

5. The rate of Community financing of the expenditure eligible under the specific programme shall be fixed with account being taken of the rates which have been, are or will be applied to the least favoured regions of the Community for similar measures.

6. The Council, acting by qualified majority on a proposal from the Commission, shall adopt, under the

conditions provided for in Article 258 of the Act of Accession, the procedures for the specific programme.

7. Before 1 January 1991, the Commission shall present the Council with an appraisal report on the execution of the specific programme.

Protocol 25

on the application to Portugal of production disciplines introduced under the common agricultural policy

1. The Community considers that, taking into account the current situation of Portuguese agriculture, an improvement in productivity will not fail to come about under the impulse of various factors including the application of Community structural provisions and the implementation of the specific programme for agricultural structures in Portugal referred to in Protocol 24.

2. The Community considers that, even if this increase in productivity occurs within the context of the rationalization of Portuguese agriculture under the influence of conversion actions or the cessation of activity, a certain increase in production will take place.

However, the Community shall encourage such a trend during the first stage since it is a necessary condition for maintaining competitive farming in Portugal within the framework of an enlarged Community.

On the other hand, from the introduction in Portugal, at the start of the second phase, of all the rules of the common agricultural policy, the Community disciplines shall be applied in Portugal under the same con-

ditions as those reserved for the least favoured areas of the Community as at present constituted.

3. The situation described above must be slightly adjusted in the following sectors: wine, olive oil, processed fruit and vegetables from tomatoes and sugar beet.

In fact, in these sectors any development of production in Portugal risks aggravating the overall Community production situation. For that reason, the Community considers that the Portuguese Republic may not be exempted from the disciplinary rules adopted at Community level, to apply from the date of accession, whatever the form of transition used for the product in question.

However, the Community shall ensure these production discipline measures are defined so as to take account of the very specific agricultural situation of that Member State; to that end, the provisions of this Act of Accession shall provide that for those sectors a flexibility margin is included, from the beginning, in the application of Community rules relating to the production discipline.