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(Acts whose publication is obligatory)

REGULATION (EEC) No 3171/75 OF THE COUNCIL

of 3 December 1975

amending Regulation No 17/64/EEC on the conditions for granting aid from the European Agricultural Guidance and Guarantee Fund

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 43 and 209 thereof ;

Having regard to the proposal from the Commission ;

Having regard to the Opinion of the European Parliament ⁽¹⁾ ;

Whereas, in order to take account of the difficulties experienced in certain sectors, the maximum possible amount of aid from the European Agricultural Guidance and Guarantee Fund for projects relating to production structure submitted in accordance with Council Regulation No 17/64/EEC ⁽²⁾ of 5 February 1964 on the conditions for granting aid from the European Agricultural Guidance and Guarantee Fund, as last amended by Regulation (EEC) No 2684/74 ⁽³⁾, should be raised to 45 % ; whereas, however, it is only in the case of certain projects that these difficulties justify aid being granted in excess of 25 % of the total amount of the investment ;

Whereas provision should also be made for the financial contribution by the beneficiary to vary according to whether the project relates to marketing structures or to production structures ;

Whereas in accordance with Article 6 of the Financial Regulation of 25 April 1973 ⁽⁴⁾ applicable to the general budget of the European Communities, appropriations committed for the financing of projects shall lapse if they have not been paid within a certain period ;

Whereas provision should be made to ensure as far as possible that appropriations allocated for the improvement of the agricultural structure are not lost to agriculture ; whereas, therefore, where it appears doubtful

whether a project or part of a project will be carried out, the aid should, after a certain period, be cancelled or reduced and assigned to another project, so that the appropriations concerned can be used within the period prescribed by the Financial Regulation,

HAS ADOPTED THIS REGULATION :

Article 1.

The text of the first subparagraph of Article 18 (1) of Regulation No 17/64/EEC shall be replaced by the following :

'For a given project, in relation to the investment made :

- the subsidies granted by the Fund may not exceed 25 % ; however, in the case of certain projects satisfying the requirements of Article 11 (1) (a) or (b) subsidies of up to 45 % may be granted by the Fund,
- the financial contribution of the party benefiting from the improvement shall not be less than :
 - 20 %, in the case of projects satisfying the requirements of Article 11 (1) (a) or (b),
 - 38 %, in the case of projects satisfying the requirements of Article 11 (1) (c) or (d).'

Article 2

1. The following new paragraph shall be inserted in Article 22 of Regulation No 17/64/EEC :

'3. Without prejudice to Article 6 (5) of the Financial Regulation, aid from the Fund may be cancelled or, if necessary, reduced and the corresponding appropriations used to finance other projects :

⁽¹⁾ OJ No C 257, 10. 11. 1975, p. 37.

⁽²⁾ OJ No 34, 27. 2. 1964, p. 586/64.

⁽³⁾ OJ No L 288, 25. 10. 1974, p. 5.

⁽⁴⁾ OJ No L 116, 1. 5. 1973, p. 1.

- if the beneficiary abandons the project, or
- if the beneficiary, contrary to the information contained in his application and set out in the decision to grant aid, has neither begun the work within two years from the date of notification of that decision nor furnished assurances before the end of the said period sufficient to ensure that the project will be carried out, or
- if the beneficiary reduces the investment provided for in the decision to grant aid.

A decision under the preceding subparagraph to cancel or reduce aid shall be taken in accordance with the procedure laid down in Article 19 (1); the

decision shall be taken by the Commission, after consultation with the Fund Committee on the financial aspects. The decision shall be notified to the Member State concerned and to the beneficiaries.'

2. Paragraph 3 of Article 22 of Regulation No 17/64/EEC shall become paragraph 4.

Article 3

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Communities*.

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

Done at Brussels, 3 December 1975.

For the Council

The President

F. FABBRI
