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REPORT

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 1-634/83 - COM(83) 468 final) for a regulation extending the commom measure provided for in Regulation (EEC) No. 1975/82 on the acceleration of agricultural development in certain regions of Greece

Rapporteur: Mr Robert BATTERSBY

PE 87.051/fin.

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By letter of 8 August, 1983, the President of the Council of the European Communities requested the European Parliament to deliver an opinion, pursuant to Article 43 of the EEC Treaty, on the proposal from the Commission of the European Communities to the Council for a regulation extending the common measure provided for in Regulation (EEC) No 1975/82 on the acceleration of agricultural development in certain regions of Greece.

On 12 September 1983, the President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible and to the Committee on Budgets and the Committee on Regional Policy and Regional Planning for their opinions.

At its meeting of 20 September 1983, the Committee on Agriculture appointed Mr Robert Battersby rapporteur.

The Committee considered the Commission's proposal and the draft report at its meeting of 18 October 1983 and at the same meeting decided unanimously to recommend to Parliament that it approve the Commission's proposal without amendment.

The Committee then adopted the motion for a resolution as a whole unanimously.

The following took part in the vote: Mr Curry, chairman; Mr Früh, Mr Colleselli and Mr Delatte, vice-chairmen; Mr Battersby, rapporteur; Mr Bocklet, Mr Clinton, Mr Dalsass, Mr Gatto, Mr Howell (deputizing for Mr Hord), Mr Kaloyannis, Mr McCartin (deputizing for Mr Mertens), Mr Maher, Mr Marck, Mrs S. Martin, Mr Provan, Mr Simmonds, Mr J.D. Taylor (deputizing for Mr Kirk), Mr Vgen opoulos and Mr Woltjer.

The present report was tabled on 20 October 1983.

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The opinion of the Committee on Budgets and the opinion of the Committee on Regional Policy and Regional Planning are attached.

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The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities to the Council for a Regulation extending the common measure provided for in Regulation (EEC) No. 1975/82 on the acceleration of agricultural development in certain regions of Greece

The European Parliament,

- having regard to the proposal from the Commission to the Council (COM(83) 468 final), ¹
- having been consulted by the Council, pursuant to Article 43 of the EEC Treaty
 (Doc. 1-634/83),
- having regard to the communication from the Commission to the Council and the European Parliament on Greece in the Community - assessment and proposals (COM(83) 134 final),
- having regard to Council Regulation (EEC) 1975/82²,
- having regard to the report of the Committee on Agriculture and the opinions of the Committee on Budgets and the Committee on Regional Policy and Regional Planning (Doc. 1-910/83),
- having regard to the result of the vote on the Commission's proposal,
- A. Whereas Council Regulation (EEC) 75/81 applies only to certain less-favoured areas defined in Council Directive 81/645/EEC of 20 July 1981³,
- B. Whereas the European Parliament has already approved the measures proposed in the above Regulation⁴,
- C. Whereas the Commission's assessment of Greece's economic needs as set out in the Memorandum from the Greek Government to the Council of Ministers dated 19 March 1982 envisages an overall economic development assistance package,

¹0J No. C210, 6.8.1983, p.4

²0J No. L214, 11.7.1982, p.1

³⁰J No. L 238, 24.8.1981

OJ No. C238, 13.9.1982

- D. Whereas the Integrated Mediterranean Programme for Greece has not yet been implemented,
- Notes that the proposed extension of measures specifically concernirrigation, drainage, forestry and infrastructure projects for 1984 and 1985:
- 2. Believes these measures will be of direct beneficial use, not only to the less-favoured areas but to the overall development of Greek agriculture;
- 3. Commends the fact that it is envisaged that this development is to form part of a total package of measures which should take effect within the Greek government's five-year development plan;
- 4. Considers however that the Commission should establish with the least possible delay an effective feed-back system to ensure that Council, Commission and Parliament are fully and regularly informed of the cost effectiveness of the measures proposed;
- 5. Approves the proposed Regulation;
- 6. Instructs its President to forward to the Council and Commission, as Parliament's opinion, the Commission's proposal as voted by Parliament and the corresponding resolution.

EXPLANATORY STATEMENT

- 1. Council Regulation (EEC) No. 1975/82 of 19 July 1982 provided for measures relating to:
 - (a) the improvement of rural infrastructure;
 - (b) irrigation;
 - (c) land improvement;
 - (d) the development of beef cattle, sheep and goat farming;
 - (e) the improvement of facilities for agricultural training;
 - (f) forestry improvement.

These measures were to apply to the less-favoured areas within the meaning of Directive 81/645/EEC of the administrative regions of Euritania, Karditsa, Trikala, Fthiotis, Fokis, Etoloakarnania, Arta, Preveza, Ioannina, Thesprotia, Grevena, Larissa, Kozani, Kastoria, Florina, Korinthia, Akhaia, Elia, Messinia, Lakonia, Argolis and Arkadia.

- 2. The purpose of the present proposed Regulation is to extend the measures in three specific fields, namely infrastructure, irrigation and afforestation to all other rural areas of Greece until the Integrated Mediterranean Programme comes into effect in Greece. It is envisaged that the new measures will bring about a significant improvement in the agricultural structure of the rural areas not covered by the previous Regulation.
- 3. Under Title 1, Article 1(4) of the earlier Regulation, the Greek Government was to draw up a programme of development which had to be approved by the Commission. The Council Regulation came into effect in July 1982 and the programme referred to was to comprise:
 - (a) a description of the separate measures included therein, as outlined in Titles II to VII, including the cost and the financing arrangements;
 - (b) the timetable envisaged for the implementation of the separate measures;
 - (c) the provisions for coordination with any other programmes or measures which may influence the development of agriculture in the region concerned;
 - (d) an assurance that the planned measures are compatible with the protection of the environment.

4. The additional measures which are now proposed have to be seen within the context of the overall economic development plan which the Greek Government set out in a Memorandum concerning Greece's position within the European Communities which was sent to the Council of Ministers in March 1982.

The Commission provided an assessment and proposals for action in March 1983 containing proposals in a number of different fields covered by the Memorandum.

In its proposals in March 1983, the Commission proposed specific actions which are intended to help the Greek authorities to launch their five-year development programme and in certain cases to meet specific demands outlined in the Memorandum. The areas of action included the extension of irrigation, drainage, forestry and infrastructure projects to all rural areas of Greece, and it is this extension which is the subject of the present proposed Regulation.

- 5. The total cost of extending the measures is 95.7 mECU, of which the EAGGF will contribute 44.7 mECU. The Commission proposal includes a breakdown of how this expenditure is allocated, showing that most of the expenditure is on infrastructure, totalling 32.5 mECU (of which the EAGGF contribution is 40%, totalling 13 mECU) and on irrigation, totalling 34.3 mECU (of which the EAGGF contribution at 50% amounts to 17.2 mECU). Other areas of action are not only afforestation but control of fast flowing streams, forest roads and preparatory works. It is proposed that from the EAGGF budget, 35.6 mECU will be spent in 1984, and the balance (9.1 mECU) in 1985, although the entire expenditure will be charged to the 1984 budget (Guidance Section).
- 6. It should be remembered that there have been considerable difficulties for Greece in the agricultural field since the country joined the Community. Many of these factors are not associated with accession (such as the steep rise in producers' prices before accession), but the result has been considerable difficulties in marketing Greek products on the internal and export markets, resulting in a disequilibrium in the Greek agricultural balance of trade. It is in the light of these difficulties, and in reply to the specific demands set out in the memorandum from the Greek Government, that the Commission is proposing these measures.

⁽COM(83) 134 final)

- 7. At the present date, no evaluation of the original plan has been conducted. Under Article 19 of the original Regulation, the Commission was to determine, in agreement with the Hellenic Republic, the manner in which it is to be kept informed of the progress of development measures. The Commission declares itself to be satisfied with the planning to date, and it is clearly far too early to expect a detailed evaluation of the effects of expenditure of this type. No requests for reimbursement of expenditure have yet been submitted to the Commission. An effective evaluation system is clearly essential for Council, Commission and Parliament.
- 1975/82, designed to improve the flexibility of the plan. In the case of the extension now under discussion, the expenditure will be of short duration (it has already been pointed out that the money will be spent in 1984 and 1985). The object of the extension is precise and specific, and it would therefore appear right that the monies proposed should be committed specifically to the ends set out in the Commission's proposal. In this particular case, flexibility would not be beneficial.
- 9. The Committee on Budgets has expressed a favourable Opinion on the proposed Regulation.
- 10. The Committee on Agriculture approves the proposed measures, which are part of an overall plan for aiding the development of Greek agriculture and the Greek economy.

OPINION OF THE COMMITTEE ON BUDGETS

Letter of the Chairman of the Committee to Mr CURRY, Chairman of the Committee on Agriculture

Luxembourg, 26 September

Subject: Opinion of the Committee on Budgets on the proposal for a Council regulation extending the commom measure provided for in Regulation(EEC) No. 1975/82 on the acceleration of agricultural development in certain

regions of Greece

Dear Mr Chairman,

At its meeting of 21-22 September 1983, the Committee on Budgets considered the proposal for a regulation in question.

The committee delivered a favourable opinion and pointed out that the proposal increases sixfold the appropriations currently earmarked for this action and that the provisions of the proposed regulation considerably limit the Europear Parliament's budgetary powers in this matter. It stressed that these measures should be incorporated as soon as possible in an overall integrated programme for the Mediterranean regions.

Carla BARBARELLA

Acting chairman

<u>Present</u>: Mrs BARBARELLA, acting chairman; Mr ADAM (deputizing for Mr SABY), Mr BALFOUR, Mr BARBAGLI, Mr BARBI (deputizing for Mr ADONNINO), Mr D'ANGELOSANTE (deputizing for Mrs BOSERUP), Mr FICH, Mr LOUWES, Mr NEWTON-DUNN, Mr WOLTJER (deputizing for Mr ORLANDI) and Mrs SCRIVENER.

OPINION

of the Committee on Regional Policy and Regional Planning Draftsman: Mr PAPAEFSTRATIOU

On 19 October 1983, the Committee on Regional Policy and Regional Planning appointed Mr PAPAEFSTRATIOU draftsman.

At its meeting of 19 October 1983, it considered the draft opinion and adopted it unanimously.

The following took part in the vote: Mrs FUILLET, vice-chairman and acting chairman; Mr PAPAEFSTRATIOU, draftsman (deputizing for Mr KAZAZIS); Mr CECOVINI, Mr GENDEBIEN, Mr GRIFFITHS, Mr MAHER (deputizing for Mrs MARTIN), Mr NIKOLAOU, Mr PÖTTERING and Mr CLINTON (deputizing for Mr TRAVAGLINI).

I. INTRODUCTION

- 1. The proposal for a regulation submitted by the Commission to the Council concerns the extension of the common measure provided for in the existing Regulation (EEC) No. 1975/82. This common measure is unfortunately restricted to just three measures: agricultural infrastructure, irrigation and forestry measures. Consequently, the remaining measures provided for in the above existing regulation are not included and these are:
 - (a) land improvement (Title IV),
 - (b) the development of beef cattle, sheep and goat farming (Title V),
 - (c) the improvement of facilities for agricultural training (Title VI).

As a result, important and essential agricultural structures will be excluded from the provisions of the proposed regulation.

- 2. The Commission's proposal aims to restructure the severely deteriorated infrastructures in the agricultural sector, but even these measures are only half-measures because:
 - (a) in the 30 prefectures in Greece, to which it is proposed to extend the common measure, the other measures provided for under Regulation (EEC) No. 1975/82 will not be implemented,
 - (b) the duration of the measures is tied to preconditions: 'until the approval of the integrated Mediterranean programmes',
 - (c) the sum of 44.7m ECU is so low that it is unlikely to have any impact.

II. THE REASONING BEHIND THE PROPOSED REGULATION

1. The reasoning behind the proposed regulation is based on the Community principles of equivalence and equality. The first basic principle requires radical restructuring in sectors that are lagging behind and are at the same time being affected by other Community policies which are hindering their development. The other principle refers to the changes that need to be made to prevent further deterioration in the standard of living of those

¹Doc. 1-634/83

affected. Thus, the structural measures proposed amount to nothing more than a limited extension of existing common Community measures adapted to individual circumstances.

2. In examining the extreme deficiencies in basic infrastructures in Greece, it is clear that in comparative terms Greece has the poorest infrastructure in the Community on account of its physical features and level of economic development. Consequently, how can there be equivalence and equality in a Community of Ten when unequal levels of development and unequal opportunities exist alongside equal terms of competition?

III. CHARACTERISTICS OF AGRICULTURAL REGIONS

- 1. The agricultural regions of Greece have many serious natural handicaps which are cramping their future development. The Sixteenth Commission Report on the situation of agriculture in the Community gives a summary of Greece's natural handicaps:
 - (a) mountain regions account for 79% of the total area,
 - (b) the less-favoured areas are, for the most part, in the mountain regions.

At the same time, the less-favoured areas account for:
'80% of Greece's meadow and pasture, 80% of farm woodland, 57% of the livestock units and almost half of the cultivated land (arable land and permanent crops). The extent of the cultivated land in the less-favoured areas and the high number of holdings where natural conditions make farming difficult constitute an indication of the amount of effort needed to modernize the sector.

In terms of regional distribution, the Aegean and Ionian islands are the most severely handicapped.' (paragraph 155)

The productivity of the agricultural sector is the lowest in the Community and the land clearly shows the disastrous results of many years of erosion and neglect. The parcelling of the land into many small plots, the smallness of holdings and the obsoleteness of farm machinery all add to the syndrome of inhibitory factors.

- 3. In addition to the adverse effects of the low level of mechanization and the lack of farm buildings and installations, the owners of the farms are elderly and uneducated. The environment is also in a deteriorated state, while the countryside is sparsely populated and split into small communities lacking the social infrastructure needed to meet contemporary needs.
- 4. The deteriorated state of rural areas due to low productivity, natural handicaps and poor social organization has thus led to two serious problems: extremely low incomes and the departure of the agricultural population.

IV. CONCLUSIONS

The Committee on Regional Policy and Regional Planning calls on the Committee on Agriculture to take due account of the following in its motion for a resolution:

- Supports the proposal from the Commission of the European Communities to the Council for a regulation extending the common measure provided for in Regulation(EEC) No. 1975/82¹, thereby recognizing that only a small proportion of the less-favoured and, particularly, agricultural regions of Greece, were included in the above regulation;
- Notes that the extension of Regulation(EEC) No. 1975/82 to include all the agricultural regions of Greece is consistent with the two basic principles of the Community: equivalence and equality; the first principle requires equal treatment for all agricultural products and all regions, the second principle excludes any deterioration in the standard of living;
- 3. Points out that the less-favoured agricultural regions of Greece account for 80% of the mountain regions, 80% of farm woodland, 57% of the livestock units and 50% of the cultivated land; if, at the same time, Greece's particular character as a country of islands, the latter representing 18% of its total area, is taken into account, then the extension of Regulation(EEC) No. 1975/82 is seen to be absolutely essential;
- 4. Notes the fact that the regional effects of the common agricultural policy on the less-favoured regions of Greece are extremely small because approximately 30% of the agricultural production of these regions is not subsidized by the Guarantee Section of the EAGGF and their poor infrastructure has an inhibitory

¹0J No. L214, 22.7.1981, p.1

effect on their development;

- 5. Considers the period of operation proposed for this regulation restrictive as it is subject to conditions and vague. The sum of 44.7m ECU is proposed to cover the period until the integrated Mediterranean programme for Greece is implemented (Article 2(1)), therefore the measure is only a half-measure and inconsistent because, although it extends Regulation(EEC) No. 1975/82, it does not propose the same duration as that proposed in the above regulation;
- 6. Stresses that the vagueness regarding the period of validity will create further problems if the duration of the integrated Mediterranean programmes is not the same as that of Regulation(EEC) No. 1975/82; points out, furthermore, that there is no provision for this regulation to continue beyond the period of operation of the integrated Mediterranean programmes.

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