

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(74) 2222 final

Brussels, 18 December 1974

Proposal for a Directive relative to the Community list of less-favoured farming areas within the meaning of the Directive on mountain and hill farming and farming in certain less-favoured areas adopted by the Council on 21 January 1974.

(submitted to the Council by the Commission)

COM(74) 2222 final

EXPLANATORY MEMORANDUM

In accordance with the procedure laid down in Article 2, paragraph 1 of the Council Directive on mountain and hill farming and farming in certain less-favoured areas, the Governments of Belgium, France, the Federal German Republic, Ireland, Italy, Luxembourg, the Netherlands and of the United Kingdom, have communicated to the Commission the boundaries of the areas eligible for inclusion in the Community list of less-favoured farming areas, in consideration of the characteristics specified in Article 3 of the Directive and under which it is proposed to apply the special system of aids outlined under Article 4 of that Directive. At the same time the Governments have submitted the relevant information concerning the characteristics of each of these areas and the measures which they propose to apply.

The Commission has been led, by reason of the relatively general nature of the characteristics to which areas capable of inclusion in the Community list of less-favoured agricultural areas must conform, and with a view to the present proposal to the Council, to fix the type and/or the quantitative level of the indices which will allow the most accurate judgement with regard to the Directive of the various Member States proposals.

In fact, the Commission had to ascertain in the first place the few homogeneous characteristics, mainly due to the lack of statistical data, of the factors used to identify the areas on the national map. The Commission strove, thenceforth, in the course of contacts with the interested Member States, to convince them of the necessity to give the definitions listed under Article 3 and corresponding to the three types of less-favoured areas both a concise and harmonised content.

In order to fix the mountain areas eligible for inclusion in the Community list of less-favoured farming areas, the Commission has utilised the following measures relative to the characteristics listed under Article 3, paragraph 3 :

- concerning the existence, by reason of altitude, of very difficult climatic conditions the result of which is a substantially shortened growing season, the Commission considers that such conditions occur at

altitudes above 600 - 800 metres (for each commune or part thereof) according to the situation of the area.

In fact, the relationships between altitude and length of growing season are influenced particularly by the degree of latitude of the area under consideration. For instance at the altitude of the Alpine area in the Federal German Republic, it is considered that an important handicap exists, due to the shortening of the growing season, for farms situated above 600 metres. On the other hand, in the areas of southern Italy at a similar altitude, the comparable reduction in the length of growing season has less important effects since the growing season is considerably longer. The Commission estimates that a comparable handicap exists in the south of Italy at an altitude of more than 800 metres. At this altitude, the climatic conditions prevent all typical mediterranean production such as citrus fruits, olive oil, fruit production, etc. and only permit extensive livestock rearing or cereal growing.

- Concerning the slopes, since by their presence mechanisation is not possible or necessitates the use of very expensive special machinery, the Commission is of the opinion that such slopes must be greater than 20% (average slope/square kilometre). The importance of the handicap resulting from such slopes, can be estimated as being comparable to that which results from the minimum altitude condition mentioned earlier.

- When the natural handicap resulting from one of the factors referred to in the above two indents is less severe, that which results from the other must be proportionately more acute in such a way that the sum of the two handicaps is not less than that resulting from each of the factors taken separately.

In order to determine the less-favoured areas in danger of depopulation, which are referred to in Article 3, paragraph 4, and which are eligible for inclusion in the Community list of less-favoured farming areas, these must be composed, in view of this provision, of farming areas of a homogeneous character from the point of view of natural production conditions. The Commission has not considered it necessary to take issue on this point, with the Member States submissions, due to the lack of statistical data at a sufficiently low scale, except where the Commission has discovered obviously erroneous notions relating to this concept of homogeneity.

As for the characteristics, the Commission, aware of the absence of comparable data at a Community level, has deemed it necessary to take into consideration, certain economic indices used in the Member States. These indices all being different, have nevertheless, the advantage of allowing the comparison of the situations of different regions of a Member State one with regard to the other. On the other hand, other indices, such as the demographic indices used, do not present the same degree of difficulty and can be considered as comparable at the Community level.

- Concerning the incidence of infertile land, unsuitable for cultivation or intensification and mainly suitable for extensive livestock farming, the Commission considers that these conditions can be confirmed by one of the following indices : yields of grass, or where the occasion arises, of cereals, below 80% of the national average and not above the community average ; low stocking density, below 1 L.U./forrage hectare ; a high percentage of the utilisable agricultural land or of all land in permanent pasture made up of rough grazing; low value of the land or of an index of land values considerably below the national average.

- Regarding the economic results appreciably lower than average which characterise the position of farms, because of this low productivity of the natural environment, the Commission considers they can be demonstrated by one of the following economic indicators which refer to national statistics and are comparable with the national average : value added, gross farm income, net farm income, labour income etc... or by more complex indicators made up of several indicators characterising the economic situation of farms.

In the opinion of the Commission the expression "appreciably less than" average means less than 80 % of the national average.

- Regarding the existence, in an area in question of a low or dwindling population predominately dependant on agricultural activity, the Commission considers that in the first place, in a Community made up of Member States so different from each other, from this point of view, the evaluation of population density, while respecting a limitation of Community character, must take equal account of the relative situation of each less-favoured area in relation to that of the Member State where it is situated. In addition the consequences of actual or potential depopulation on the viability of an area depend to a large degree on the level of economic and socio-cultural development of the different countries which provide their regions with more- or less-developed public amenities and services. The minimum number of users (persons/km²) ensuring a certain return on investment in such amenities and services can consequently be variable. The Commission holds that the population density of an area must not be greater than 50 % of the national average, without, at the same time, being greater than 75 persons per km².

When it is a question of substituting the criterion of density by a rate of regression, the latter must be relatively important and not less than 0.5 % per annum. |

In addition, in the opinion of the Commission, the percentage of the active population engaged in agriculture must not be less than 15 %. In effect, it would not be reasonable to consider that at such a level, the weakening of the agricultural sector would bring into question the viability of an area as a whole.

In order to determine, in view of their inclusion in the Community list of less-favoured farming areas, small areas, mentioned in Article 3, paragraph 5 and assimilated in the less-favoured areas, the Commission deems that the specific handicaps which they suffer, must arise, principally from natural conditions, unfavourable for production such as for example poor soil, poor drainage, the presence of excessive salinity in coastal areas or small islands etc. .. At the same time the handicap can equally be constituted, in part, by constraints on farming due to public regulations relating to the preservation of the landscape or coastal protection or due, in a more general way to environmental regulations. The high cost of sea transport, which farming in certain islands must bear, can equally be taken into consideration.

Regarding the three types of areas set out in Article 3, it is indicated in paragraph 2 of that article, that they must be provided with adequate amenities and infrastructural services and lacking such amenities and services, their provision must be envisaged, shortly, in public amenity programmes.

The Commission attaches a particular importance to these amenities, which affect greatly, the living standards of the population and, in particular farmers. It considers that it would be futile to hope to maintain farming by an action which would be limited solely to an increase of output, while neglecting the socio-cultural aspects of living conditions in the area. It is therefore of the opinion that in the absence of a satisfactory situation from this point of view, the Directive should only be applied in a definitive way, if the Member States indicate in a precise manner the prospect of relevant improvements.

In developing the present proposals, the Commission has become firmly convinced that the areas which are the subject thereof, as well as those which will be, should the case arise, the subject of a complementary French proposal, cover all the land in the eight Member States capable of being considered as having important handicaps, due to difficult natural production conditions, according to Article 3, paragraphs 3 and 4 of the Directive.

PROPOSAL FOR A DIRECTIVE CONCERNING
the Community list of less-favoured
farming areas within the meaning of
the Directive on mountain and hill
farming and farming in certain less-
favoured areas, adopted by the Council
on 21 January 1974

Areas of the Federal German Republic.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to the Directive on mountain and hill farming and farming
in certain less-favoured areas adopted by the Council on 21 January 1974,
and especially Article 2, paragraph 2 thereof;

Having regard to the proposal from the Commission;

Having regard to the opinion of the European Parliament;

Whereas the Government of the Federal German Republic has communicated to the Commission, in accordance with Article 2, paragraph 1 of the Directive on mountain and hill farming and farming in certain less-favoured areas adopted by the Council on 21 January 1974, twenty-eight areas suitable for inclusion in the Community list of less-favoured agricultural areas as well as information relative to the characteristics of the areas;

Whereas this Government has selected as an index of very difficult climatic conditions, according to Article 3, paragraph 3, second indent of the Directive, a minimum altitude of 800 m (at the central point of each commune or at the average altitude of the commune);

Whereas when there is a combination of the aforesaid climatic factors and of the steep slope factor, according to Article 3, paragraph 3, third indent, a minimum altitude of 600 m and, at the same time, a slope of at least 18 % have been selected;

Whereas relevant to the presence of land of limited potential and economic results of farming appreciably lower than average, according to Article 3, paragraph 4, (a) and (b), the areas have been defined by the use of a complex index : "the agricultural comparability income" (Landwirtschaftliche Versgleichszahl, L.V.Z.); used by the local offices of the Ministry of Finance indicate the economic results of farming; this index is based on natural productivity (soil quality and climatic conditions) and is adjusted using factors such as heterogeneity of the land, natural drainage conditions, etc..., but also including artificial factors with regard to production conditions;

Whereas the maximum value of the above mentioned index has been fixed at 25 for the areas of "naturally less-favoured territories" (von Natur benachteiligte Gebiete); in the areas of northern Germany (Nos. 1,3,6,7 and 10), this value has been fixed at 15, or, where

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permanent pasture is greater than 40 % of the utilised agricultural land, at 20, or, again, where it is greater than 60 % of the utilised agricultural land, at 25, the national average being 40;

Whereas concerning a low density of population in accordance with Article 3, paragraph 4 (c), the index used has the relatively high value of 100 inhabitants per square kilometre; nevertheless it is clearly under 50 % of the national average (244); on the other hand, it is a reflection of the position of a Member state having a very high level of economic development and having endowed its regions (the majority of which have many recreational facilities) with much infrastructure; to be economic such infrastructure requires a relatively high population density; moreover the lowest proportion of persons working in agriculture as a percentage of the working population is 15 % (with the exception of two areas - 13,2 % and 13,3 %); the national average being 7,1 %;

Whereas concerning the definition of the areas affected by specific handicaps, capable of being assimilated into the less-favoured areas and provided for in Article 3, paragraph 5, the Member state concerned has utilised simultaneously the occurrence of unfavourable natural conditions of production (L.V.Z. below 25 generally) and handicaps due to coastal protection and the preservation of the countryside; moreover, their total combined areas do not exceed 2,5 % of the area of this Member state (1,9 %);

Whereas the form and level of the above-mentioned indices utilised by the Federal German Government, in order to define the three types of areas notified to the Commission, correspond respectively, to the characteristics of the mountain areas, the less-favoured areas and the areas affected by specific handicaps, according to Article 3, paragraphs 3, 4 and 5;

Whereas according to the information supplied by the Member state concerned, these areas are provided with adequate infrastructure;

HAS ADOPTED THE PRESENT DIRECTIVE :

Article 1

The areas situated in the Federal German Republic, which appear in the annex to the present Directive are part of the Community list of less-favoured farming areas, within the meaning of Article 3, paragraph 3, 4 and 5 of Council Directive No ... of 21st January 1974 on mountain and hill farming and farming in certain less-favoured areas.

Article 2

The present Directive is addressed to the Federal German Republic.

Done at Brussels,

For the Council

A geographical map illustrating the Community list of less-favoured farming areas is annexed to the present Directive.

PROPOSAL FOR A DIRECTIVE CONCERNING
the Community list of less-favoured
farming areas within the meaning of the
Directive on mountain and hill farming and
farming in certain less-favoured areas,
adopted by the Council on 21 January 1974
Areas of the Kingdom of Belgium

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to the Directive on mountain and hill farming and farming in certain less-favoured areas adopted by the Council on 21 January 1974, and especially Article 2, paragraph 2 thereof;

Having regard to the proposal from the Commission;

Having regard to the opinion of the European Parliament;

Whereas the Belgian Government has communicated to the Commission, in accordance with Article 2, paragraph 1 of the Directive on mountain and hill farming and farming in certain less-favoured areas adopted by the Council on 21 January 1974, one area suitable for inclusion in the Community list of less-favoured agricultural areas as well as information relative to the characteristics of this area;

Whereas the following indices relative to the presence of land of limited potential, according to Article 3, paragraph 4(a) of the Directive, have been utilised by the Member State concerned to define the area in question: more than 80% of the agricultural land under permanent pasture with more than half of the area of an altitude greater than 400 metres, number of days without frost not greater than 150 per annum (220 days per annum in the more favourable Belgian regions), production per hectare from bovines not above 70% of the national average (^{30.600} FB and ^{43.900} FB respectively), cereal yields below 80% of the national average (34 q/ha and 42 q/ha respectively);

Whereas economic results of farming, appreciably lower than average, according to Article 3, paragraph 4(b) of the Directive, are defined by an index reflecting labour income per labour unit below 77% of the national average (^{150.400} FB and ^{195.300} FB respectively);

Whereas concerning a low or dwindling population, according to Article 3, paragraph 4(c), the following index has been utilised, population density not greater than 76 inhabitants per square kilometre, the national average being 319, and agricultural workers as a proportion of the total working population not lower than 15% (the national and Community averages being 4.17% and 9.58% respectively);

Whereas the form and level of the above-mentioned indices utilised by the Government of the Kingdom of Belgium to define the area communicated to the Commission, correspond to the characteristics of the less-favoured areas in danger of depopulation according to Article 3, paragraph 4 of the Directive, but apparantly only becoming a farming area of homogeneous character from the viewpoint of natural production conditions, according to Article 3, paragraph 4, first indent, when reduced in size by the exclusion of one corner, situated in the north of the area, which has the advantage of natural production conditions which are clearly more favourable;

Whereas according to the information supplied by the Belgian Government these areas are provided with adequate infrastructure;

HAS ADOPTED THE PRESENT DIRECTIVE :

Article 1

The area situated in the Kingdom of Belgium which appears in the Annex to the present Directive is part of the Community list of less-favoured farming areas, within the meaning of Article 3, paragraph 4 of the Council Directive No. of 21st January 1974 on mountain and hill farming and farming in certain less-favoured agricultural areas.

Article 2

The present Directive is addressed to the Kingdom of Belgium.

Done at Brussels,

For the Council

A geographical map illustrating the Community list of less-favoured farming areas is annexed to the present Directive.

PROPOSAL FOR A DIRECTIVE CONCERNING
the Community list of less-favoured
farming areas within the meaning of the
Directive on mountain and hill farming
and farming in certain less-favoured areas,
adopted by the Council on 21 January 1974
Areas of the Republic of France

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to the Directive on mountain and hill farming and farming
in certain less-favoured areas adopted by the Council on 21 January 1974,
and especially Article 2, paragraph 2 thereof;

Having regard to the proposal from the Commission;

Having regard to the opinion of the European Parliament;

Whereas the Government of the Republic of France has communicated to the Commission, in accordance with Article 2, paragraph 1 of the Directive on mountain and hill farming and farming in certain less-favoured areas, adopted by the Council on 21st January 1974, the areas suitable for inclusion in the Community list of less-favoured farming areas within the meaning of Article 3, paragraph 3 of this Directive as well as the information relative to the characteristics of the areas ; the information relative to those areas located in the Departments overseas, are not sufficiently complete to permit the Commission to give its view on them, at present ;

Whereas this Member State has utilised very difficult climatic conditions as an index in accordance with Article 3, paragraph 3, first indent, of the Directive, a minimum altitude of 600 m attained over at least 80% of the surface of the territory of each commune and not only for the major part thereof; moreover, the division of communes is not recognised, and in reality the minimum altitude retained can be considered, with regard to the Directive, as equivalent to between 600 and 700 metres;

Whereas steep slopes, according to Article 3, paragraph 3, second indent, are defined as an undulation of at least 400 metres between the highest and lowest points of the agricultural land in the Commune; and this definition only gives an approximate measure of the percentage slope;

Whereas a detailed examination made by the Commission, with the help mainly of a study of slopes per square kilometre (20% and greater) aimed at the removal of the uncertainties resulting from the above-mentioned index of undulations and considering the possibility opened by Article 3, paragraph 3, third indent, of the combination of two factors: altitude and slope, resulting in the same total handicap, confirms that only a very limited number of communes on the fringes of the communicated mountain areas do not fully comply with the required conditions, but that they nevertheless comply with those of Article 3, paragraph 4 of the Directive; that their economics being tightly bound to that of bordering communes, they can be classed under the mountain area;

Whereas in these conditions, the form and level of the above-mentioned indices, utilised by the Government of the French Republic, in order to define the areas communicated to the Commission, conform to the characteristics of mountain areas according to Article 3, paragraph 3;

Whereas the communication of the Member State concerned fails to indicate the real situation in these areas, from the viewpoint of infrastructure, according to Article 3, paragraph 2, it seems that the infrastructure is not always adequate, besides the absence of information relative to current or proposed programmes, does not permit estimation of the time necessary for a substantial improvement in this position; it appears, nevertheless, expedient to include the areas in question in the Community list of less-favoured farming areas, on the understanding that the Government of the French Republic will present shortly to the Commission a detailed communication on this subject;

HAS ADOPTED THE PRESENT DIRECTIVE :

Article 1

The areas situated in the Republic of France which appear in the Annex to the present Directive are part of the Community list of less-favoured areas, within the meaning of Article 3, paragraph 3 of the Council Directive No. of 21st January 1974 on mountain and hill farming and farming in certain less-favoured areas.

Article 2

The Government of the Republic of France will forward to the Commission by the end of 1975 at the latest, a detailed communication indicating the time period during which measures for the substantial improvement of infrastructure will be effected in the areas scheduled in Article 1.

Article 3

The present Directive is addressed to the Republic of France.

Done at Brussels,

For the Council

A geographical map illustrating the Community list of less-favoured farming areas is annexed to the present Directive.

PROPOSAL FOR A DIRECTIVE CONCERNING
the Community list of less-favoured far-
ming areas within the meaning of the
Directive on mountain and hill farming
and farming in certain less-favoured
areas, adopted by the Council on
21 January 1974

Areas of the Republic of Ireland

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community ;

Having regard to the Directive on mountain and hill farming and farming
in certain less-favoured areas adopted by the Council on 21 January 1974,
and especially Article 2, paragraph 2 thereof ;

Having regard to the proposal from the Commission ;

Having regard to the opinion of the European Parliament ;

Whereas the Government of the Republic of Ireland has communicated to the Commission in accordance with Article 2, paragraph 1, of the Directive on mountain and hill farming and farming in certain less-favoured areas adopted by the Council on 21st January 1974, two areas suitable for inclusion in the Community list of less-favoured farming areas as well as information relative to the characteristics of the areas ;

Whereas the following indices, relative to the presence of land of United potential according to Article 3, paragraph 4 a) of the Directive, have been utilised by this Government to define the areas in question : rough grazing farming more than 38 % of utilised agricultural land, livestock density below 0.54 livestock units per forrage hectare (estimation) and rateable valuation of land below 65 % of the national average ;

Whereas economic results of farming appreciably lower than average in accordance with Article 3, paragraph b) of the Directive, are defined by indices referring to the income per active male agricultural worker (labour income plus return on capital) below 68 % of the national income (the equivalent index per hectare : 71 %) ;

Whereas the index relative to the lowest population density which has been utilised, in accordance with Article 3, paragraph 4 c), has a value not exceeding 24 persons per square kilometre, being 56 % of the national average (the Community average is 168 persons per square kilometre) ; the Commission nevertheless considers this figure acceptable because of the very low national average population density (43 persons per square kilometre), the annual population decline of 0.28 %, and the proportion of the active population engaged in agriculture greater than 50 % (the national and Community averages being respectively 26 % and 9.58 %) ;

Whereas the nature and level of the above mentioned indices, utilised by the Government of the Republic of Ireland, to define the areas notified to the Commission, are in accordance with the less-favoured areas in danger of depopulation according to Article 3, paragraph 4 of the Directive;

Whereas the infrastructure, in accordance with Article 3, paragraph 2 of the Directive, particularly the supply of drinking water to these areas, would not appear at present to be adequate, and the information supplied by the Government of the Republic of Ireland does not permit the estimation of the time necessary for a definite improvement in the position ; it appears, nevertheless, expedient to include the areas in question in the Community list of less-favoured farming areas, on the understanding that the Government of the Republic of Ireland will present shortly to the Commission a detailed communication on this subject ;

HAS ADOPTED THIS DIRECTIVE :

Article 1

The areas situated in the Republic of Ireland which appear in the Annex to the present Directive are part of the Community list of less-favoured farming areas, within the meaning of Article 3, paragraph 4 of the Council Directive No on mountain and hill farming and farming in certain less-favoured areas of 21 January 1974.

Article 2

The Government of the Republic of Ireland will forward to the Commission by the end of 1975 at the latest, a detailed communication indicating the time period during which measures for the substantial improvement of infrastructure, and, especially the supply of drinking water, will be effected in the areas scheduled in Article 1.

Article 3

The present Directive is addressed to the Republic of Ireland.

Done at Brussels,

For the Council

A geographical map illustrating the Community list of less-favoured farming areas is annexed to the present Directive.

PROPOSAL FOR A DIRECTIVE CONCERNING
the Community list of less-favoured
farming areas within the meaning of the
Directive on mountain and hill farming and
farming in certain less-favoured areas,
adopted by the Council on 21 January 1974
Areas of the Republic of Italy

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community ;

Having regard to the Directive on mountain and hill farming and farming
in certain less-favoured areas adopted by the Council on 21 January 1974,
and especially Article 2, paragraph 2 thereof ;

Having regard to the proposal from the Commission ;

Having regard to the opinion of the European Parliament ;

Whereas the Italian Government has communicated to the Commission, in accordance with Article 2, paragraph 1 of the Directive on mountain and hill farming and farming in certain less-favoured areas adopted by the Council on 21 January 1974, forty five areas suitable for inclusion in the Community list of less-favoured agricultural areas as well as information relative to the characteristics of the areas ;

Whereas this Government has selected as an index of very difficult climatic conditions, according to Article 3, paragraph 3, first indent of the Directive, an average altitude in each commune of at least 700 metres in the Northern and Central Regions of Italy and of 800 metres in the Southern Regions;

Whereas steep slopes, according to Article 3, paragraph 3, second indent, are defined as being greater than 20 % ;

Whereas where there is a combination of the two above mentioned factors, a minimum altitude of 600 metres in the Northern and Central Regions, and of 700 metres in the Southern Regions of Italy, and at the same time, a slope greater than 15 % have been selected ;

Whereas the communication from the Italian Government stated that a number of communes, or parts thereof, on the fringes of the communicated mountain areas do not fully comply with the required conditions, but that they nevertheless comply with those of Article 3, paragraph 4 of the Directive; that their economies being tightly bound to that of bordering communes, they can be classed under mountain areas;

Whereas the following indices relevant to the presence of land of limited potential, according to Article 3, paragraph 4, a) have been utilized : wheat yields below 16.5 q/ha, while the national average is 25 q/ha, or rough grazing occupying more than 50 % of the utilisable forrage area, with hay yields below 20 q/ha (estimation) ;

Whereas economic results of farming, appreciably lower than average, according to Article 3, paragraph 4 b), are defined by indices relating to a livestock density below 0.65 livestock units per forrage hectare (national average : 0.98) ;

Whereas concerning a low or dwindling population, according to Article 3, paragraph 4 c), the following indices have been utilised : density not greater than 75 inhabitants per square kilometre (the national average

and the Community average are respectively 181 and 168) or an annual decline greater than 0.8 % , as well as at least 15 % of the active population engaged in agriculture ;

Whereas concerning the delimitation of areas affected by specific handicaps, which can be considered as less-favoured within the meaning of Article 3, paragraph 5, the Italian Government has utilised on the one hand, the existence of unfavourable natural conditions of production : unstable water table, excessive levels of salinity and the presence of ground liable to flooding and, on the other hand, handicaps resulting from constraints under laws aimed at the preservation of the countryside ; moreover the combined extent of these areas not exceeding 2.5 % of the area of the State ;

Whereas the type and level of the above mentioned indices, utilised by the Italian Government, in order to define the three classes of area communicated to the Commission corresponding, respectively, the characteristics of the mountain areas, the less-favoured areas and the areas affected by specific handicaps, according to Article 3, paragraph 3, 4 and 5 ;

Whereas the Italian Government's communication does not describe the present infrastructure of these areas, according to Article 3, paragraph 2, and it appears that the infrastructure is inadequate, particularly in the Southern region of Italy, and besides the information submitted, relevant to the current or projected programmes, does not permit estimation of the time necessary for a definite improvement in the position ; it appears, nevertheless, expedient to include the areas in question in the Community list of less-favoured farming areas, on the understanding that the Italian Government will present shortly to the Commission a detailed communication on this subject ;

HAS ADOPTED THIS DIRECTIVE :

Article 1

The areas situated in the Republic of Italy which appear in the Annex to the present Directive are part of the Community list of less-favoured farming areas, within the meaning of Article 3, paragraphs 3, 4 and 5 of the Council Directive No. of 21st January 1974 on mountain and hill farming and farming in certain less-favoured areas.

Article 2

The Government of the Republic of Italy will forward to the Commission by the end of 1975 at the latest, a detailed communication indicating the time period during which measures for the substantial improvement of infrastructure will be effected in the areas scheduled in Article 1.

Article 3

The present Directive is addressed to the Republic of Italy.

Done at Brussels,

For the Council

A geographical map illustrating the Community list of less-favoured farming areas is annexed to the present Directive.

PROPOSAL FOR A DIRECTIVE CONCERNING
the Community list of less-favoured farming
areas within the meaning of the
Directive on mountain and hill farming and
farming in certain less-favoured areas,
adopted by the Council on 21 January 1974

Areas of the Grand Duchy of Luxembourg

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to the Directive on mountain and hill farming and farming
in certain less-favoured areas adopted by the Council on 21 January 1974,
and especially Article 2, paragraph 2 thereof;

Having regard to the proposal from the Commission;

Having regard to the opinion of the European Parliament;

Whereas the Government of the Grand Duchy of Luxembourg has communicated to the Commission, in accordance with Article 2, paragraph 1 of the Directive on mountain and hill farming and farming in certain less-favoured areas adopted by the Council on 21 January 1974, four areas suitable for inclusion in the Community list of less-favoured agricultural areas as well as information relative to the characteristics of the areas;

Whereas the evaluation of the indices relating to a less-favoured farming area, within the meaning of Article 3, paragraph 4 of the Directive, of small dimensions but which occupies more than nine-tenths of the surface area of that Member State, can only be validly made by comparison with Community and non-national averages;

Whereas the following indices, relevant to the presence of land of limited potential, according to Article 3, paragraph 4(a), have been utilised: 90% of land devoted to forage production, livestock density not more than 1.19 L.V. per forage hectare or 0.95 L.V. per forage hectare if the large amount of supplementary feeding brought into the area is taken into account, yield of wheat 31 q/ha (Community average 37 q/ha), unfavourable drainage conditions and uneven character of the zone shown by maps;

Whereas the economic results, appreciably lower than average, according to Article 3, paragraph 4(b) of the Directive, are defined by an index relating to the net value added at factor cost per person engaged in agriculture being less than 80% of the Community average;

Whereas the index relating to the low population density, according to Article 3, paragraph 4(c), which has been utilised, has a value of 75 inhabitants per square kilometre, which represents 57% of the national average and 45% of the Community average (168 inhabitants per km²); whereas the percentage of total active population engaged in agriculture is 15.10% (the national and Community averages are 9.27% and 9.58% respectively);

Whereas concerning the delimitation of areas affected by specific handicaps, which can be considered as less-favoured areas within the meaning of Article 3, paragraph 5, this Member State has utilised, on the one hand, the existence of unfavourable natural conditions of production due to heavy clay and excessively wet soils (giving a short period of time suitable for cultural operations) and, on the other hand, the Member State has taken into consideration handicaps resulting from constraints due to numerous recreation activities; moreover, the total extent of these areas does not exceed 2.5% of the area of this Member State;

Whereas the type and level of the above-mentioned indices, utilised by the Luxembourg Government, in order to define the two classes of areas, communicated to the Commission, correspond respectively to the characteristics of less-favoured areas and areas affected by specific handicaps according to Article 3, paragraphs 4 and 5;

Whereas according to the information provided by the Member State concerned, these areas are provided with adequate infrastructural amenities;

HAS ADOPTED THIS DIRECTIVE :

Article 1

The areas situated in the Grand Duchy of Luxembourg which appear in the Annex to the present Directive are part of the Community list of less-favoured farming areas, within the meaning of Article 3, paragraphs 4 and 5 of the Council Directive No. of 21st January 1974 on mountain and hill farming and farming in certain less-favoured areas.

Article 2

The present Directive is addressed to the Grand Duchy of Luxembourg.

Done at Brussels,

For the Council

A geographical map illustrating the Community list of less-favoured farming areas is annexed to the present Directive.

PROPOSAL FOR A DIRECTIVE CONCERNING
the Community list of less-favoured
farming areas within the meaning of the
Directive on mountain and hill farming
and farming in certain less-favoured
areas, adopted by the Council on
21 January 1974

Areas of the Kingdom of the Netherlands

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to the Directive on mountain and hill farming and farming in certain less-favoured areas adopted by the Council on 21 January 1974 and especially Article 2, paragraph 2 thereof;

Having regard to the proposal from the Commission;

Having regard to the opinion of the European Parliament;

Whereas the Government of the Netherlands has communicated to the Commission, in accordance with Article 2, paragraph 1 of the Directive on mountain and hill farming and farming in certain less-favoured areas adopted by the Council on 21 January 1974, two hundred and sixty-two areas suitable for inclusion in the Community list of less-favoured farming areas, as well as information relative to the characteristics of the areas;

Whereas relative to the definition of the areas affected by specific handicaps, capable of being assimilated into the less-favoured farming areas according to Article 3, paragraph 5, the Member State concerned has utilised, on the one hand, the existence of unfavourable natural conditions of production due to poor drainage conditions and to the poor soil quality, and, on the other hand, handicaps resulting from restrictions relative to measure for the preservation of the countryside; moreover, the total combined area of these areas is not more than 0.40% of the area of this Member State, the Government of the Netherlands having stated its intention to communicate later the further areas, in order to attain 2.5% of the national area;

Whereas the form of the above-mentioned indices used by the Member State concerned, in order to define the areas notified to the Commission, correspond to the characteristics of the areas affected by specific handicaps, according to Article 3, paragraph 5;

Whereas according to the information supplied by the Member State concerned, these areas are provided with adequate infrastructure;

HAS ADOPTED THE PRESENT DIRECTIVE :

Article 1

The areas situated in the Netherlands, which appear in the Annex to the present Directive, are part of the Community list of less-favoured farming areas within the meaning of Article 3, paragraph 5 of the Council Directive No. of 21st January 1974, on mountain and hill farming and farming in less-favoured areas.

Article 2

The present Directive is addressed to the Kingdom of the Netherlands.

Done at Brussels,

For the Council

A geographical map illustrating the Community list of less-favoured farming areas is annexed to the present Directive.

PROPOSAL FOR A DIRECTIVE CONCERNING
the Community list of less-favoured farming
areas within the meaning of the
Directive on mountain and hill farming
and farming in certain less-favoured
areas, adopted by the Council on
21 January 1974
Areas of the United Kingdom

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to the Directive on mountain and hill farming and farming
in certain less-favoured areas adopted by the Council on 21 January 1974;

Having regard to the proposal from the Commission ;

Having regard to the opinion of the European Parliament ;

Whereas, the United Kingdom Government has communicated to the Commission, in accordance with Article 2, paragraph 1 of the Directive on mountain and hill farming and farming in certain less-favoured areas adopted by the Council on 21 January 1974, six areas suitable for inclusion in the Community list of less-favoured farming areas, as well as information relative to the characteristics of the areas ;

Whereas, the following indices, relative to the presence of land of limited potential according to Article 3, paragraph 4 a) of the Directive, have been utilised by this Government to define each of the areas : rough grazing greater than 49 % of combined permanent and rough grazing, livestock density below 0.78 livestock units per forage hectare and farm rents not exceeding 48 % of the national average (£ 2.53 per acre and £ 5.32 per acre);

Whereas, economic results of farming appreciably lower than average, in accordance with Article 3, paragraph 4 a) and b) of the Directive, are defined by indices referring to the income per man work unit (estimated for the period 1970/71 - 1972/3 after the exclusion of direct subsidies - hill production grants) not exceeding 75 % of the national average (£ 1072 and £ 1436) ;

Whereas, the index relative to the lowest population density, which has been utilized, has, in accordance with Article 3, paragraph 4 c), a value not exceeding 36 persons per square kilometre (the national and Community averages being respectively 228 and 168 persons per square kilometre) and the minimum proportion of active agricultural workers in the total active population has been fixed at 19 % (the national and Community averages being respectively 3.08 % and 9.58 %) ;

Whereas, the nature and level of the above mentioned indices utilized by the Government of the United Kingdom to define the areas notified to the Commission, are in accordance with the characteristics of less-favoured areas, in danger of depopulation according to Article 3, paragraph 4 of the Directive ;

Whereas, according to the information supplied to the Commission, these areas have, as a whole, adequate infrastructure ;

HAS ADOPTED THIS DIRECTIVE :

Article 1

The areas situated in the United Kingdom which appear in the Annex to the present Directive are part of the Community list of less-favoured farming areas within the meaning of Article 3, paragraph 4 of Council Directive No. R/46/74 on mountain and hill farming and farming in certain less-favoured areas of 21 January 1974.

Article 2

The present Directive is addressed to the United Kingdom.

Done at Brussels

For the Council

A geographical map illustrating the Community list of less-favoured farming areas is annexed to the present Directive.

PROPOSAL FOR A DIRECTIVE

completing the provisions under Title V of the Directive on
mountain and hill farming and farming in certain less-
favoured areas which was adopted by the Council on 21 January 1974

Explanatory memorandum

In adopting the Directive on mountain and hill farming and farming in certain less-favoured areas, the Council put back the adoption of certain financial and general provisions until such time as the Community list of less-favoured farming areas was agreed upon in accordance with Article 2 of the Directive.

The Commission is presenting to the Council, elsewhere, proposals on the subject of this list of less-favoured farming areas. At the same time, it appears to the Commission that it would be useful to agree upon the financial and general provisions which form an indispensable part of the text already adopted.

The measures which appear in the Directive on mountain and hill farming and farming in certain less-favoured areas provide the adaptations of and the complements to the measures provided for in Directive 72/159/EEC, which are essential to the achievement of the objectives of this Directive in the less-favoured areas. Thus, the measures envisaged in the Directive on mountain and hill farming and farming in certain less-favoured areas form part of the common measures which make up Directive 72/159/EEC.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 42 and 43 thereof ;

Having regard to the proposal of the Commission ;

Having regard to the opinion of the European Parliament ;

Whereas the Council Directive on mountain and hill farming and farming in certain less-favoured areas adopted on 21st January 1974 recorded that certain general and financial provisions shall be adopted at the same time as the Community list of less-favoured farming areas in accordance with Article 2 of the Directive ;

Whereas the Community list of less-favoured farming areas has been agreed⁽¹⁾; it is, therefore, possible to adopt at the same time the general and financial provisions necessary for the implementation of that Directive,

HAS ADOPTED THE PRESENT DIRECTIVE :

(1) O.J.

Article 1

The last two recitals of the Directive on mountain and hill farming and farming in certain less-favoured farming areas are replaced by the following text :

"Whereas, as a result of the foregoing recitals, the measures foreseen constitute the adaptations and the complements to the measures provided for in Directive 72/159/EEC, which are essential to the achievement of the objectives of this Directive in the areas concerned ; thenceforth, the financial and general provisions of this Directive must be applied taking account of any necessary modifications ;"

Article 2

The text which appears under title V of the Directive on mountain and hill farming and farming in certain less-favoured areas is replaced by the following text :

"Article 13

The series of measures foreseen by the present Directive form part of the common measures according to Article 15 of Directive 72/159/EEC, the financial and general provisions of which, in view of the following provisions, apply to this Directive.

Article 14

The estimated total cost of the common measures referred to in Article 15 of Directive 72/159/EEC shall be increased to million units of account for the first three years.

Article 15

Expenditure by Member States in respect of measures taken under Articles 5 to 11, shall be eligible for assistance from the Guidance Section of the EAGGF, as provided for in Article 19 of Directive No. 72/159/EEC. However, the Guidance Section of EAGGF shall refund to Member States 50 % of eligible expenditure for the compensatory allowance referred to under Title II.

The Community contribution towards eligible expenditure on aids provided for in Article 11 may not exceed 20,000 units of account per joint investment scheme and 100 units of account per hectare of pasture or mountain land improved or provided with equipment.

Article 16

1. The authorisation referred to in Article 1 shall take effect from 1st October 1974.
2. However, the financial contribution of the Community towards eligible expenditure for aids provided for under Articles 5 and 11 shall only be incurred for the aids granted approval during 1975 and after.

Article 17

The present Directive is addressed to the Member States.

Done at Brussels,

For the Council,

FINANCIAL ANNEX

Provisional estimate of eligible expenditures relating to the application of the Directive on mountain and hill farming and farming in certain less-favoured areas

On the basis of the Council declaration recorded in the minutes of the Council meeting of 19 and 20 November 1973 and in relation to Article 2 of the Directive, Member states have been required to send the Commission information to enable estimates to be made of the eligible expenditures likely to result from the measures they propose to apply in the selected areas.

This annex collates the information which has been sent. Part I identifies the measures which Member states propose to apply and their provisional cost. Part II gives the total eligible expenditure by Member states and the E.A.G.G.F, Guidance Section contribution.

I. Analysis of the expenditure forecasts for each Member State

A. Germany

(Less-favoured U.A.A. : ← 3.94 million ha.)

1. Compensatory allowance

- . It is anticipated that the allowance will apply to 31.6 % of the less-favoured U.A.A.
- . Allowance : 32.8 - 49.2 UA/LU
- . Eligible livestock units : 835,000
- . Annual cost of compensatory allowances : 32,832,200 UA

2. Other measures

- a) Article 9.1 will be applied in all the less-favoured areas
- b) Article 9.2 will not be applied
- c) Article 10.2 will be applied in almost all the areas.

- d) Article 11 will be applied in almost all the areas.
 e) Annual cost under Articles 9, 10 and 11 : 11,475,409 UA

3. Total cost for the Directive : 44,307,609 UA

B. Belgium

(Less-favoured U.A.A. : 350,000 ha.)

1. Compensatory allowance

- . It is anticipated that the allowance will be given in all the areas.
- . Allowance : 30-40 UA/LU
(varying in relation to the number of LU on the farm)
- . Eligible livestock units : 287,196
- . Annual cost of compensatory allowances : 9,240,000 UA

2. Other measures

- a) Articles 9.1 and 11 will be applied in all the areas.
 b) Annual cost under Articles 9.1 and 11 : 760,000 UA

3. Total cost for the Directive : 10.000,000 UA

C. France

1. Compensatory allowance

- . It is anticipated that the allowance will be applied in the areas covered by Article 3.3. or 3.3 million ha.
- . Allowance : 36 UA/LU
- . Eligible livestock units : 1,693,740
- . Annual cost of compensatory allowance : 60,962,898 UA

2. Other measures

- a) Articles 9,10 and 11 will be applied in all the areas .
 b) Annual cost under Articles 9, 10 and 11 : 180,000 UA

3. Total cost for the Directive : 61,142,898 UA

D. Ireland

(Less-favoured U.A.A. : 3.5 million ha)

1. Compensatory allowance

- . It is anticipated that this measure will apply to 74.3 % of the less-favoured U.A.A.
- . Allowance : 22.27 UA/LU
- . Eligible livestock units : 1,400,000
- . Annual cost of compensatory allowances 31,178,000 UA

2. Other measures

- a) It is anticipated that Articles 9 and 10 will be applied in almost all the areas.

b) Article II will be applied in all the areas.

c) Annual cost under Articles 9, 10 and 11 : 970,000 UA

3. Total cost for the Directive 32,148,000 UA

E. Italy

(Less-favoured U.A.A. : XXX.X million ha.)

1. Compensatory allowance

a) Article 3.3.

- Allowances based on livestock units :

. Allowance : 15-40 UA/LU
and 30-50 UA/LU

. Eligible livestock units : 1,229,146

. Annual cost : 48,920,011 UA

- Allowances based on number of hectares :

. Allowance : 15-40 UA/ha

. Eligible hectares : 377,700

. Annual cost : 13,068,020 UA

b) Article 3.4.

. Allowance : 30-40 UA/LU

. Eligible livestock units : 372,254

. Annual cost : 13,959,525 UA

c) Article 3.5.

. Allowance : 40 UA/LU

. Eligible livestock units : 43,215

. Annual cost : 1,728,600 UA

d) Annual cost of compensatory allowances : 77,676,556 UA

2. Other measures

a) Annual cost under Articles 9 and 10 : 9,250,000 UA

b) Annual cost under Article 11 : 7,000,000 UA

3. Total cost for the Directive : 93,926,556 UA

F. Luxembourg

The total cost of applying the Directive
in Luxembourg is estimated at : 1,000,000 UA

G. Netherlands

(Less-favoured U.A.A. : 13,622 ha)

1. Compensatory allowance

. It is anticipated that the allowance will be given in all the
less-favoured areas.

. Allowance :	50 UA/LU
. Eligible livestock units :	13,600
. Annual cost of compensatory allowance :	680,000 UA

2. Other measures

. It is anticipated that articles 9 and 10 will be applied in all
the areas.

. Annual cost under Articles 9 and 10 : 94,075 UA

3. Total cost for the Directive : 774,075 UA

I. United Kingdom

(Less-favoured UAA : 7,654 thousand ha)

I. Compensatory allowance

. It is anticipated that the allowance will be given in all the less-
favoured areas.

. Allowance :	30.1 - 50 UA/LU
. Eligible livestock units :	2,170,000
. Annual cost of compensatory allowance :	90,272,000 UA

2. Other measures

. It is anticipated that Articles 9 and 10 will be applied in all
the areas

. Annual cost under Articles 9 and 10 : 5,900,000 UA

3. Total cost for the Directive : 96,172,000 UA

II. Summary of costs and E.A.G.G.F., Guidance Section Contributions
M.U.A.

Year	Eligible expenditures			E.A.G.G.F. contribution		
	Compensatory allowance	Other measures	Total	Compensatory allowance	Other measures	Total
1975	303,8	35,6	339,4	-	-	-
1976	303,8	35,6	339,4	151,9	8,9	160,8
1977	303,8	35,6	339,4	151,9	8,9	160,8
1978				151,9	8,9	160,8
Totals	911,4	106,8	1.018,2	455,7	26,7	482,4

As the refunds demanded depend on the amount spent by the Member States during a calendar year and the requests are submitted to the Commission before 30th June of the following year, the first refunds by the Guidance Section will be made in 1976 and will depend on the Member State's expenditure in 1975.

ANNEXES

MOUNTAIN AND HILL FARMING AREAS

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The list of "Communes" classified according to "Department" and designated as "Mountain and Hill Farming areas" will be issued separately.

