

COUNCIL REGULATION (EEC) No 3828/85

of 20 December 1985

on a specific programme for the development of Portuguese agriculture

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Act of Accession of Spain and Portugal, and in particular Articles 253, 258 (2) and 263 (2) thereof and Protocol No 24 annexed thereto,

Having regard to the proposal from the Commission,

Whereas Protocol No 24 to the Act of Accession provides for the implementation, as from the date of accession and in accordance with the objectives of the common agricultural policy, of joint action in the form of a specific programme for the development of agricultural structures which meets the particular needs and special situation of Portuguese agriculture;

Whereas the objective of the said joint action must be a substantial improvement both in production and marketing conditions and in the general structural situation of the agricultural sector; whereas the achievement of this objective will require special Community efforts in addition to the Community measures taken in the socio-structural field, over a period of 10 years;

Whereas the establishment of an effective advisory service in agriculture and an improvement in the standard of training of farmers are absolutely essential to an improvement in the structural situation of Portuguese agriculture; whereas implementation of the relevant measures also requires an improvement in facilities for agricultural training and research;

Whereas specific measures to improve the efficiency of agricultural structures complementary to those provided for in Council Regulation (EEC) No 797/85 of 12 March 1985 on improving the efficiency of agricultural structures⁽¹⁾ and relating in particular to the improvement of livestock, including certain animal health protection measures, the production of seed of a certified quality and the restructuring of olive growing can contribute to a better use of available agricultural resources;

Whereas an improvement of land ownership structures constitutes a prerequisite for an improvement of agricultural structures; whereas measures to promote the consolidation of holdings which have been split up and the enlargement of those which are not currently viable and measures to improve the soil are therefore necessary;

Whereas, in the same context, measures should be taken to correct the imbalance in the age pyramid of the agricultural population by encouraging elderly farmers to retire;

Whereas the improvement of the water supply situation entailing collective irrigation operations, the establishment of small irrigation networks and drainage operations is an important prerequisite for the improvement of agricultural structures;

Whereas an improvement of infrastructures which are currently inadequate, particularly as regards public services such as electricity, drinking water, farm tracks and roads, is required;

Whereas special efforts will have to be made to improve the marketing and processing of agricultural products;

Whereas, owing to the existence of agricultural land affected by erosion, soil and water conservation measures are of particularly great importance and whereas afforestation, the improvement of deteriorated woodlands and measures to protect and ensure the existence of woodlands constitute appropriate methods of protecting agricultural land;

Whereas the planned measures must be implemented in the framework of one or more programmes tailored to the specific requirements of the various areas of Portugal;

Whereas, it is the duty of the Commission, after seeking the opinion of the Standing Committee on Agricultural Structure, to decide whether to approve these programmes and to determine the nature and scale of Community involvement therein;

Whereas it follows from the foregoing that the measures referred to above constitute a common measure within the meaning of Article 6 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy⁽²⁾, as last amended by Regulation (EEC) No 870/85⁽³⁾,

⁽¹⁾ OJ No L 93, 30. 3. 1985, p. 1.

⁽²⁾ OJ No L 94, 28. 4. 1970, p. 13.

⁽³⁾ OJ No L 95, 2. 4. 1985, p. 1.

HAS ADOPTED THIS REGULATION:

TITLE I

Definition, adoption and implementation of the programme

Article 1

1. With a view to assisting the development of agriculture in the various regions of Portugal, a common measure within the meaning of Article 6 (1) of Regulation (EEC) No 729/70, to be implemented by the Portuguese Republic, is hereby introduced in order to bring about a significant structural improvement in the country's agriculture and in the agricultural production potential of its various regions, while at the same time ensuring the permanent conservation of the natural resources of agriculture.

2. The Community may, in accordance with Articles 2 to 21, make a contribution towards the common measure by financing, via the European Agricultural Guidance and Guarantee Fund, Guidance Section, hereinafter referred to as 'the Fund', measures designed in particular to:

- (a) develop advisory and vocational training services and improve facilities for vocational training in agriculture, including research;
- (b) improve the efficiency of production structures, including animal health protection;
- (c) improve the structural situation with regard to land ownership, in particular by way of measures to encourage the cessation of farming;
- (d) bring about physical improvements, e.g. by way of
 - collective irrigation schemes, including the renewal of collective irrigation networks,
 - the installation of drainage networks,
 - the development of infrastructure which has a direct link with farming;
- (e) achieve land improvement and changes in the types of production;
- (f) increase the market value of agricultural products;
- (g) permit forestry improvement.

Article 2

1. The measures referred to in Article 1 shall be implemented as one or more specific programmes, covering one or more of those measures and one or more geographical areas, to be specified by the Portuguese Government or by other authorities designated for that purpose.

2. The Portuguese Republic shall keep the Commission informed of progress made in preparing the specific programme or programmes.

3. The Commission shall provide the Portuguese Republic, if the latter so wishes, with the necessary technical assistance at whatever level is felt to be appropriate. The nature of the aid and the detailed arrangements for providing it shall be decided jointly by the Portuguese Republic and the Commission. Such aid may also comprise a contribution from the Fund towards the conduct of the studies required for the implementation of this common measure.

Article 3

Depending on the type of measure to be carried out, the specific programmes referred to in Article 2 shall, in order to qualify for aid from the Fund under this Regulation, include the following:

- a definition of the geographical area concerned,
- a description of the structural situation of the area and the socio-economic objectives to be attained,
- a description of the measure or measures to be carried out, taking into account the situation and resources of the area and the changes which they might undergo and the need to ensure consistency with the regional development programmes defined in Council Regulation (EEC) No 1787/84 of 19 June 1984 on the European Regional Development Fund ⁽¹⁾,
- a description of the aid measures adopted and the conditions applicable to their grant,
- the legislation, regulations and administrative provisions which have been adopted or which have yet to be adopted in order to implement the measures concerned,
- the estimated annual budget cost of the measures,
- the estimated number of hectares and/or agricultural holdings concerned,
- a description and schedule of the works to be carried out,
- an assurance that the measures proposed are in keeping with environmental protection requirements,
- any other information which the Commission feels is required for the purposes of approving the programmes.

Article 4

1. The Commission shall scrutinize the specific programmes with a view to determining:

- whether they comply with the provisions of this Regulation,

⁽¹⁾ OJ No L 169, 28. 6. 1984, p. 1.

- which measures are eligible for financial assistance from the Fund,
- the maximum limits or unit levels of expenditure to which aid from the Fund is subject,
- the physical limits applicable in the case of certain measures,
- the size of the Fund's contribution.

2. The Commission shall take a decision on whether to approve the programmes and the particulars referred to in paragraph 1 in accordance with the procedure laid down in Article 25 of Regulation (EEC) No 797/85.

TITLE II

Agricultural advisory and training services and research

Article 5

Measures to develop agricultural advisory services, as referred to in Article 1 (2) (a), shall include:

- (a) the creation and operation of training centres for agricultural advisers;
- (b) specialized training of instructors;
- (c) training of agricultural advisers, including supplementary training for advisers already in employment;
- (c) employment of the advisers.

Article 6

1. Actual expenditure incurred by the Portuguese Republic in implementing the measures referred to in Article 5 shall be reimbursed at a maximum rate of 75 %.

Actual expenditure incurred by the Portuguese Republic in implementing agricultural advisory schemes as part of the pre-accession programme shall, in so far as it does not already qualify for reimbursement under that programme, and subject to the limits laid down in this Article, be reimbursed by the Fund.

2. In the case of expenditure incurred in paying newly employed agricultural advisers whose salaries are paid directly or indirectly by the public authorities, the Community's contribution shall be paid in respect of six years of employment of an adviser.

The amount reimbursed per adviser shall be reduced in stages by applying the following coefficients: 1,25, 1,15, 1,05, 0,95, 0,85 and 0,75 in respect of the first, second, third, fourth, fifth and sixth years respectively.

Article 7

1. The measures designed to develop vocational training in agriculture which are referred to in Article 1 (2) (a) shall be implemented by reinforcing the

application of the measures referred to in Article 21 of Regulation (EEC) No 797/85, with the exception of the measure provided for in paragraph 2 (c) of that Article.

2. The measures referred to in paragraph 1 shall, under this Regulation, be eligible for a financial contribution of 50 %.

Article 8

1. The measures designed to improve the facilities used for vocational training in agriculture which are referred to in Article 1 (2) (a) shall be implemented by:

- building and equipping training centres aimed in particular at providing training courses as defined in Article 21 of Regulation (EEC) No 797/85,
- building and equipping an agricultural research station and a number of experimental centres and providing equipment for centres of this type which already exist, the task of which will be to:
 - carry out a detailed and permanent investigation into the problems faced by the Portuguese agricultural population,
 - conduct pilot feasibility studies in order to test, perfect, adapt and obtain information on production methods,
 - assess the economic effectiveness of the measures provided for in the programmes referred to in Article 2,
- developing and equipping model farms in order to show farmers what the various production systems, methods and techniques can actually achieve.

2. Costs incurred by the Portuguese Republic in implementing the measures referred to in the first and second indents of paragraph 1 shall be reimbursed by the Fund up to a maximum of 75 %.

Subject to the limit specified above, the Fund's contribution may be in the form of direct aid in accordance with Article 25.

3. Expenditure incurred by the Portuguese Republic in implementing the measure referred to in the third indent of paragraph 1 shall be reimbursed by the Fund up to a maximum of 50 %.

TITLE III

Improving the efficiency of agricultural structures

Article 9

The measures to improve the efficiency of agricultural structures which are referred to in Article 1 (2) (b) may include:

- (a) specific measures for the development of cattle, sheep and goat farming, including measures to protect animal health;

- (b) specific measures for restructuring olive growing;
- (c) specific measures for producing and checking seeds of certified quality;
- (d) specific measures for the autonomous region of Madeira.

Article 10

1. Specific measures for the development of stockfarming shall include:

- in the case of cattle farming:
 - stepping up performance testing of bulls in order to make an initial selection of any bulls whose characteristics meet the requirements of efficient production,
 - stepping up progeny testing of bulls in order to make a final selection of bulls which are felt to be of satisfactory genetic value and which will improve the quality of cattle production,
 - aids to encourage the use of artificial insemination,
- in the case of cattle, sheep and goat farming:
 - aids for the purchase of male breeding animals of approved quality, provided that the conditions required for their economic use exist and, in the case of cattle farming, provided that they are of indigenous breeds,
 - launching aids granted to livestock health protection groups to help cover their operating costs during the first five years after they have been formed, including their initial equipment costs,
 - the purchase of the equipment required for the operation of regional information and analysis centres.

2. Expenditure incurred by the Portuguese Republic in implementing the measures referred to in paragraph 1 shall be reimbursed by the Fund up to a limit of 75 %.

In the case of the measure referred to in the last indent of paragraph 1 the Fund's contribution may, subject to the limits specified above, be in the form of direct aid in accordance with Article 25.

Article 11

1. Specific measures for restructuring olive growing shall include:

- the restructuring, including renewal, of groves which produce olives for oil production, as a result of which total production should not exceed the quantities likely to be produced on areas planted with olive trees actually in production at 1 January 1984,

- converting groves which produce olives for oil production to other orchard or perennial crops.

The said measures may include:

- a premium per hectare, designed to contribute towards covering the cost of the necessary work,
- a special allowance which will be reduced in stages and which will be granted to farmers for up to five years to offset losses in income following the restructuring or replanting of their olive groves.

2. The expenditure incurred by the Portuguese Republic in implementing the measures referred to in paragraph 1 shall be reimbursed by the Fund up to a limit of 50 %.

Article 12

1. Special measures concerning the production and checking of quality seeds may include investment aid to assist:

- the setting up and development of approved undertakings for the production and multiplication of cereal and fodder-plant seeds of certified quality,
- the purchase of seed-testing equipment.

2. Expenditure incurred by the Portuguese Republic in implementing the measures referred to in paragraph 1 shall be reimbursed by the Fund up to a limit of 50 %.

Article 13

1. Special measures for the autonomous region of Madeira shall be concerned with a switch from banana crops to the growing of exotic flowers and subtropical fruit. They shall consist of a premium per hectare, designed to contribute towards covering the cost of the necessary work.

2. Expenditure incurred by the Portuguese Republic in implementing the measures referred to in paragraph 1 shall be reimbursed by the Fund up to a limit of 50 %.

TITLE IV

Improvement of the structure of land ownership

Article 14

Structural improvement measures may include:

- land consolidation,
- measures to encourage the cessation of farming.

Article 15

1. The Fund's financial contribution to land consolidation operations shall cover the financing of projects involving related works, such as levelling improvement of embankments and ditches, farm roads and other land-improvement works necessitated by the consolidation.

2. A contribution shall be made by the Fund only if the land consolidation scheme:

- reduces the number of parcels in the holdings concerned; as a rule, such reduction must produce a consolidation ratio of at least 3 : 1,
- contributes to a lasting structural improvement of the agricultural holdings,
- obliges the beneficiaries not to split up their holdings again in future.

3. Expenditure incurred by the Portuguese Republic in carrying out the work referred to in paragraph 1 shall be reimbursed by the Fund up to a limit of 75 %.

The Fund's contribution may, subject to the limits specified above, be in the form of a direct grant in accordance with Article 25.

Article 16

1. The measure to encourage the cessation of farming shall include:

(a) the granting of an annuity for up to 10 years to farmers aged between 55 and 65 who practise farming as their main occupation within the meaning of Article 2 (5) of Regulation (EEC) No 797/85 and who cease work in agriculture, provided the following conditions are met:

- either the area of agricultural land released must be assigned to one or more agricultural holdings run by farmers practising farming as their main occupation, or
- the person installed on the abandoned holding as a farmer practising farming as his main occupation must be a relative in the descending line up to and including the third generation, and provided:
 - the abandoned holding has a work requirement of at least one man-work unit (MWU),
 - the successor is under 40 years of age, or
- all the agricultural land released must be assigned to a land agency with a view to facilitating its transfer to one or more holdings;

(b) the granting of a premium per hectare to farmers who do not fulfil the requirements specified above but who cease farming, as part of a consolidation scheme, provided the land is assigned in accordance with the first or third indent of point (a) of this paragraph.

2. The expenditure incurred by the Portuguese Republic in implementing the measure referred to in paragraph 1 shall be reimbursed by the Fund up to a limit of 75 %.

TITLE V

Physical improvements*Article 17*

1. The Fund's financial contribution referred to in the first indent of Article 1 (2) (d) shall be limited to collective irrigation schemes.

2. The financial contribution referred to in paragraph 1 shall relate to the financing of projects which may involve the installation and renewal of collective irrigation networks from reservoirs and main channels, including associated drainage, the drilling of boreholes and the creation of reservoirs.

3. The expenditure incurred by the Portuguese Republic in carrying out the work referred to in paragraph 2 shall be reimbursed by the Fund up to a limit of 75 %.

The Fund's contribution may, subject to the limits specified above, be in the form of a direct grant in accordance with Article 25.

Article 18

1. The Fund's financial contribution referred to in the second indent of Article 1 (2) (d) shall relate to the financing of projects involving arterial drainage and field drainage.

2. The expenditure incurred by the Portuguese Republic in carrying out arterial drainage and field drainage shall be reimbursed by the fund up to a limit of 75 % and 50 % respectively.

Article 19

1. The financial contribution to the development of infrastructure which has a direct link with farming as referred to in the third indent of Article 1 (2) (d) shall relate to the financing of projects which may involve:

- the provision of electricity and drinking water supplies to farms, villages or parts of villages whose inhabitants are dependent principally on agriculture,
- the construction and improvement of farm roads and local roads which are used for agriculture and forestry.

2. Expenditure incurred by the Portuguese Republic in carrying out the work referred to in paragraph 1 shall be reimbursed by the Fund up to a limit of 75 %.

The Fund's contribution may, subject to the limits specified above, be in the form of a direct grant in accordance with Article 25.

TITLE VI

Land improvement

Article 20

1. The land-improvement measures provided for in Article 1 (2) (e) may include works and schemes such as:

- the preparation of unproductive and marginal land including:
 - stone removal and clearing,
 - rotary slashing of undergrowth,
 - ploughing,
- the improvement of meadows, grassland, grazing land and areas intended for fodder crops, including the improvement of the equipment concerned,
- aid for the purchase of selected seeds for fodder crops,
- fencing,
- measures, including bench terraces and collecting ditches, to protect land against erosion and wind,
- the building of shelters,
- the construction of small irrigation systems, including small reservoirs and associated drainage, for one or several holdings covering not more than 400 hectares and not supplied from collective irrigation works,
- aids for the purchase of the necessary machinery for switching production to fodder crops.

2. Expenditure incurred by the Portuguese Republic in implementing the measures referred to in paragraph 1 shall be reimbursed by the Fund up to a limit of 50 %.

TITLE VII

Increasing the market value of agricultural products

Article 21

1. The financial contribution of the beneficiary, as referred to in Article 17 (2) (a) of Council Regulation (EEC) No 355/77, of 15 February 1977 on common measures to improve the conditions under which agri-

cultural and fishery products are processed and marketed ⁽¹⁾ as last amended by Regulation (EEC) No 1247/85 ⁽²⁾ shall be 20 % for projects relating to agricultural products.

2. The aid granted by the Fund pursuant to Article 17 (2) (c) of Regulation (EEC) No 355/77 shall, for the purposes of this Regulation be increased to 60 % for projects relating to agricultural products.

TITLE VIII

Forestry

Article 22

1. The Fund's contribution to financing the forestry measures referred to in Article 1 (1) (g) shall relate to the following types of projects:

- afforestation and improvement of deteriorated woodlands in order to improve farming conditions in the area concerned by protecting soil and water resources,
- related works, such as earth-moving, the construction of forest roads and the control of fast-flowing streams,
- measures to prevent and fight forest fires,
- specific studies and trials essential to preparing the projects referred to above.

2. The owners of the land concerned shall contribute at least 10 % towards the cost of the works referred to in paragraph 1. However, where it is in the public interest to include such land in a project, and the owner is unlikely to benefit financially in the foreseeable future from the inclusion of his land, his contribution may be paid by the public authorities concerned.

3. The expenditure incurred by the Portuguese Republic in implementing the measures referred to in paragraph 1 shall be reimbursed by the Fund up to a limit of 50 %.

The Fund's contribution may, subject to the limits specified above, be in the form of a direct grant in accordance with Article 25.

TITLE IX

General and financial provisions

Article 23

1. The duration of the common measure shall be limited to 10 years with effect from the date of accession.

⁽¹⁾ OJ No L 51, 23. 3. 1977, p. 1.

⁽²⁾ OJ No L 130, 16. 5. 1985, p. 1.

2. The estimated cost of the common measure to the Fund amounts to 700 million ECU.

3. The provisions of Article 6 (5) of Regulation (EEC) No 729/70 shall apply in respect of this Regulation.

Article 24

1. Detailed rules concerning reimbursement by the Fund of the expenditure incurred by the Portuguese Republic shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

2. Applications for reimbursement shall relate to expenditure incurred by the Portuguese Republic in the course of a given calendar year and shall be submitted to the Commission before 1 July of the following year.

3. The granting of aid from the Fund shall be decided on in accordance with Article 7 (1) of Regulation (EEC) No 729/70.

Article 25

In cases where the Fund's contribution is in the form of a direct grant in respect of a project, 'project' shall be

taken to mean a public or semi-public physical investment project.

Article 13 (3) and (5), Article 14, Article 19 (2), (3) and (5) and Articles 20 to 22 of Regulation (EEC) No 355/77 shall apply *mutatis mutandis*.

Article 26

1. Payments on account may, in the light of the arrangements for payment adopted by the Portuguese Republic, and depending on the stage reached in the implementation of the programme, be granted by the Fund.

2. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 27

This Regulation shall enter into force on 1 January 1986, subject to the entry into force of the Treaty of Accession of Spain and Portugal.

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

Done at Brussels, 20 December 1985.

For the Council

The President

R. STEICHEN
