

COMMISSION OF THE EUROPEAN COMMUNITIES

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REPORT CONCLUSIONS
Art. 25 of Regulation (EEC) No 4253/88
EAGGF GUIDANCE

1990

(presented by the Commission)

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This report covers 1990, the second year of implementation of reform of the Structural Funds. Most of the measures under implementation during the year were carryovers from the pre-reform period, the new programmes being in the course of examination, discussion or approval. EAGGF Guidance contributes with the other two Funds in Objective 1 regions and Objective 5(b) zones and bears the full cost of financing general measures under Objective 5(a).

In 1990 the measures financed by EAGGF Guidance were still differentiated by type of contribution into direct measures, under which individual projects are financed, and indirect, under which the Member State is reimbursed for part of its expenditure. Since Fund reform EAGGF Guidance contributions to Objectives 1 and 5(b) also use the new Community support framework procedure, entirely so in the case of operational programmes for Objective 1, while for Objective 5(b) it has begun to be used for a number of programmes. Increasing use will be made of it in the future.

I. Analysis by objective

The type of work carried out in 1990 varied substantially according to objective. For Objective 1 the operational programmes presented by the Member States (for the entire country or the individual regions) and approved 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 analysis of the rural area development plans and adoption by the Commission of the corresponding Community support frameworks. For Objective 5(a), following a review in 1989 of the measures for improving the effectiveness of agricultural production structures, the Council adopted new regulations on aid for the processing and marketing of agricultural and forestry products (Regulation (EEC) No 866 and 867 of 29 March 1990).¹

¹ OJ No L 91, 6.4.1990, p. 1.

Objective 1 regions

The main task was to analyse the agricultural and rural aspects of the operational programmes presented by the Member States, negotiate with the national and regional authorities, in the partnership framework, on the basis of the applications submitted and appropriations available, and prepare the Commission's decisions on the measures to be given priority financing on the agricultural and rural development side.

By the end of 1990, 72 operational programmes out of a scheduled 83 have been adopted (three already in 1989). Of these 42 were multifund programmes and 30 single fund. While the integrated approach may appear to be the best solution for development of each regions it must be acknowledged that a number of difficulties have arisen with operations of this type in connection with the need for close collaborations between many different authorities, the number of legal frameworks involved and differences in administrative rules.

The types of action selected for Community financing incurred infrastructure work, afforestation, varietal conversion or improvement, protection of the environment, rural development, diversification and product quality.

In 1990 two thirds of the appropriations were allotted to general Objective 5(a) measures in place before Fund reform and the other third to regional action, more than half of this being for operations already launched.

Since most of the operational programmes were adopted only in the second half of 1990, only a few monitoring committees were set up during 1990 itself, the others following at the beginning of 1991.

Objective 5(b) areas

The list of areas was adopted on 10 May 1989 and in the second half of that year the Member States submitted their development plans. These were examined during the first half of 1990 and this involved negotiations with the Member States and their regional authorities under the partnership. On 6 and 27 June 1990 the Commission approved 44 Community support frameworks for the 51 Objective 5(b) regions, its Spanish plans having been grouped into a single CSF.

The partnership negotiations proceeded very satisfactorily and greatly facilitated formulation of the CSFs, particularly over allocation of appropriations between regions, between different contribution areas and between the EC Funds. This was all the more necessary since the restriction on appropriations (only 4.4% of the total for the structural Funds) meant that a degree of selectivity had to be imposed and not all applications accepted.

The main contribution areas selected in the CSFs are:

- diversification and conversion in agriculture and forestry;
- development of other economic activities in rural areas, chiefly small and medium sized enterprises;
- landscape conservation and environmental production;
- harnessing of human resources, chiefly by training programmes.

Every effort has been made to integrate action in order to achieve a comprehensive rural development policy complementary to the general measures covered by Objective 5(a).

In the second half of the year operational programmes were examined. Some 70% of these had been received by the year end and the Commission has been able to adopt five. Adoption of the others followed in 1991, mainly in the first half.

Objective 5(a)

On 29 March 1990 the Council finally adopted the two Regulations on improving processing and marketing conditions for agricultural and forestry products. Community financing of individual products is discontinued from 1991 and replaced by the aid procedure introduced with reform of the structural Funds in 1988. Financing will henceforth take the form of aid for operational programmes or of global grants. These applications for assistance must satisfy the selection criteria¹ adopted by the Commission on 7 June 1990 following consultation of the Member States and correspond to the appropriate sectoral plan submitted by Member State to the Commission specifying priority intervention areas in a Community support framework.

During 1990 the financing of individual projects and programmes overlapped.

The use made by the individual Member States of the numerous aid schemes for improvement of agricultural production structures (mainly in Regulation 797/85) was very variable.

¹ OJ No L 163, 29.6.1990, p. 71.

II. Budget execution in 1990

Total commitments amounted to ECU 1 925.7 million, of which ECU 1 081.2 million for Objective 1 regions,¹ ECU 743.8 million for Objective 5(a), ECU 44 million for Objective 5(b) areas and ECU 56.7 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 France (ECU 382.9 million), Spain (ECU 301.8 million), Greece (ECU 270.2 million), Italy (ECU 269.3 million) and Portugal (ECU 241.6 million).

At the level of individual legislative measures it was Regulation 797/85 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 most important were the compensatory allowance (Art. 15) at ECU 460.3 million, farm investment (Art. 4) ECU 153 million and young farmers (Art. 7) at ECU 148.8 million.

Aid granted for processing and marketing projects for agricultural products amounted to ECU 366 million, ECU 345.9 million for projects under Regulation 355/77, for which 1990 was the last year of application, and ECU 20.1 million for operational programmes under Regulation 866/90, of which this was the first year of application.

The regional measures in place before the reform were still more important in volume of finance than those introduced following 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 117.4 million) and Regulation 3828/85 on a specific programme for the development of Portuguese agriculture (ECU 95.2 million). Aid for action under the IMPs in Greece, Italy and France amounted to a total of ECU 104.3 million.

On the side of the new regional measures an amount of ECU 135.6 million (ECU 128.8 million for Objective 1 purposes) was committed under operational programmes, many in Ireland (ECU 39.5 million) and Spain (ECU 37.6 million).

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