



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 4.2.2008
COM(2008) 51 final

2008/0020(CNS)

Proposal for a

COUNCIL REGULATION

amending Regulation (EC) No 1782/2003 as regards the transfer of tobacco aid to the Community Tobacco Fund for the years 2008 and 2009 and Regulation (EC) No 1234/2007 with regard to financing of the Community Tobacco Fund

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

- **Grounds for and objectives of the proposal**

Article 104(2) of Council Regulation (EC) No 1234/2007 provides for the funding of the Community Tobacco Fund by the transfer of certain amount of tobacco aid for the calendar years 2006 and 2007 in accordance with Article 110m of Council Regulation (EC) No 1782/2003. The aim of the proposal is to transfer to the Community Tobacco Fund an amount equal to 5% of the tobacco aid granted for the calendar years 2008 and 2009 for the purpose of financing actions of information for improving public awareness of the harmful effects of tobacco consumption. These actions have proved to be very successful as well as a positive example of cooperation between agriculture and health policies. Taking into account that the Fund has always been funded by transfer from the tobacco aid, the proposal aims to ensure the continuation of those actions.

- **General context**

The Community Tobacco Fund has always been funded by the transfer of part of the tobacco aids. Such transfer for calendar years 2006 and 2007 was initially proposed when the introduction of the tobacco sector into the Single payment scheme was to be accompanied by a transitional tobacco aid to be paid in the same years. Council Regulation (EC) No 864/2004 finally extended the tobacco aid to 2008 and 2009 without accordingly extending the funding of the Community Tobacco Fund by a reduction of the tobacco aid.

- **Existing provisions in the area of the proposal**

Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and amending Regulations (EEC) No 2019/93, (EC) No 1452/2001, (EC) No 1453/2001, (EC) No 1454/2001, (EC) No 1868/94, (EC) No 1251/1999, (EC) No 1254/1999, (EC) No 1673/2000, (EEC) No 2358/71 and (EC) No 2529/2001.

Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation).

- **Consistency with the other policies and objectives of the Union**

This measure is consistent with the Community policy for the protection of public health.

2. CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

- **Consultation of interested parties**

- **Collection and use of expertise**

There was no need for consultation of interested parties nor for external expertise.

- **Impact assessment**

Not applicable.

3. LEGAL ELEMENTS OF THE PROPOSAL

- **Summary of the proposed action**

The aim of this proposal is to transfer an amount equal to 5% of the tobacco aid granted for the calendar years 2008 and 2009 to the Community Tobacco Fund for the purpose of financing actions of information for improving public awareness of the harmful effects of tobacco consumption.

- **Legal basis**

Article 37(2) of the Treaty establishing the European Community.

- **Subsidiarity principle**

The proposal falls under the exclusive competence of the Community. The subsidiarity principle therefore does not apply.

- **Proportionality principle**

The proposal complies with the proportionality principle.

- **Choice of instruments**

Proposed instrument: Council regulation.

Other means would not be adequate for the following reason: a regulation must be amended by a regulation.

4. BUDGETARY IMPLICATIONS

This measure does not involve any additional Community expenditure. It extends the possibility foreseen in Article 110m of Regulation (EC) No 1782/2003 to transfer in 2008 and 2009 (budget years 2009 and 2010) 5% of the amount of tobacco aid under "Direct Aids" to the "Community Tobacco Fund ". The ceilings on tobacco aid remain unchanged and the maximum annual amount which can be transferred amounts to €16,897 Mio ($€337,937 \text{ Mio} \times 5\% = €16,897 \text{ Mio}$). This amount will be available under budget line 17 03 02 – Community Tobacco Fund. Being a transfer between titles, this measure is budgetary neutral.

5. ADDITIONAL INFORMATION

- **Simplification**

Not applicable.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular the third subparagraph of Article 37(2) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament¹,

Whereas:

- (1) According to Article 110j of Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and amending certain Regulations² tobacco aid is granted to the producers of raw tobacco for the harvest years 2006 to 2009.
- (2) Article 104(2) of Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products ("Single CMO Regulation")³ provides for the funding of the Community Tobacco Fund by the transfer of certain amount of tobacco aid for the calendar years 2006 and 2007 in accordance with Article 110m of Regulation (EC) No 1782/2003. The Community Tobacco Fund has always been funded by the transfer of part of the tobacco aids. Such transfer for calendar years 2006 and 2007 was initially proposed when the introduction of the tobacco sector into the Single payment scheme was to be accompanied by a transitional tobacco aid to be paid in the same years. Council Regulation (EC) No 864/2004 finally extended the tobacco aid to 2008 and 2009 without accordingly extending the funding of the Community Tobacco Fund by a reduction of the tobacco aid.
- (3) Actions funded by the Community Tobacco Fund have proved to be very successful as well as a positive example of cooperation between agriculture and health policies. In order to ensure the continuation of those actions, and taking into account that the Fund has always been funded by transfer from the tobacco aid, it is appropriate to transfer an amount equal to 5% of the tobacco aid granted for the calendar years 2008 and 2009 to the Community Tobacco Fund.

¹ OJ C ..., ..., p.

² OJ L 270, 21.10.2003, p. 1. Regulation as last amended by Commission Regulation (EC) No 1276/2007 (OJ L 284, 30.10.2007, p. 11)

³ OJ L 299, 16.11.2007, p. 1

(4) Regulation (EC) No 1782/2003 and Regulation (EC) No 1234/2007 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Article 110m of Regulation (EC) No 1782/2003 is replaced by the following:

"Article 110m

Transfer to the Community Tobacco Fund

An amount equal to 4% for the calendar year 2006 and 5% for the calendar years 2007, 2008 and 2009 of the aid granted in accordance with this Chapter shall finance actions of information under the Community Tobacco Fund provided for in Article 13 of Regulation (EEC) No 2075/92."

Article 2

In Article 104(2) of Regulation (EC) No 1234/2007, point (b) is replaced by the following:

"(b) for the calendar years 2006 to 2009, in accordance with Article 110m of Regulation (EC) No 1782/2003."

Article 3

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

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

Done at Brussels,

*For the Council
The President*

FINANCIAL STATEMENT

<p>1. BUDGET HEADING: 05 03 02 22 tobacco aid 17 03 02 Community Tobacco Fund</p>	<p>APPROPRIATIONS: €293 million (AL 2008) €14,25 million (PDB 2008)</p>			
<p>2. TITLE: Proposal for a Council Regulation modifying Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers as regards transfer of tobacco aid to the Community Tobacco Fund for the years 2008 and 2009.</p>				
<p>3. LEGAL BASIS: Article 37(2) of the Treaty establishing the European Community</p>				
<p>4. AIMS: To transfer an amount equal to 5% of the tobacco aid granted for the calendar years 2008 and 2009 to the Community Tobacco Fund for the purpose of financing actions of information for improving public awareness of the harmful effects of tobacco production.</p>				
<p>5. FINANCIAL IMPLICATIONS</p>	<p>12 MONTH PERIOD (EUR million)</p>	<p>CURRENT FINANCIAL YEAR 2007 (EUR million)</p>	<p>FOLLOWING FINANCIAL YEAR 2008 (EUR million)</p>	
<p>5.0 EXPENDITURE – CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) – NATIONAL AUTHORITIES – OTHER</p>	–	–	–	
<p>5.1 REVENUE – OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) – NATIONAL</p>	–	–	–	
	2009	2010	2011	2012
5.0.1 ESTIMATED EXPENDITURE	–	–	–	–
5.1.1 ESTIMATED REVENUE	–	–	–	–
<p>5.2 METHOD OF CALCULATION: –</p>				
<p>6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?</p>				<p>YES NO</p>
<p>6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?</p>				<p>YES NO</p>
<p>6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY?</p>				<p>YES NO</p>
<p>6.3 WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS?</p>				<p>YES NO</p>
<p>OBSERVATIONS: This Regulation does not involve any additional Community expenditure. It extends the possibility foreseen in Article 110m of Regulation (EC) No 1782/2003 to transfer in 2008 and 2009 (budget years 2009 and 2010) 5% of the amount of tobacco aid under "Direct Aids" to the "Community Tobacco Fund". The ceilings on tobacco aid remain unchanged and the maximum annual amount which can be transferred amounts to €16,897 Mio (€337,937 Mio x 5% = €16,897 Mio). This amount will be available under budget line 17 03 02 – Community Tobacco Fund. Being a transfer between titles, this measure is budgetary neutral.</p>				