whereas in the less-favoured areas of Spain, including those on the Canary Islands, the 25 % rate of reimbursement for eligible expenditure on investment aids, and in particular the measures referred to in Title III of Regulation (EEC) No 797/85, seems insufficient to enable these measures to be effectively implemented; whereas the rate should therefore be increased to 50 %;

Whereas the areas to which the 50 % reimbursement rate is to apply can be determined only at the time of the establishment of the Community list of less-favoured areas in Spain;

Whereas in many regions of Spain the marketing and processing of agricultural products are insufficiently deve-

loped and, in many cases, in need of rationalization; whereas the expansion and improvement of marketing and processing facilities are essential if agricultural structures, which are particularly inadequate in many regions of Spain including the Canary Islands, are to be developed and if production is to be redirected and adapted in line with market requirements;

Whereas, particularly because of the slowness of overall economic development and financing difficulties, economic initiatives to improve the processing and marketing of agricultural products in such regions cannot be encouraged without particularly intensive efforts suited to the requirements of the various regions; whereas there should consequently be an increase in the Community financial contribution provided for in Council Regulation (EEC) No 355/77 of 15 February 1977 on common measures to improve the conditions under which agricultural and fishery products are processed and marketed ⁽⁵⁾, as last amended by Regulation (EEC) No 3827/85;

Whereas, in the same context, application of the common measure introduced by Council Regulation (EEC) No 1360/78 of 19 June 1978 on producer groups and associations thereof ⁽⁶⁾, as last amended by Regulation (EEC) No 3827/85 may help to achieve the abovementioned objectives,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 797/85 is hereby amended as follows:

1. The second subparagraph of Article 2 (1) (d) shall be replaced by the following:

'However, in the less-favoured areas determined in accordance with Article 2 and 3 of Directive 75/268/EEC, the Kingdom of Spain, the Hellenic Republic, the Italian Republic, as regards the Mezzogiorno including the islands, and the Portuguese Republic, as regards its entire territory, shall be authorized to accept improvement plans submitted during the first three years of the duration of this measure and, in the case of Spain and Portugal, submitted during the first three years following the entry into force of the provisions implementing, in these two

⁽¹⁾ OJ No C 146, 13. 6. 1986, p. 13.

⁽²⁾ Opinion delivered on 11 July 1986 (not yet published in the Official Journal).

⁽³⁾ OJ No L 93, 30. 3. 1985, p. 1.

⁽⁴⁾ OJ No L 372, 31. 12. 1985, p. 1.

⁽⁵⁾ OJ No L 51, 23. 2. 1977, p. 1.

⁽⁶⁾ OJ No L 166, 23. 6. 1978, p. 1.

Member States, the measures provided for in Title I, by holdings which do not satisfy the condition laid down in this point, provided that the volume of work on the holding does not require more than the equivalent of one MWU and that projected investments do not exceed 25 000 ECU.'

2. The last sentence of the last subparagraph of Article 4 (2) shall be replaced by the following :

'In the case of Spain and Portugal, the period referred to above shall begin on the date of the entry into force of the provisions implementing, in these two Member States, the measures specified in Title I.'

3. The last subparagraph of Article 14 (1) shall be replaced by the following :

'However, in the Mezzogiorno, including the islands, in the regions in the French overseas departments and in the Greek, Portuguese and Spanish regions, the minimum utilized agricultural area per holding shall be two hectares.'

4. The following paragraph 4 shall be added to Article 26 :

'4. The Council, when drawing up the list of less-favoured agricultural areas in Spain within the meaning of Article 3 of Directive 75/268/EEC, shall determine those which shall qualify for the 50 % rate of reimbursement for the measures referred to in Articles 3, 4, 14 and 17.'

Article 2

Regulation (EEC) No 355/77 is hereby amended as follows :

Article 17 shall be replaced by the following :

'Article 17

1. Aid from the Fund shall consist of capital grants paid in a lump sum or instalments.

2. For each project, in relation to the investment made :

(a) the financial contribution of the beneficiary must be not less than 50 % ; however, this shall be reduced to :

— 35 % in the case of projects carried out in Languedoc-Roussillon and the departments of Vaucluse, Bouches-du-Rhône, Var, Ardèche and Drôme in France, and in the autonomous regions of the Principado de Asturias, Cantabria, País Vasco excluding the province of Vizcaya, Comunidad Foral de Navarra, Rioja, in Aragón the province of Zaragoza, Cataluña, excluding the province of Barcelona, Comunidad Valenciana, Región de Murcia, Andalucía excluding the provinces of Granada and Huelva and the Comunidad Autónoma de las Islas Baleares,

— 25 % in the case of projects carried out in the Mezzogiorno, in the less-favoured areas of the West of Ireland, in all regions of Greece except

Greater Athens, in Portugal, in the French overseas departments and in the autonomous regions of Galicia, Castilla y León, Castilla-la-Mancha, Extremadura, in Andalucía the provinces of Granada and Huelva, in Aragón the provinces of Huesca and Teruel, and the Canary Islands in Spain.

Moreover, the Commission may, if this is justified by the situation on the capital market of a Member State, authorize that Member State to reduce the beneficiary's financial contribution from 50 % to 45 %, in accordance with the procedure laid down in Article 22 ;

(b) the financial contribution of the Member States on whose territory the project is to be carried out must be not less than 5 % ;

(c) the aid granted by the Fund shall not exceed :

— 50 % for projects carried out in the Mezzogiorno, in the less-favoured areas of the West of Ireland, in all regions of Greece except Greater Athens, in Portugal, in the French overseas departments and in the autonomous regions of Galicia, Castilla y León, Castilla-la-Mancha, Extremadura, in Andalucía the provinces of Granada and Huelva, in Aragón the provinces of Huesca and Tereul, and the Canary Islands in Spain,

— 35 % for projects carried out in Languedoc-Roussillon and in the departments of Vaucluse, Bouches-du-Rhône, Var, Ardèche and Drôme in France, and in the autonomous regions of the Principado de Asturias, Cantabria, País Vasco excluding the province of Vizcaya, Comunidad Foral de Navarra, Rioja, in Aragón the province of Zaragoza, Cataluña excluding the province of Barcelona, Comunidad Valenciana, Región de Murcia, Andalucía excluding the provinces of Granada and Huelva and the Comunidad Autónoma de las Islas Baleares in Spain,

— 25 % in other regions ; however, the Commission may, in accordance with the procedure laid down in Article 22, increase this to a maximum of 30 % in the case of projects referred to in Article 11 (c).

3. Where aid is granted by the Fund for the purchase of harvesting equipment under Article 6 (f), the percentages referred to in paragraph 2 shall be determined as follows :

(a) the financial contribution of the beneficiary must be at least 80 % and, in the case of Greece, Ireland, Italy, Portugal and Spain, for projects submitted before 31 December 1986, not less than 70 %.

However, this contribution shall be reduced to :

— 70 % and, in the case of projects submitted before 31 December 1986, 60 % in the case of projects carried out in Mezzogiorno, in the less-favoured areas of the West of Ireland, in all regions of Greece except Greater Athens, in

- Portugal and in the autonomous regions of Galicia, Castilla y León, Castilla-la-Macha, Extremadura, in Andalucía the provinces of Granada and Huelva, in Aragón the provinces of Huesca and Tereul, and the Canary Islands in Spain,
- 70 % in the case of projects carried out in the French overseas departments and those of Vaucluse, Bouches-du-Rhône, Var, Ardèche and Drôme in France and in the autonomous regions of the Principado de Asturias, Cantabria, País Vasco excluding the province of Vizcaya, Comunidad Foral de Navarra, Rioja, in Aragón the province of Zaragoza, Calaluña excluding the province of Barcelona, Comunidad Valenciana, Región de Murcia, Andalucía excluding the provinces of Granada and Huelva and the Comunidad Autónoma de las Islas Baleares ;
- (b) The aid granted by the Fund shall not exceed :
- 20 % and, in the case of projects submitted before 31 December 1986, 30 % in the case of projects carried out in the Mezzogiorno, in the less-favoured areas of the West of Ireland, in all regions of Greece except Greater Athens, in Portugal and in the autonomous regions of Galicia, Castilla y León, Castilla-la-Mancha, Extremadura, in Andalucía the provinces of Granada and Huelva, in Aragón the provinces of Huesca and Teruel, and the Canary Islands in Spain,
 - 20 % in the case of projects carried out in the French overseas departments, in Languedoc-Roussillon and in the departments of Vaucluse, Bouches-du-Rhône, Var, Ardèche and Drôme in France, and in the autonomous regions of the Principado de Asturias, País Vasco, Comunidad Foral de Navarra, Rioja, in Aragón the province of Zaragoza, Cataluña excluding the province of Barcelona, Comunidad Valenciana, Región de Murcia, Andalucía excluding the

- provinces of Granada and Huelva and the Comunidad Autónoma de las Islas Baleares in Spain,
- 10 % in other regions and 20 % in the case of projects submitted before 31 December 1986 in the other regions of Greece, Ireland, Italy and Spain.'

Article 3

Regulation (EEC) No 1360/78 is hereby amended as follows :

1. The fifth indent of Article 2 shall be replaced by the following :
'— the whole of Portugal and Spain,'
2. In Article 3 (1) the first sentence shall be replaced by the following :
'1. In the case of Italy, Greece, Portugal and Spain, this Regulation shall apply to the following products provided that such products are produced in those countries :'
3. In the second indent of Article 11 (1), the first sub-indent shall be replaced by the following :
'— in existence for more than three years on the date of the entry into force of this Regulation and, in the case of Greece, Portugal and Spain, on the day of accession,'
4. In Article 19, the end of the second indent shall be replaced by the following :
'and in the case of Portugal and Spain, by 31 March 1987.'

Article 4

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Communities*.

It shall apply with effect from 1 January 1986.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 14 July 1986.

For the Council
The President
M. JOPLING