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CONCLUSIONS OF THE REPORT
UNDER ARTICLE 25 OF REGULATION (EEC) No 4253/88
EAGGF GUIDANCE SECTION

1991

(presented by the Commission)

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This report covers 1991, the third year of implementation of the reform of the structural Funds. It supplements the report referred to in Article 31 of Regulation (EEC) No 4253/88 and the Commission communication "Community structural policies: assessment and outlook" (COM (92) 84 final). The EAGGF Guidance Section contributes with the other two Funds in Objective 1 regions and Objective 5(b) areas and bears the full cost of financing horizontal measures under Objective 5(a).

Since the reform, EAGGF Guidance contributions to Objectives 1 and 5(b) have followed the new Community support framework procedure, which sets priorities and forms of assistance, generally operational programmes which form the basis for the financial commitments. This procedure is also applied to assistance under Regulations (EEC) Nos 866 and 867/90 (Objective 5(a)); but for other expenditure under this Objective, Community aid takes the form of reimbursement of the Member States' share of expenditure. Finally, the first appropriations were granted by EAGGF Guidance in 1991 to Community initiatives, primarily the LEADER project.

I. Analysis by objective

The type of work carried out in 1991 varied substantially from one objective to another. For Objective 1 it was essentially a matter of ensuring the proper execution of the operational programmes already adopted by the Commission. Agriculture and the countryside is only one of the areas involved, and the bulk of the appropriations comes from the Regional Development Fund.

For Objective 5(b) the main work was the continuation of the processing of the operational programmes with a view to their approval by the Commission.

As regards Objective 5(a) measures, the work concerned the implementation of Regulations (EEC) Nos 866 and 867/90 on improving the processing and marketing conditions for agricultural and forestry products and the continued review of provisions on the adjustment of agricultural production structures; Regulation (EEC) No 2328/91 replaced Regulation (EEC) No 797/85.

Objective 1 regions and new Länder

A lot of operational programmes had been adopted for Objective 1 regions in 1990. For these programmes the work mainly consisted in setting up committees to monitor and assess the implementation of measures, primarily the rate of execution of work and the dispatch of payment applications. Some new operational programmes were also approved in the course of 1991, principally in Spain, Italy and Portugal. The Commission adopted the CSF for the new German Länder on 13 March 1991 and approved the operational programmes for each Land on 29 June. A supra-regional monitoring committee was set up on 15 July. EAGGF Guidance contributes 20% of the total aid granted; it is involved with the other two Funds in the financing of three of the eight priorities adopted: priority 6 (measures to assist the development of production and marketing structures for agricultural, forestry and fishery products), priority 7 (improvement of living and working conditions in rural areas) and priority 8 (protection of the environment and improvement of forests).

Objective 5(b) areas

As the areas had been demarcated in 1989 and the CSFs adopted by the Commission in 1990, 1991 was mainly a time for examination of the operational programmes submitted from 1990 onwards by the Member States; five of them had been adopted in December 1990; 61 others were approved in 1991; over 70% of these programmes involve more than one fund.

The main categories of aid relate to five priorities: diversification of the primary sector; the development of the non-agricultural sector, tourism, human resources and the conservation and development of the natural environment.

All the monitoring committees were established; in order to reduce the administrative burden and ensure better coordination, monitoring of the CSF and the operational programmes was undertaken by a single committee.

Since most of the forms of aid were not adopted until 1991, the rate of execution of Objective 5(b) was relatively slower than that of the other objectives; the outlook is promising for the implementation of the Objective 5(b) programmes, however.

Objective 5(a)

The horizontal structural measures, which apply throughout the Community, concern the improvement of production structures and the processing and marketing conditions for agricultural and forestry products.

In the category of measures relating to improving the efficiency of agricultural structures, the three main measures financed were again the compensatory allowances for mountain and hill farming and farming in less-favoured areas; investment aids and installation aids for young farmers.

The new system of aids for the processing and marketing of agricultural products was fully implemented in 1991 after a transitional year in 1990 during which both the old system (Regulation (EEC) No 355/77) and the new system (Regulations (EEC) Nos 866 and 867/90) were in operation. The Member States put forward sectoral plans and the Commission adopted fifteen Community support frameworks for all the Member States with the exception of the regions covered by Objective 1 in France and the new German Länder; 57 operational programmes were approved, representing aid totalling ECU 470.9 million. Various national and/or regional provisions were also examined and approved under Regulation (EEC) No 2328/91 concerning, among other things, protection of the environment, forestry measures, extensification of production and set-aside.

Community initiatives

EAGGF Guidance appropriations were allocated to Community initiatives for the first time in 1991. EAGGF Guidance is contributing to four of them with the other two structural Funds and is "chef de file" for the LEADER programme.

The aim of the LEADER initiative is to promote joint rural development initiatives at local community level. Its special feature is the involvement of local people in both the planning and the running of an integrated project aimed at adding value to endogenous resources.

EAGGF Guidance also contributed to the funding of measures under the Community initiatives INTERREG, ENVIREG and REGIS, principally in Spain, in 1991.

II. Budget execution in 1991

Total commitments amounted to ECU 2 408.1 million, of which ECU 1 440.8 million for Objective 1 regions¹, ECU 631.2 million for Objective 5(a), ECU 260.2 million for Objective 5(b) areas and ECU 75.9 million for transitional measures. It should be noted that the amount for Objective 5(b) covers regionalized measures only. This presentation differs from Objective 1, where all expenditure, including that under general measures (Objective 5(a) type) are included.

The main recipient countries were Spain (ECU 514.2 million), France (ECU 425.3 million), Italy (ECU 326.5 million), Portugal (ECU 313.4 million) and Greece (ECU 274.2 million).

As regards individual legislative measures it was Regulation (EEC) No 2328/91 on improving the efficiency of agricultural structures that accounted for most of the money spent, since this Regulation covers numerous categories of expenditure in all Community regions. The largest amounts went on the compensatory allowance under Article 15 (ECU 459.1 million), farm investment under Article 4 (ECU 194.7 million) and young farmers under Article 7 (ECU 157.7 million).

The commitments relating to operational programmes for the processing and marketing of agricultural and forestry products under Regulations (EEC) Nos 866 and 867/90 amounted to ECU 203.4 million.

As regards regional measures, a distinction has to be made between those predating the reform and those introduced as a result of the Fund reform. In the first group substantial aid was paid out under two measures: Regulation 1118/88 on development of agriculture in certain regions of Spain (ECU 123.1 million) and Regulation 3828/85 on a specific programme for the development of Portuguese agriculture (ECU 162.4 million). Aid for schemes under the IMPs in Greece, Italy and France totalled ECU 106.2 million.

¹ Including Objective 5(a) expenditure in these regions.

As for the new regional measures, an amount of ECU 675.2 million (ECU 454.1 million for Objective 1 purposes) was committed under operational programmes, mainly in Spain (ECU 200.8 million), France (ECU 156.3 million) and Italy (108.6 million) for Objectives 1 and 5(b).

Under the Community initiatives a total of ECU 80.7 million was committed, including 66 million for LEADER, 6.4 million for INTERREG, 5.6 million for ENVIREG and 2.7 million for REGIS.