EU-LATVIA HIGH-LEVEL TECHNICAL MEETING ON CHAPTER 7 - AGRICULTURE

3 July, 2002
BRUSSELS

SUMMARY OF EU CP PROPOSALS AND LATVIAN POSITION (1)

Sector	Reference period	Latvia’s request	EU CP
ARABLE CROPS			
Establishment of Base Area	97-99	688 000 ha	462 843 ha 484 700 ha (EU DCP)
Establishment of Reference Yield	94/95-98/99	3.0 t/ha	2.03 t/ha 2.06 t/ha (EU DCP)
POTATO STARCH	97-99	15 000 t	3 447 t
SUGAR	95-99	110 000 t	52 482 t
FIBRES	97-99	5 000 t	1 467 t
DAIRY PRODUCTS	97-99	1 200 000 t	489 474 t

SUMMARY OF EU CP PROPOSALS AND LATVIAN POSITION (2)

Sector	Reference period	Latvia’s request	EU CP
BEEF			
Additional payments	98-00	3 500 000 EUR	1 330 680 EUR
Slaughter premium			
- slaughter premium (adult)	98-00	145 000 heads	124 320 heads
- slaughter premium (calves)	98-00	75 000 heads	53 280 heads
Special beef premium	98-00	75 000 heads	70 200 heads
Suckler cow premium	98-00	25 000 heads	1 758 heads
SHEEP	98-00	50 000 heads	18 437 heads

Latvia’s approach to the EU CP

- Latvia wishes to ensure fair competition and equal treatment for the agricultural producers
- Principle of setting production volumes on the basis of a reference period 1995 – 1999 cannot be considered as appropriate
- Principle of setting up the transitional period for direct payments is not acceptable

PRINCIPLES OF THE NEGOTIATING POSITION OF LATVIA FOR ACCESSION TO EU

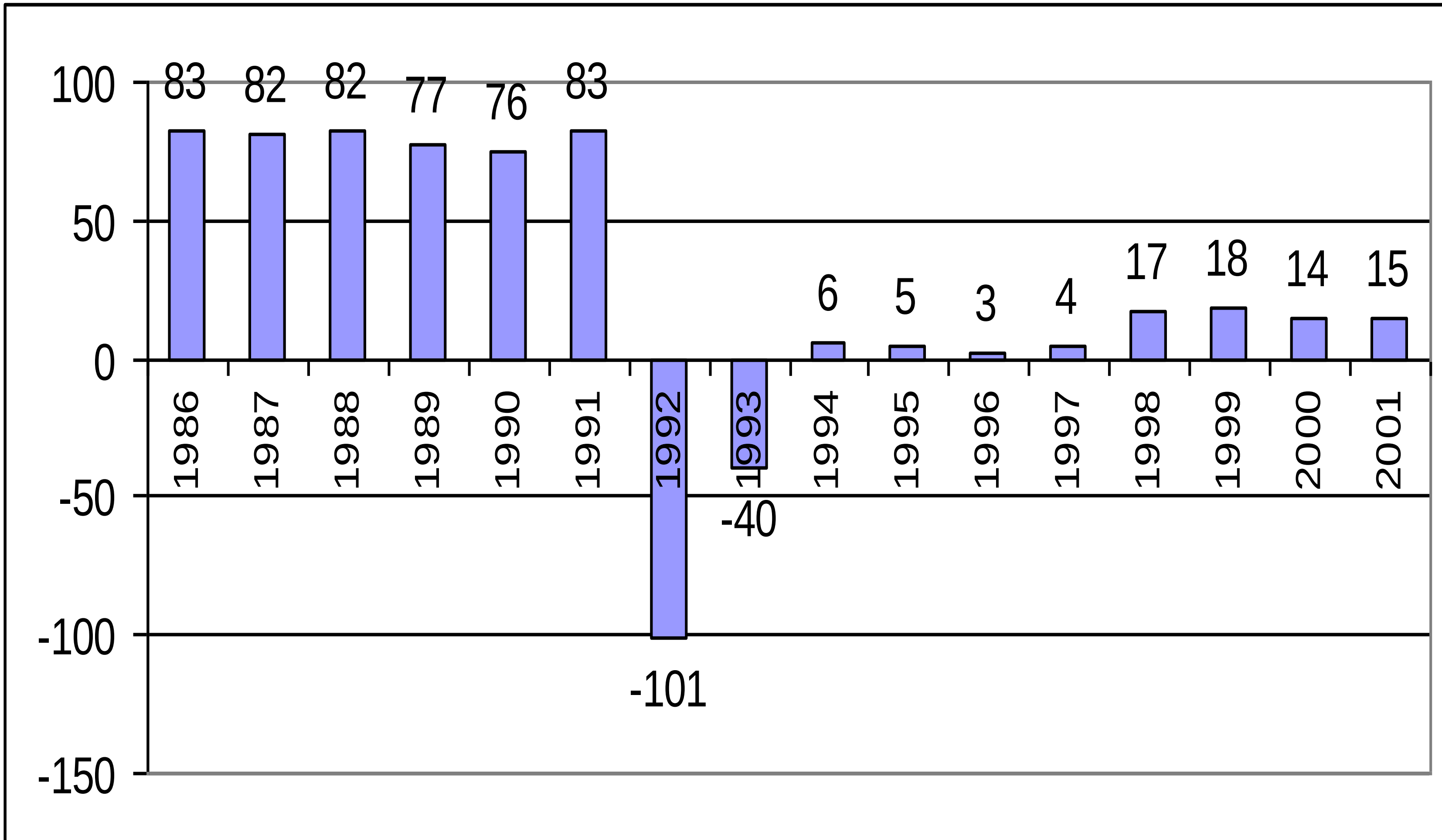
- ✓ Maintenance and efficient use of Latvia's natural resources and traditions for food production
- ✓ Production output level corresponds to self-sufficiency of the domestic market
- ✓ Efficient use of agricultural land in Latvia for production purposes and conservation of rural landscape
- ✓ Maintenance of population density in rural areas by facilitating retraining of farmers for future employment in sectors not related to agriculture

RESTRUCTURING OF AGRICULTURAL SECTOR

Transition, reform and crisis

- Depart from Soviet economy (planned "deliveries" economy with distorted price system) to market economy (case of Latvia besides EE and LT)
- Agrarian reform: 1990 - 1995
- Adjustment to the consequences of "Russian crisis": 1998 - 2002

Agricultural support in Latvia – Producer Support Estimate (PSE), %



Source: PSE/CSE database from *OECD*

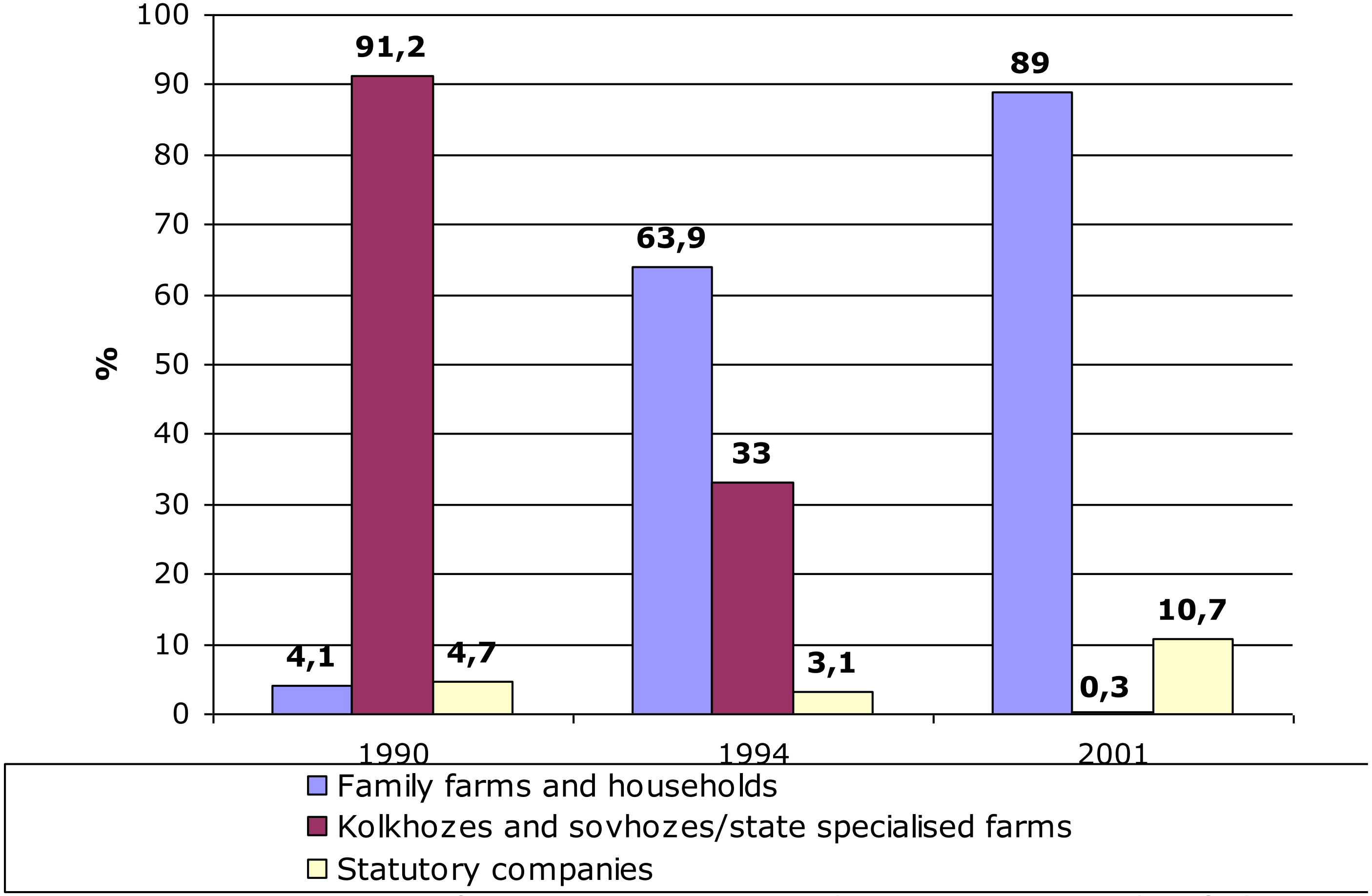
Agrarian reform – 1990-1995

- Decision of the Supreme Council “On agrarian reform in the Republic of Latvia” (13.06.1990) laid down the goals and principles of:
  - land reform
  - reform of economic relations
    - privatisation of State and "collective" establishments
    - liberalisation of input and output prices and innitial removal of any other support to agricultural sector
    - liberalisation of external trade
  - management reform in agricultural sector

Some results of agrarian reform

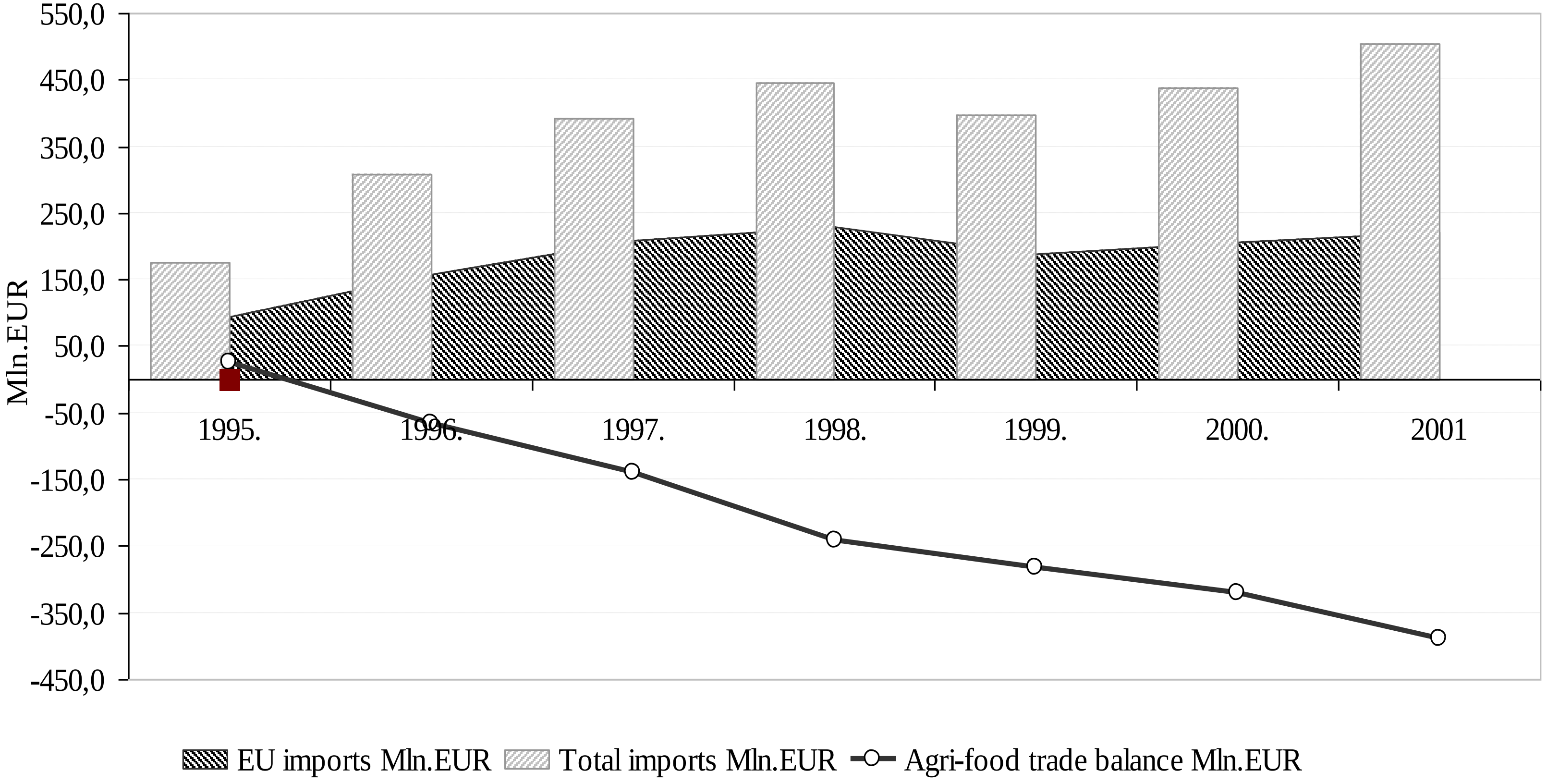
- State share in land ownership has reduced from 100% (in 1990) to 0.5% (2002)
- Number of producing holdings has reached more then 100 thsd. Instead of 620 kolchozes and sovhozes
- Up- and down-stream sectors have been fully privatised in 1997

Structure of agricultural land use

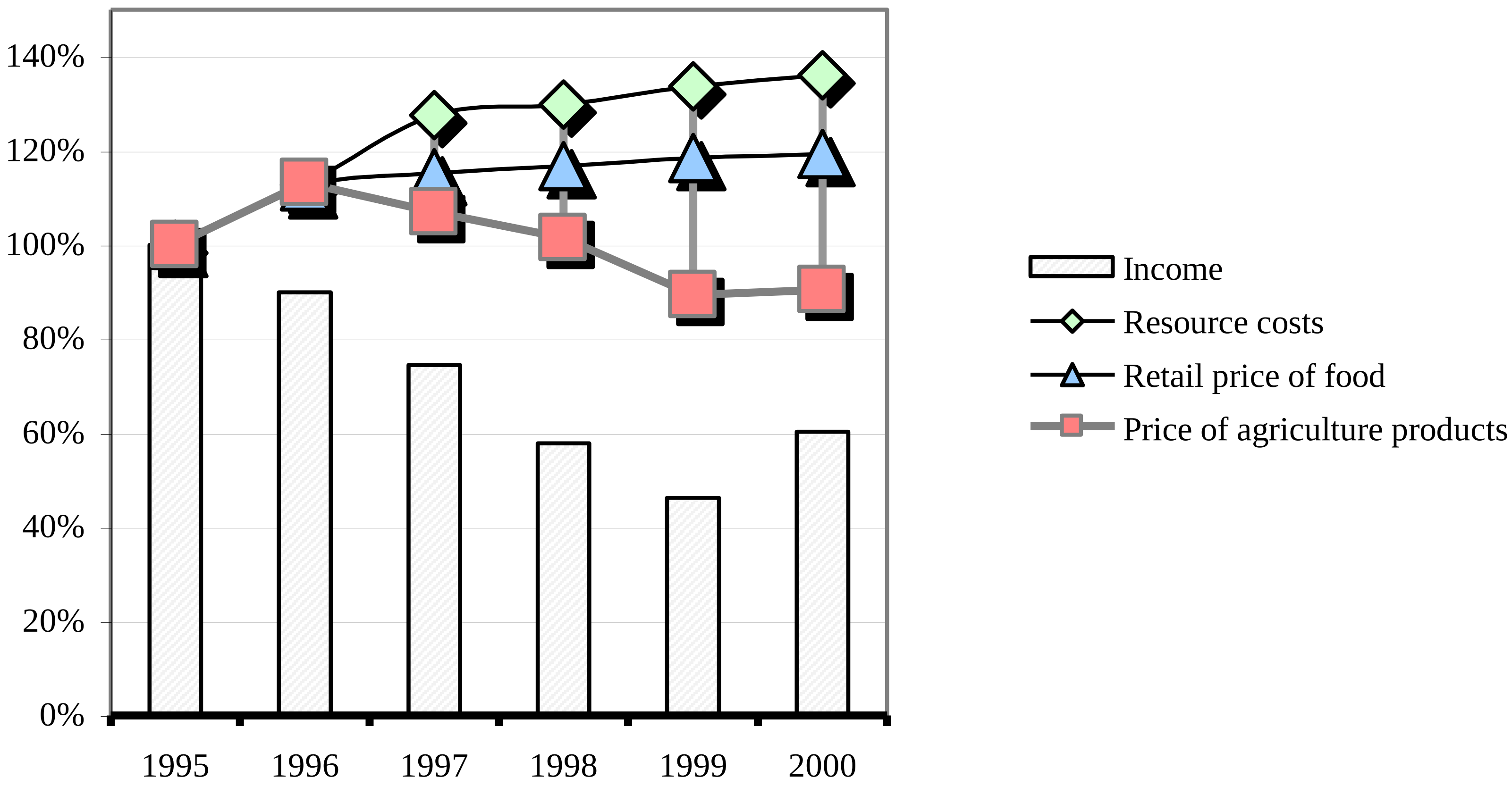


Source: Latvian State Institute of Agrarian Economics, basing on materials of the Land and Cadastre and Information headquarters of the State Land Service

Dynamics of Latvian agri-food trade



Input- output price and the sector income dynamics



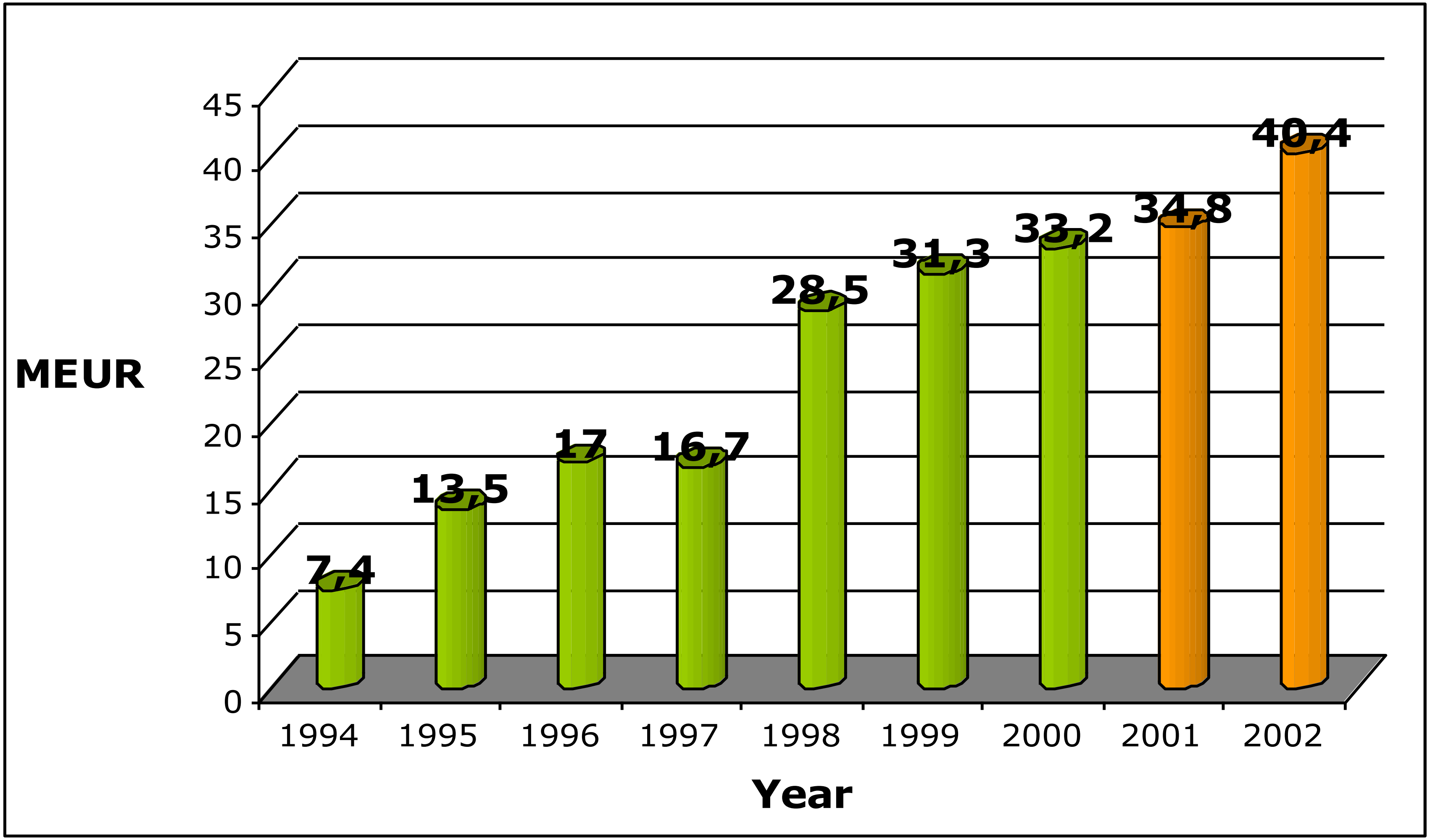
Gross value added at basic prices per one person employed in agriculture in EU and Latvia (1999, current prices)

	Gross added value at basic prices	Persons employed in agriculture, hunting, forestry and fishery	Gross added value at basic prices on 1 person employed in agriculture (EUR/person employed)
EU - 15	143695 mln EUR	6898 thsd	20831
Latvia	183 mln. EUR	156 thsd	1170
Relation (EU/Latvia)			17,8
Percentage (Latvia in % of EU)			6,5

State support in the process of agricultural restructuring

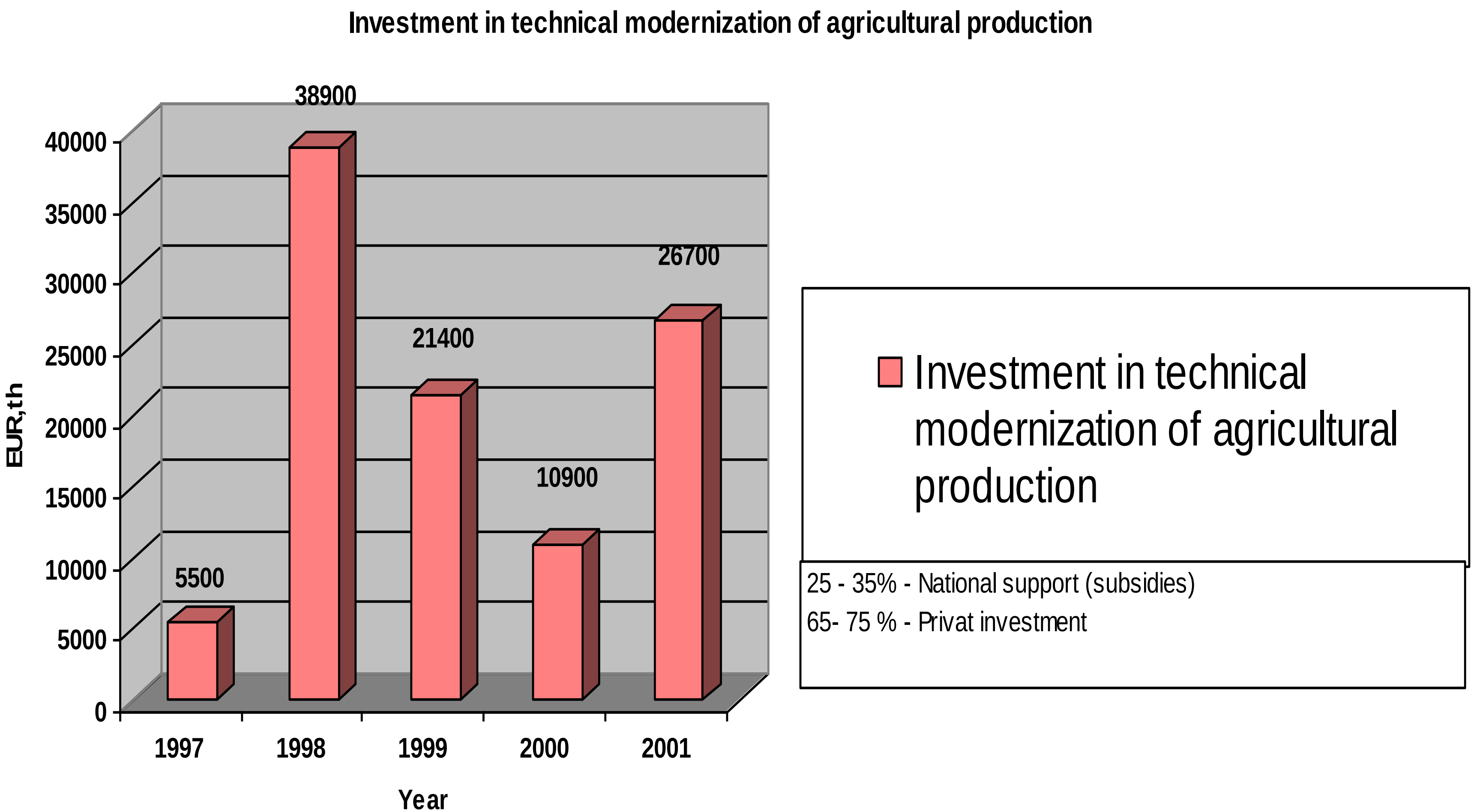
- **Support to formation of family farms**
  - loans to seed purchase, energetic resources, roads and buildings
  - funding of roads, telecommunications and land amelioration systems
  - supplies of building materials, oil products and equipment supplies nominal prices
  - supplies of 100 – 200 m^3 of wood at nominal prices
  - Setting-up grants

Total Amount of Subsidies



Source: Ministry of Agriculture

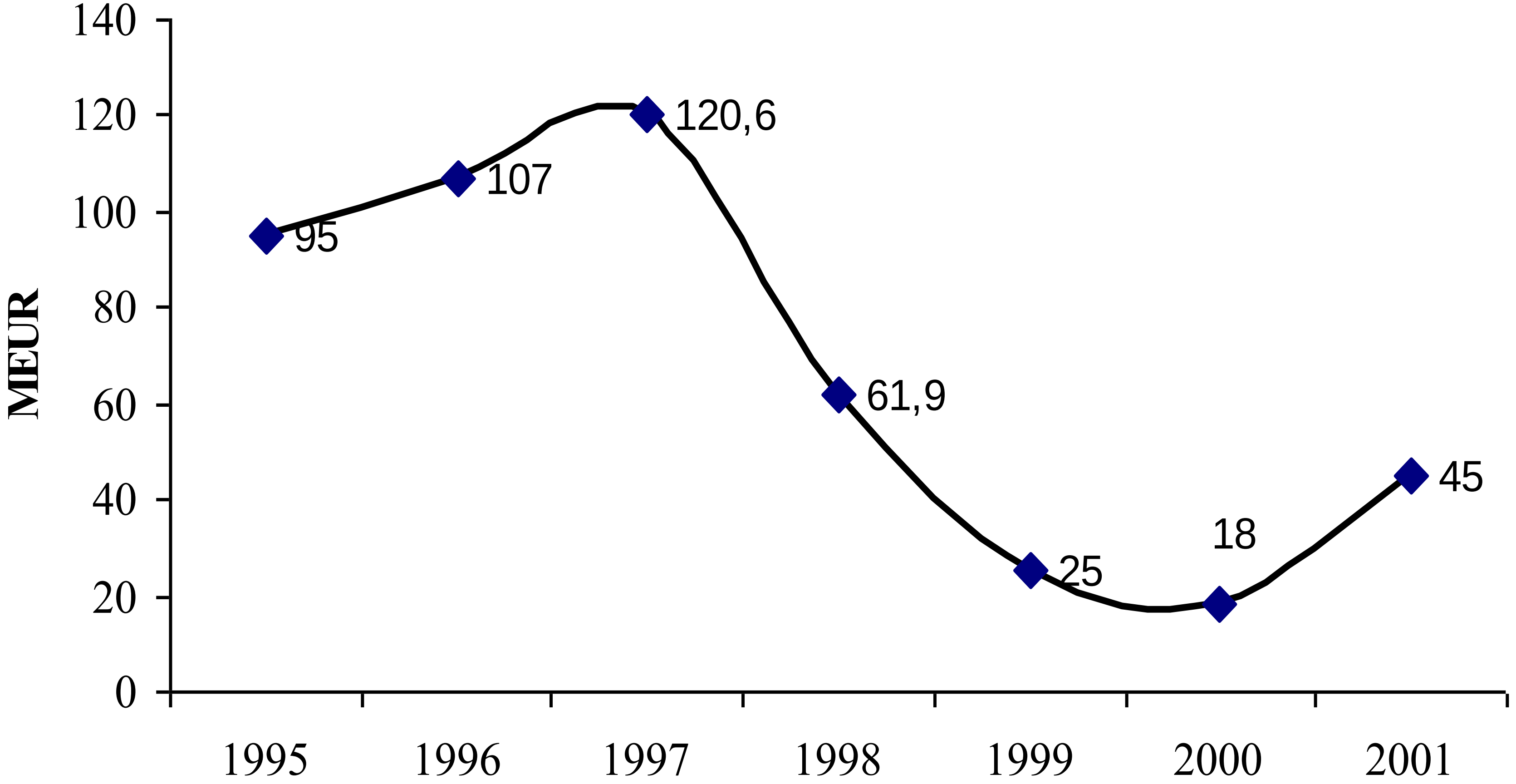
Investments in technical modernisation of agricultural production



Source: Ministry of Agriculture

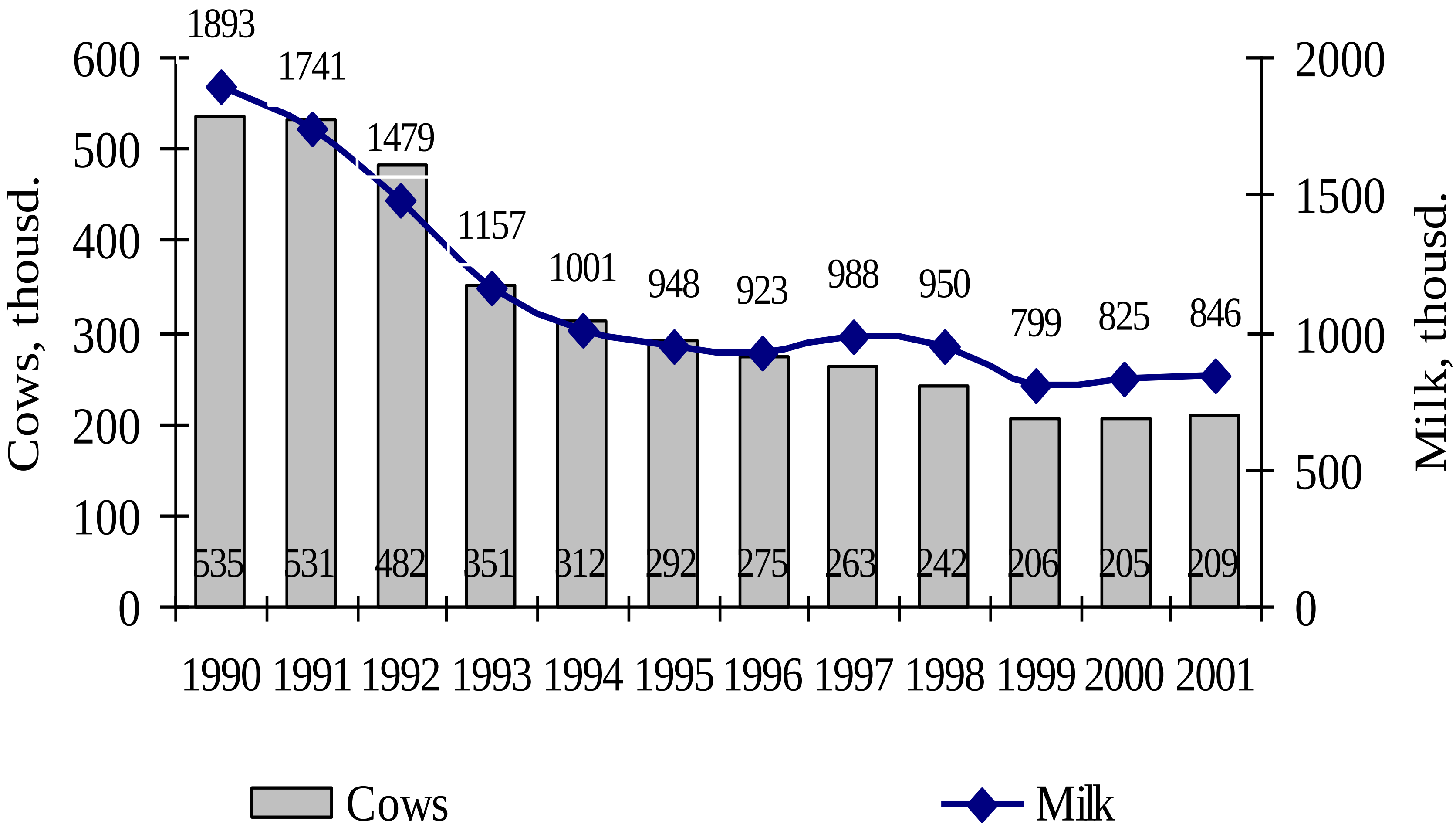
IMPACT OF RUSSIAN CRISIS ON LATVIA'S AGRICULTURE

Exports of Latvia's agricultural goods to Russia in 1995-2001



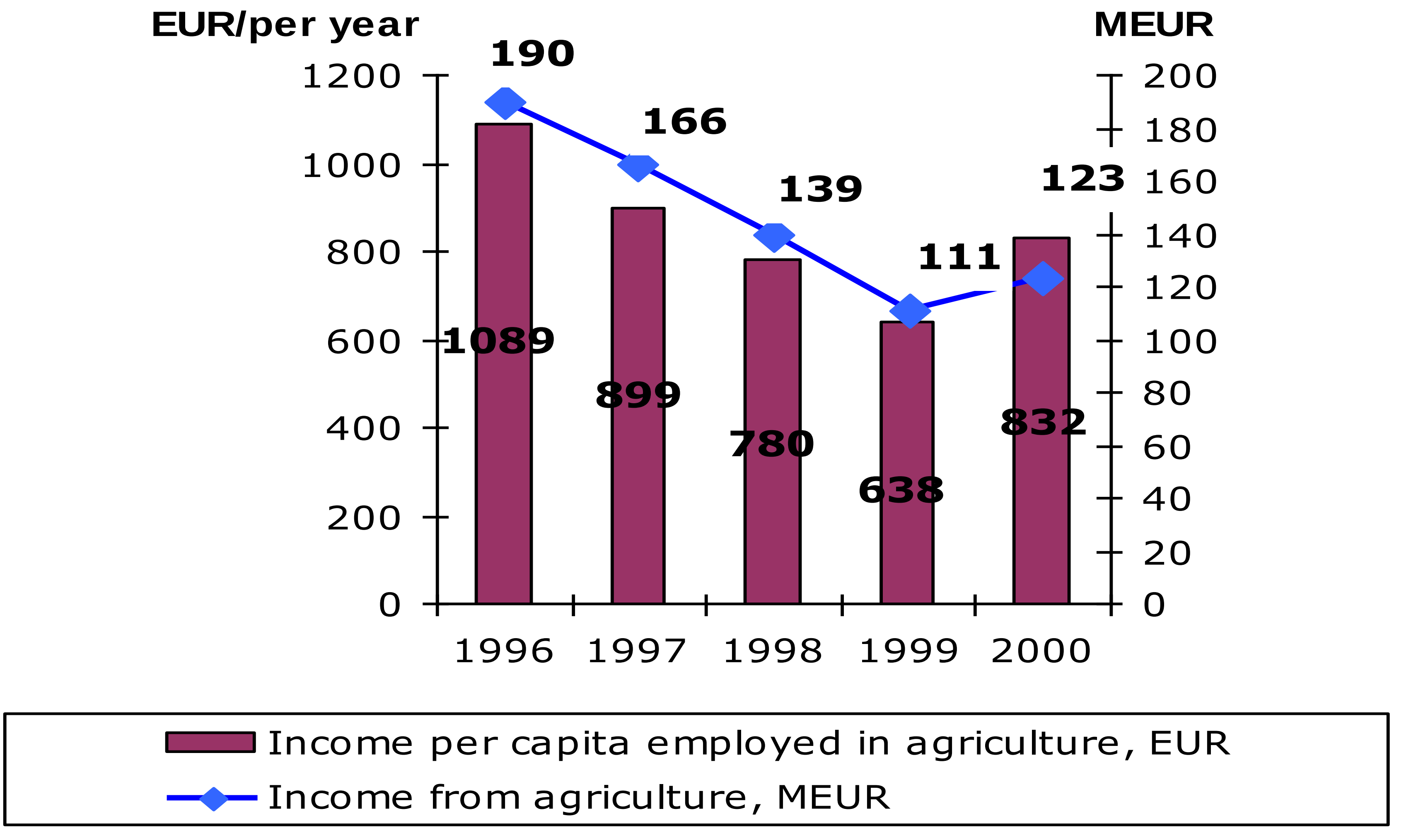
Source: Central Bureau of Statistics

Dynamics of changes in production of dairy products



Source: Central Bureau of Statistics

Income per capita employed in agriculture



Source: Economic Accounts for Agriculture

Arguments against reference periods laid down by the EU

- shortcomings of agricultural statistics, rapidly changing situation, imperfection of methodology – therefore other available data is used
- shortcomings of accounting data – inaccuracy of accounting and data, book-keeping was poor as a protest against the old system
- agricultural census was carried out only in **2001 (1 June - 5 July)** but all the data is not yet processed and full information is not available

ASSESMENT OF THE IMPACT OF ACCESSION ON LATVIAN AGRICULTURE

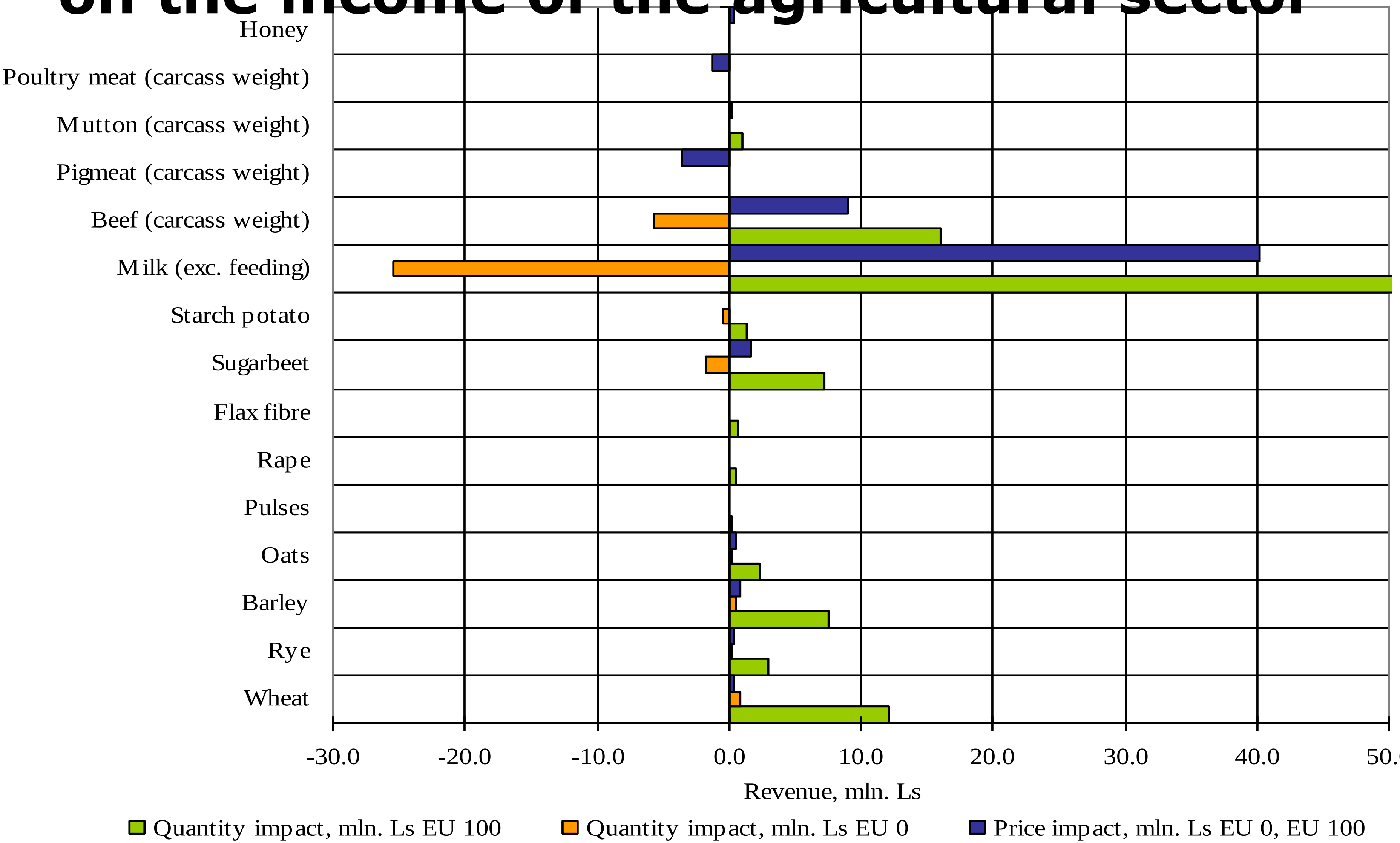
Impact of enlargement on the development of Latvian agriculture

- ✓ Development of Latvia’s agriculture
- ✓ Use of land and workforce, the basic agriculture-related resources
- ✓ Viability of farms of different types in the unified European economic environment
- ✓ Mutual impact among the agricultural sectors and their development depending on the application of various agricultural policy measures
- ✓ General government budget and partly the support level to agriculture

Scenarious for the analysis of the impact

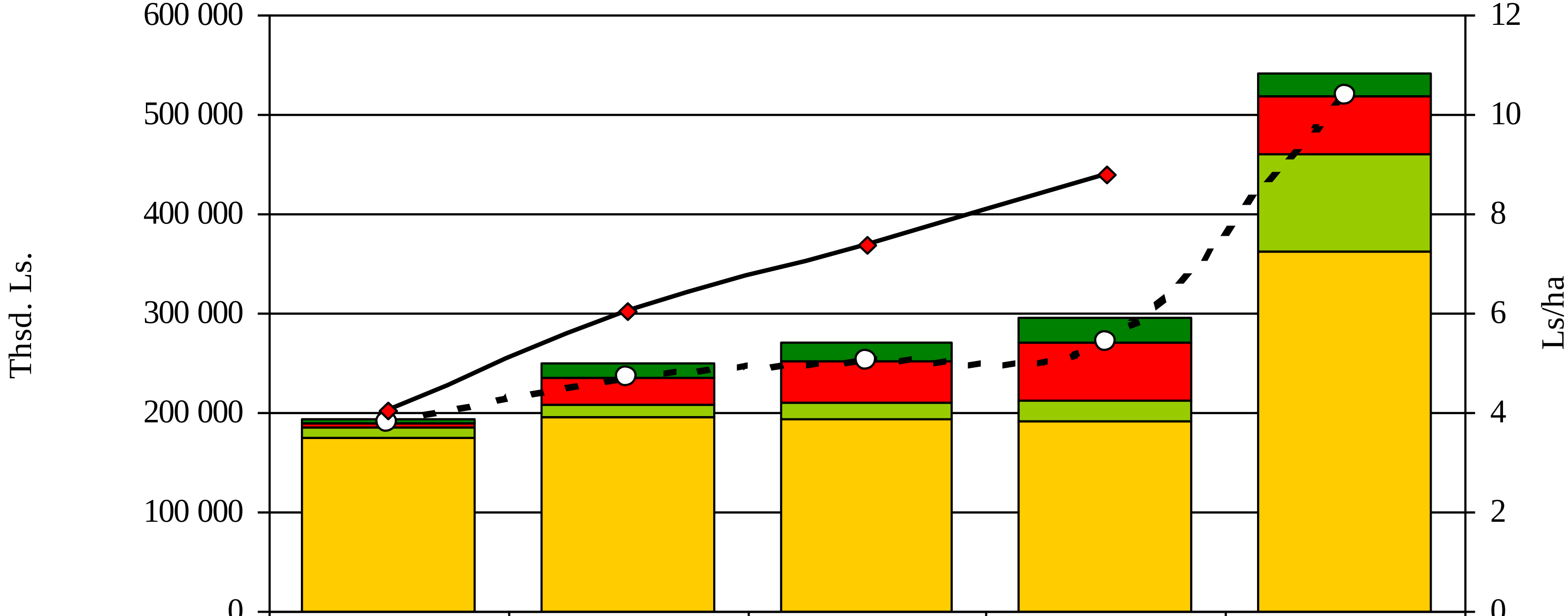
- **EU100:** the official national position of Latvia for the negotiations with the EU
- **EU0:** the possible position of Europe expressed in the DCP published in April 2002
- **EUSS:** EU proposed simplified scheme
- **BA**: a development option for Latvia that is independent from the European Union with the national agricultural policy without substantial change

Impact of market price support system on the income of the agricultural sector



Source: calculations of Latvian State Institute of Agrarian Economics

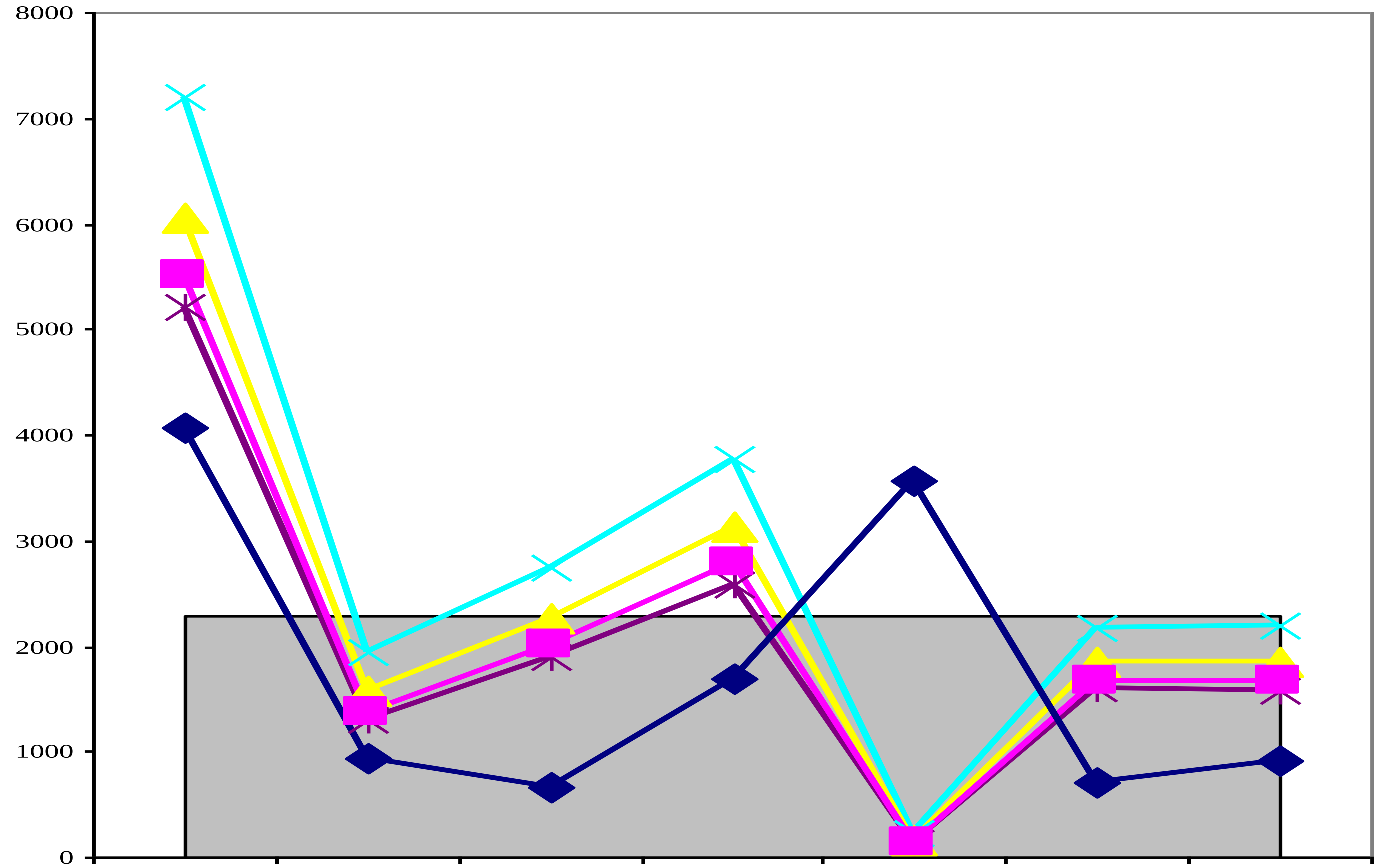
Total financial effect from accession to the EU



	BA 2000.g.	EU 0 2004.g.	EU 0 2005.g.	EU 0 2006.g.	EU 100
Structural payments	4 280	15 724	19 376	23 028	23 028
Rual development payments	5 502	25 700	40 700	59 300	59 300
DP agricultural production	9 124	13 664	16 720	19 933	97 411
Market revenues	175 748	195 524	193 886	192 564	362 113
Total revenues	190 378	234 888	251 305	271 797	518 824
DPSS per hectare, Ls/ha	4.02	6.02	7.37	8.79	

Source: calculations of Latvian State Institute of Agrarian Economics

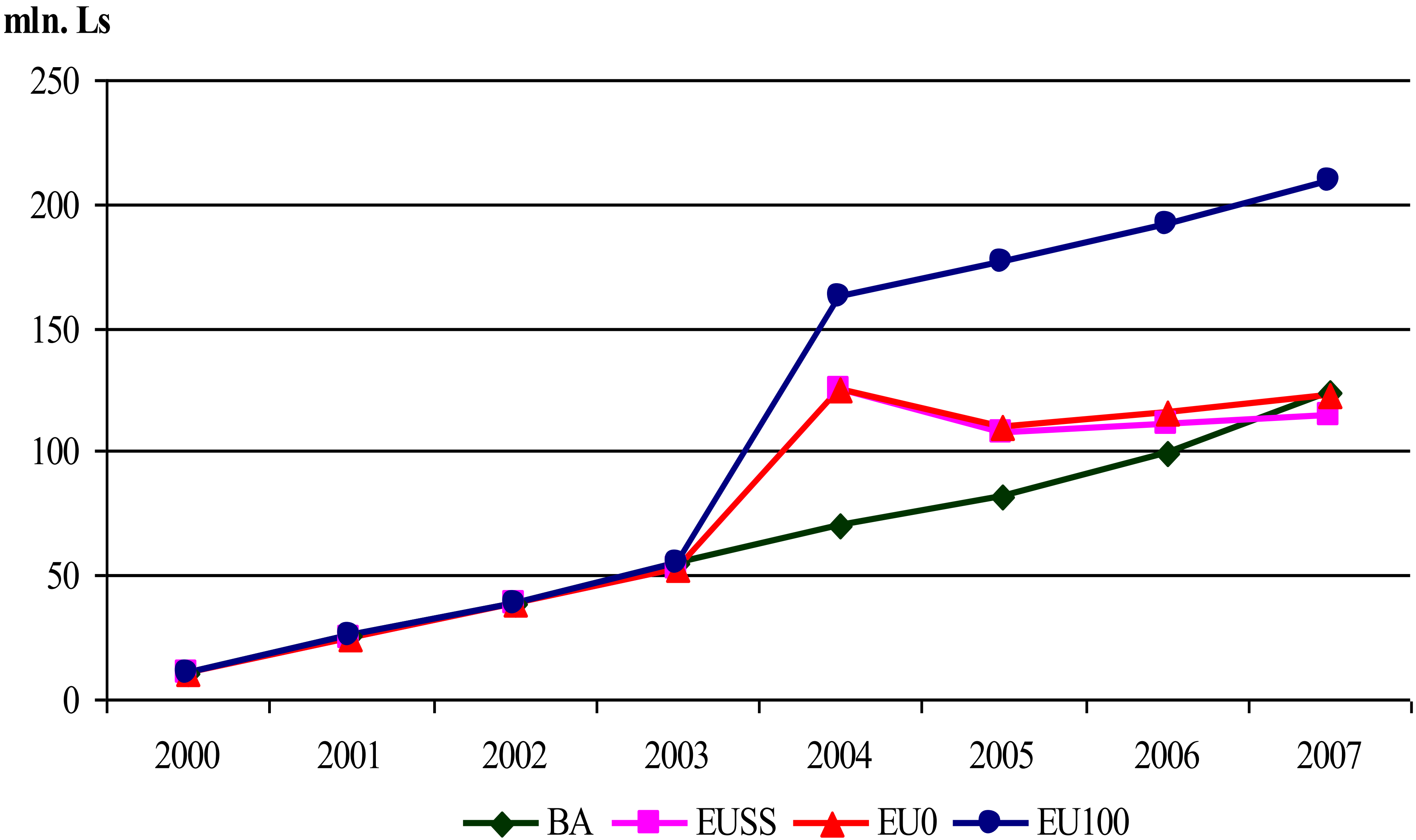
Impact of CAP measures on agricultural sectors



	Arable with sugar beets	Arable without sugar beets	Dairying	Grazing livestock	Granivores	Mixed farms	All farms
Aver. labour costs	2288	2288	2288	2288	2288	2288	2288
BA	4070	937	661	1700	3567	700	924
EU 0	5501	1382	2016	2796	136	1670	1660
EU 50	6066	1568	2267	3123	164	1844	1843
EU 100	7189	1935	2739	3771	220	2173	2195
EUSS	5214	1296	1904	2583	131	1594	1583
Number of farms	28	121	52	7	19	120	360
Share of AWU in sample	2%	30%	18%	1%	3%	46%	100%

Source: calculations of Latvian State Institute of Agrarian Economics

Income in agricultural sector



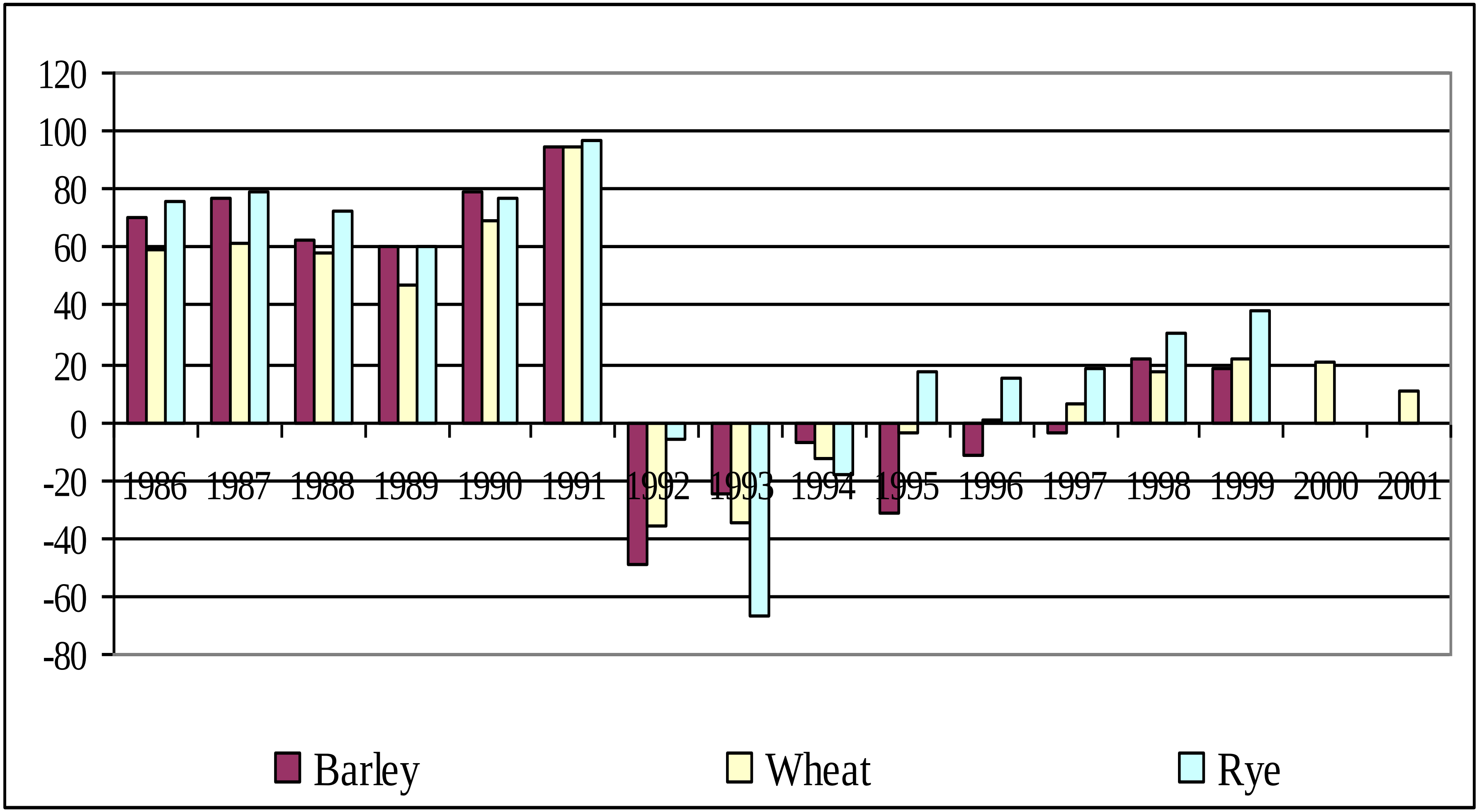
Source: calculations of Latvian State Institute of Agrarian Economics

ARABLE CROPS

Minimum quality requirements for rye intervention (issue 1)

Base area and reference yield (issue 13)

PSE for cereals, %



Source: Latvian State Institute of Agrarian Economics (LSIAE) calculation by OECD PSE/CSE database

Arable crops

1. Minimum falling number of intervention rye – **100**

2. Arable crops base area – **812 000 ha** (average of 1991-2000)
   - cereals, pulses, rapeseeds, oil crops, fibre flax - 526 000 ha
   - silage grass 286 000 ha

3. Reference yield of cereals – **3.00 t/ha**

Technical correction on silage grass

According to *Council Regulation (EC) No 1251/1999*

- ➢**Article 1**

  3. Member States where maize is not a traditional crop may make grass silage eligible for the arable crops area payments, under the same conditions as those applicable for arable crops.

- ➢**Article 2**

  5. If a Member State makes grass silage eligible for the arable crops area payments, a separate base area shall be defined.

Latvia clarifies that:

✓286 000 ha cover the production of silage grass, as earlier, the incorrect figures were used to determine this sector – e.g., grass silage hay was not incorporated

✓Only 14 000 ha of special silage feed were incorporated into the earlier requested 688 000 ha

✓The rate of 55% is used to determine the volume of produced silage grass from the perennial grass yield

Base area of arable crops

- ✓ **Statistical Arguments for Base Area**
  - ➢ other reference period (1991-2000, 10 years)
  - ➢ technical correction on silage grass (silage hay)

thousd. ha	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Average
Cereals	648.3	696.7	693.6	486.3	408.4	446.2	482.8	466.0	415.6	420.0	**516**
Pulses	9.0	6.7	2.8	2.8	3	3.6	4.7	6.8	2.5	2.1	
Oil Crops	0.7	1.3	1.7	2.2	1.1	0.8	0.4	1.2	6.5	6.9	
Fibre Flax	8.8	7.6	0.6	1.5	1.4	1.3	1.6	2.2	2	1.6	
Silage Grass	458.7	385.9	360.6	315.7	223.8	230.7	227.5	228.8	222.7	202.4	**286**
Arable Crops, excl. Silage grass	**666.8**	**712.3**	**698.7**	**492.8**	**413.9**	**451.9**	**489.5**	**476.2**	**426.6**	**430.6**	**526**
Arable Crops	**1040.6**	**1041.5**	**1027.9**	**787.6**	**620.0**	**671.0**	**703.8**	**692.2**	**637.3**	**621.6**	**812**

Sources: Central Bureau of Statistics, Latvian University of Agriculture for silage grass

Reference yield (1)

Arguments:

- ✓Available data does not reflect actual situation (due to released accountancy requirements)
- ✓State support receives the farm with sown area at least **15 ha**
- ✓Average yield in SAPARD programme supported farms with average area 300 ha – **3.54 t/ha**
- ✓Average cost efficiency rate – **3.68t/ha**

Cereals Average Yield and Area in Farms

Average yield, t/ha	< 0.50	0.51 – 1.00	1.01 – 1.50	1.51 – 2.00	2.01 – 2.50	2.51 – 3.00	3.01 – 3.50	3.51 – 4.00	4.01 – 4.50	4.51 – 5.00	5.01 and >
Average area of farms, ha	2.5	5.0	5.5	5.8	8.4	9.5	16.9	11.6	24.3	17.2	46.3

Source: Central Bureau of Statistics

Reference yield (2)

Farms by Sown Area of Cereals in 2000

Sown area of cereals on farm, ha	*Farms with a sown area of cereals*		*Sown area*	
	Number	***in percentage***	***ha***	***in percentage***
		All farms		
Total	**66 227**	**100.0**	**419 628**	**100.0**
Under 1.0	**26 160**	**39.5**	**15 310**	**3.6**
1.1 – 5.0	**26 685**	**40.3**	**69 672**	**16.6**
5.1 – 10.0	**6 682**	**10.1**	**48 642**	**11.6**
10.1 – 20.0	**3 594**	**5.5**	**51 323**	**12.3**
20.1 – 50.0	**2 020**	**3.0**	**62 455**	**14.9**
50.1 – 100.0	**606**	**0.9**	**42 805**	**10.2**
100.1 – 150.0	**209**	**0.3**	**26 926**	**6.4**
150.1 – 200.0	**79**	**0.1**	**14 085**	**3.3**
200.1 – 300.0	**85**	**0.1**	**22 092**	**5.3**
Over 300.0	**107**	**0.2**	**66 318**	**15.8**
	Total over 10 ha	**10.1**		**68.2**

Source: Central Bureau of Statistics

Reference yield (3)

Average Cost-Efficiency Rate in Cereals Sector

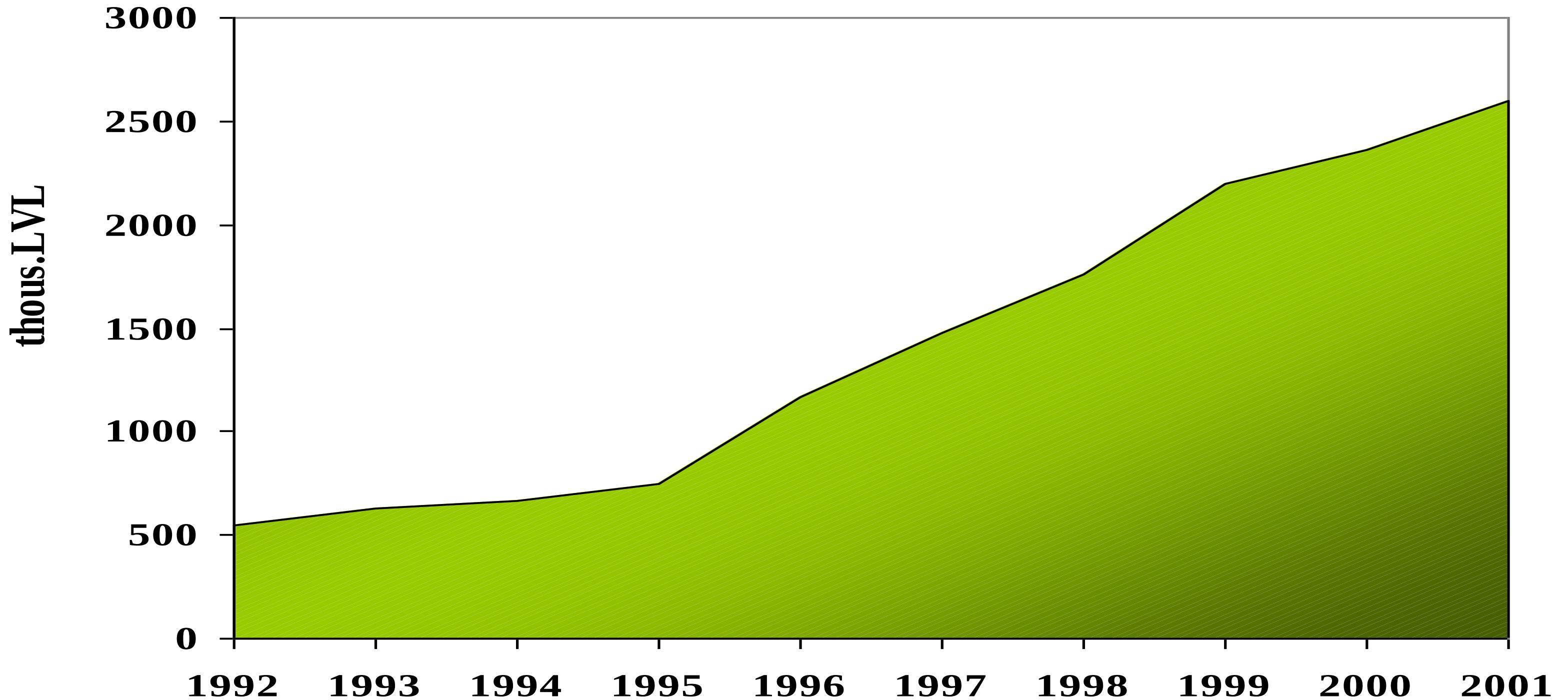
	1999	2000
Production costs (EUR*/ha)***	**398**	**400**
Average price on grains (EUR/t)**	**104**	**108**
Cost-efficiency rate (t/ha)	**3.83**	**3.68**
EU intervention price on grains (EUR/t)		**110.25**
Cost-Efficiency Rate (t/ha) with 25% of EU area payments **- with reference yield 2.06 t/ha** **- with reference yield 3.00 t/ha**		 **3.54** **3.39**

*Sources: *Latvian University of Agriculutre, ** Central Bureau of Statistics, Ministry of Agriculture calculations, *** 1 EUR = 0.56 LVL*

The production costs used in this figure - 398 EUR/ha (223 LVL/ha) complies with the data indicated in FADN (*Farm Accountancy Data Network*) – 391 EUR/ha (219 LVL/ha)

POTATO STARCH (issue 14)

Aloja - Starkelsen investments in potato starch production 1992 - 2002

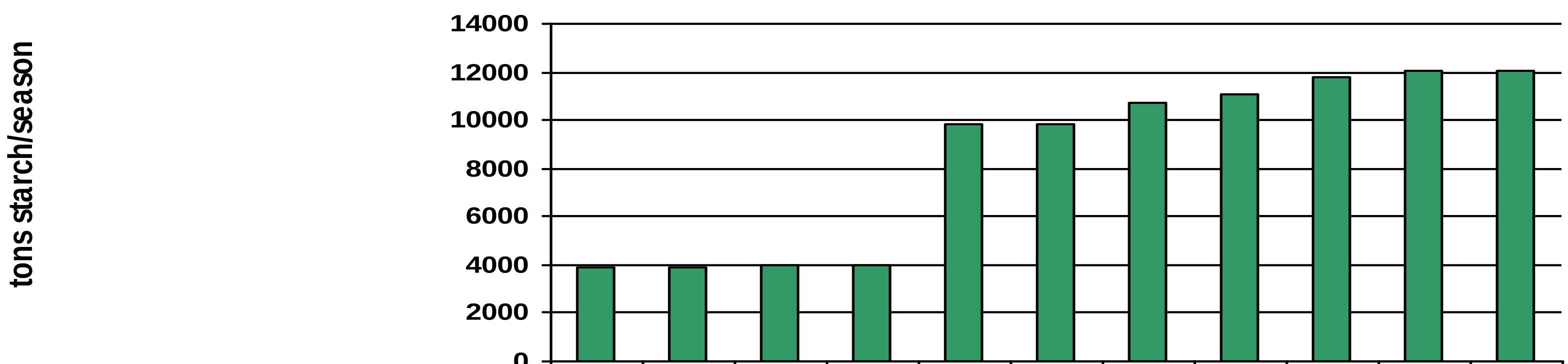


	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Investments, thsd. LVL	549	84	35	76	421	311	284	437	165	238

Potato starch

✓Present production capacity for company **Aloja-Starkelsen** - 12 000 tons
✓Present investments – LVL 2 610 000 (MEUR 4.60)
✓Additional LVL 1 500 000 (MEUR 2.65) scheduled

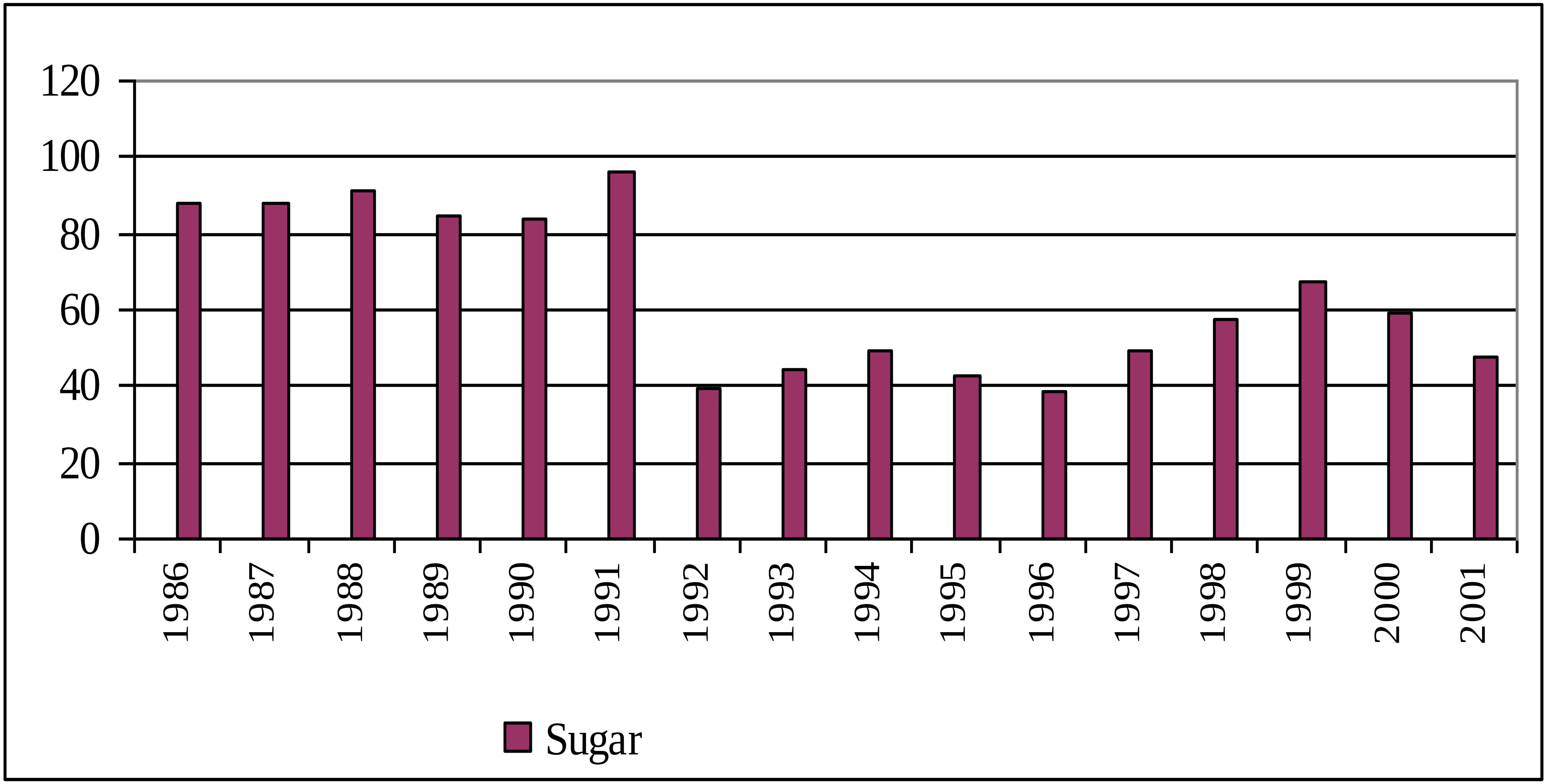
Aloja Starkelsen potato starch production capacity



	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Capacity, tons starch/season	3900	3900	4000	4000	9800	9800	10700	11050	11800	12050	12050

SUGAR (issue 17)

PSE for sugar, %



Source: Latvian State Institute of Agrarian Economics (LSIAE) calculation by OECD PSE/CSE database

Sugar production in Latvia

Year	Total volume of bought-in sugar beets, t	Sugar extracted , thous.t		
		From sugar beet	from raw sugar	total
1991	341 647	37,6	79,0	116,6
1992	338 160	36,9	21,8	58,7
1993	182 125	22,5	38,8	61,3
1994	136 048	16,1	58,0	74,1
1995	243 834	30,7	63,4	94,1
1996	223 368	30,0	47,3	77,3
1997	349 241	45,0	23,7	68,7
1998	534 264	68,2	-	68,2
1999	465 000	64,6	-	64,6
2000	392000	58,1	_	58,1*
Average				$\boxed{74.17}$

Source: Sugar Association

* - introduction of national production quota regime

Sugar balance sheet

	1995, thous. t	1996, thous. t	1997, thous. t	1998, thous. t	1999, thous. t	Average 95-99 thous.t
1. Opening stocks	30,3	10,8	15,2	12,6	13,2	16,4
2. Produced sugar in total	94,1	77,3	68,7	68,2	64,6	74,6
- from sugar beet	30,7	30,0	45,0	68,2	64,6	47,7
- from raw sugar	63,4	47,3	23,7	-	-	44,8
3. Sugar import	0,4	0,7	0,6	0,8	0,3	0,6
4. Imports of sugar in processed products	0,6	1,3	2,6	4,8	11,7	4,2
5. Internal consumption	72,4	70,8	72,7	72,6	75,7	72,8
6. White sugar exports	37,9	3,8	1,3	0	8,0	10,2
7. Exports of sugar in processed products	4,3	0,9	0,5	0,6	1,4	1,5
8. Ending stocks	10,8	15,2	12,6	13,2	4,7	11,3
9. Imported sugar for processing	**12**	**16,6**	**20,8**	**2,3**	**3,6**	**11,1**
10. Sugar re-export	6,1	13,3	19,3	7,4	5,2	10,3

Source: Rural Support Service

Sugar (2)

- ⇒ Production from **raw sugar** shall be taken into account when calculating the sugar production quota;
- ⇒ Latvian sugar market experienced serious market disturbances in the recent years, due to the difference between the world and Latvian sugar prices (307 and 560USD/t), resulting in cheaper sugar imports for processing and pushing out local sugar (taking into account these amounts, the average production would reach **85.7** thous.t for the same period).
- ⇒ The sector is already **restructured** (capacity reduced by closing down 1 of 3 factories, investments in the remaining 2), therefore its capacity may not be further reduced (17MEUR during 96-02 and envisaged 4 MEUR)

FLAX FIBRE (issue 18)

Flax fibre production data

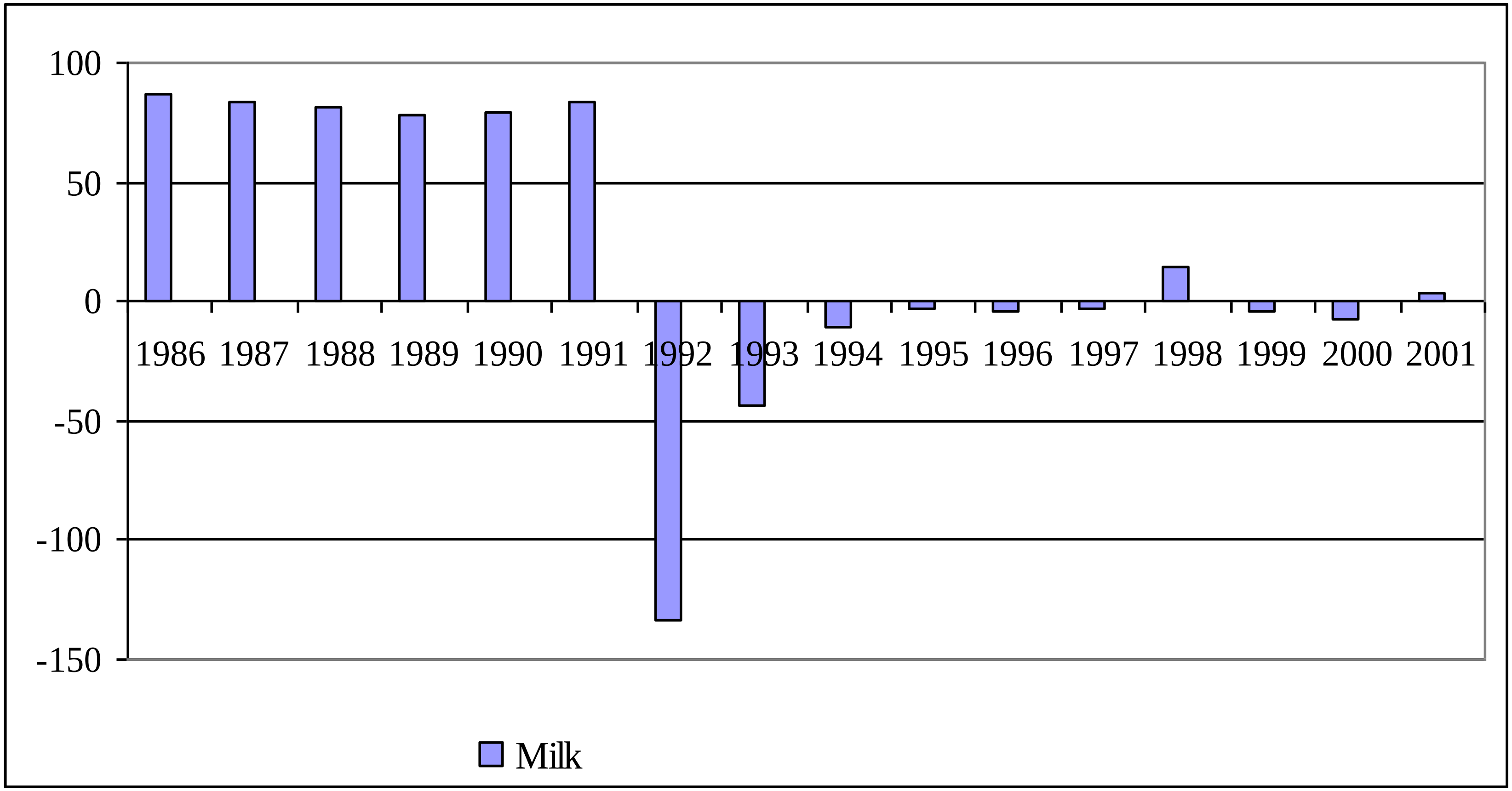
Year	Total sown areas of flax, thous.ha	Short flax fibre produced, t	Long flax fibre produced, t	Total, t
1991	8.8	2736	864	3600
1992	7.6	1064	336	1400
1993	0.6	76	24	100
1994	1.5	304	96	400
1995	1.4	632	168	800
1996	1.3	600	200	800
1997	1.6	610	290	1000
1998	2.2	949	351	1300
1999	2.0	1659	441	2100
2000	1.6	930	190	1120
2001	1.4	1350	450	1800
Average 1991 - 2000	2.79	991	310	1262

Source: Central Bureau of Statistics

- 3 major primary processing plants located in most depressive region of Latvia – Latgale – only region in Latvia, where flax is grown. **Total capacity – 7500**

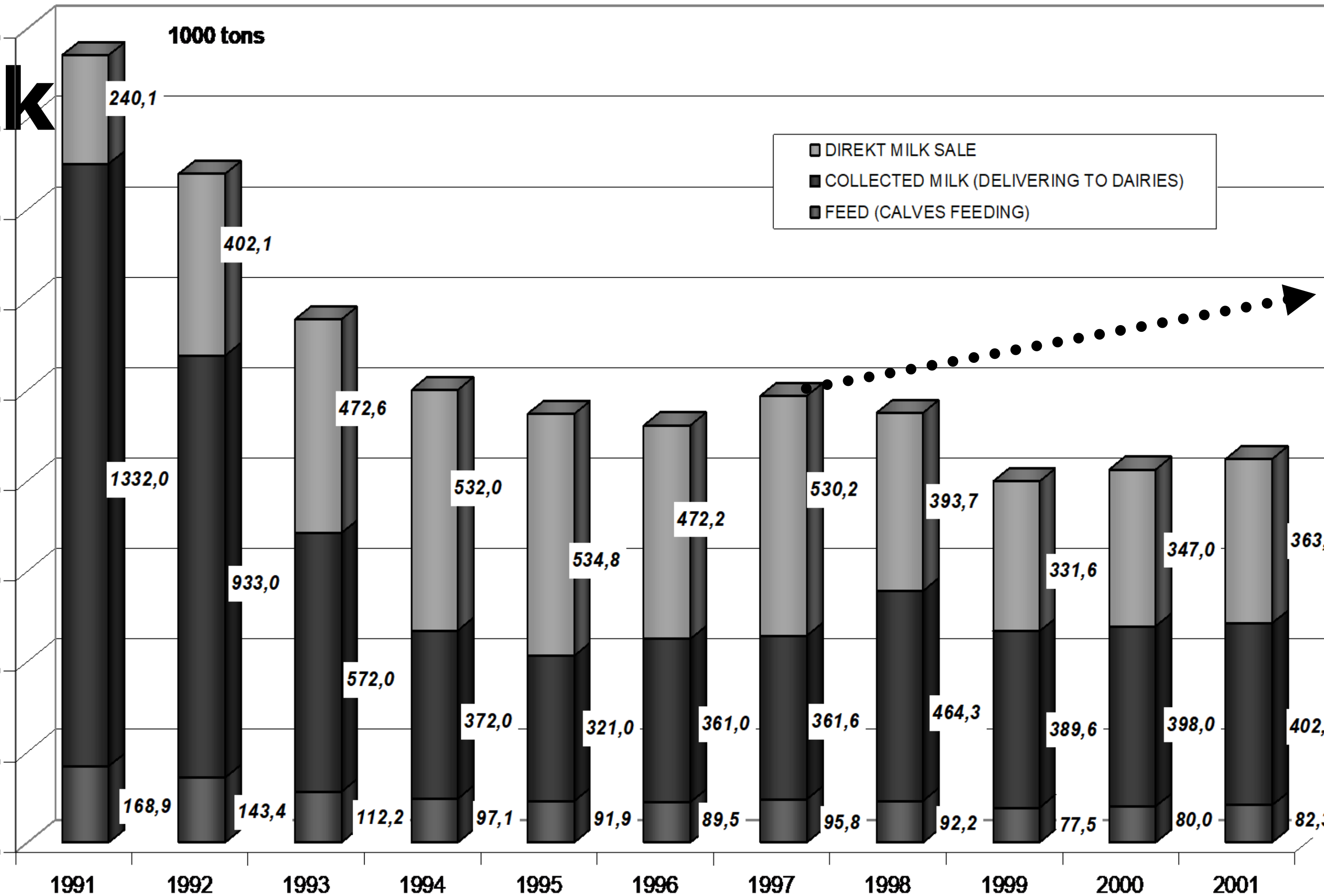
MILK (issue 30)

PSE for milk, %



Source: Latvian State Institute of Agrarian Economics (LSIAE) calculation by OECD PSE/CSE database

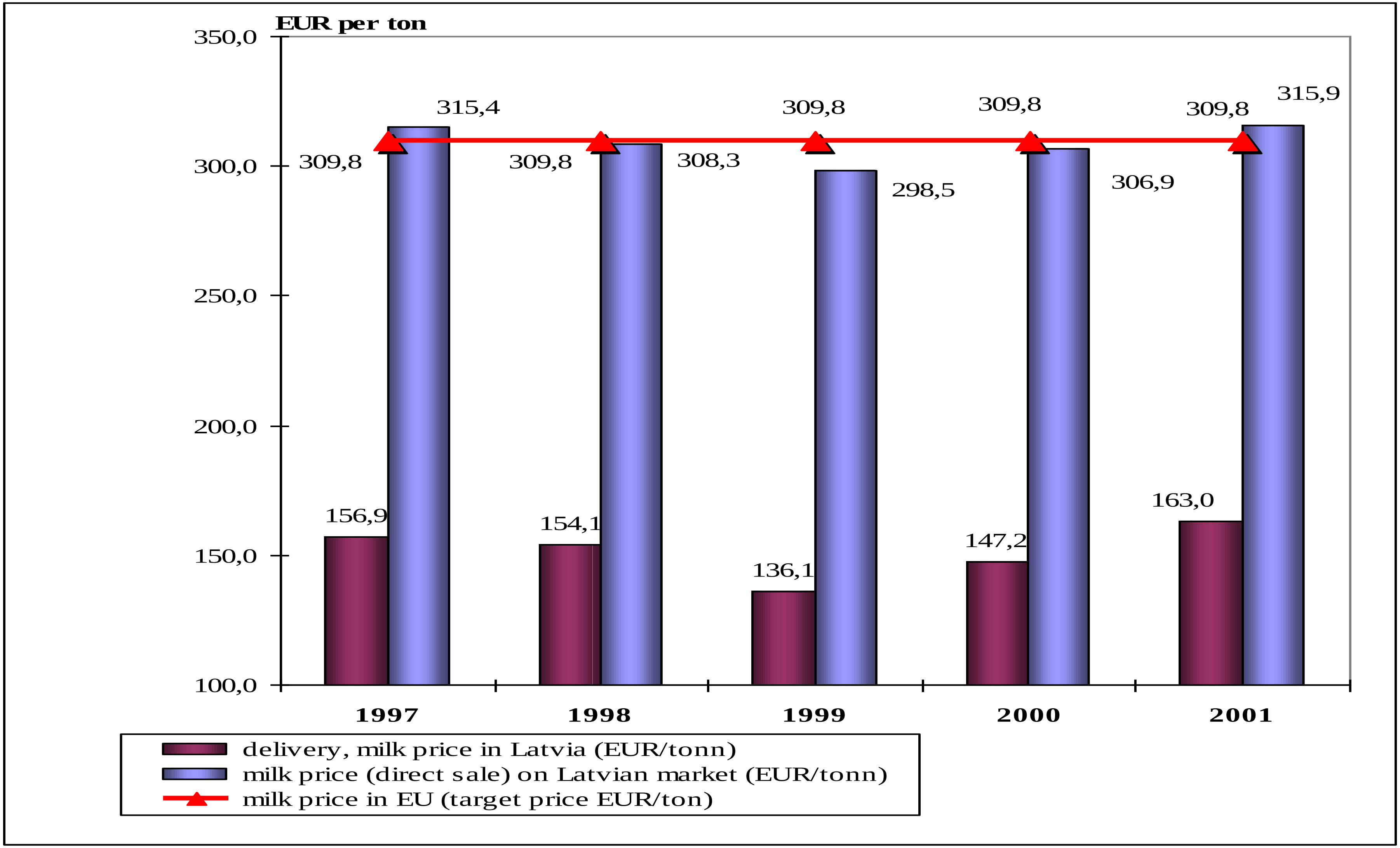
Milk



	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Averae
Direct sales	240	402	472	532	534	472	530	393	331	347	**425.3**
Deliveries to processing	1332	933	572	372	321	361	361	464	390	398	**550.4**

Source: Central Bureau of Statistics

Milk prices



Source: Ministry of Agriculture, Market Promotion Centre

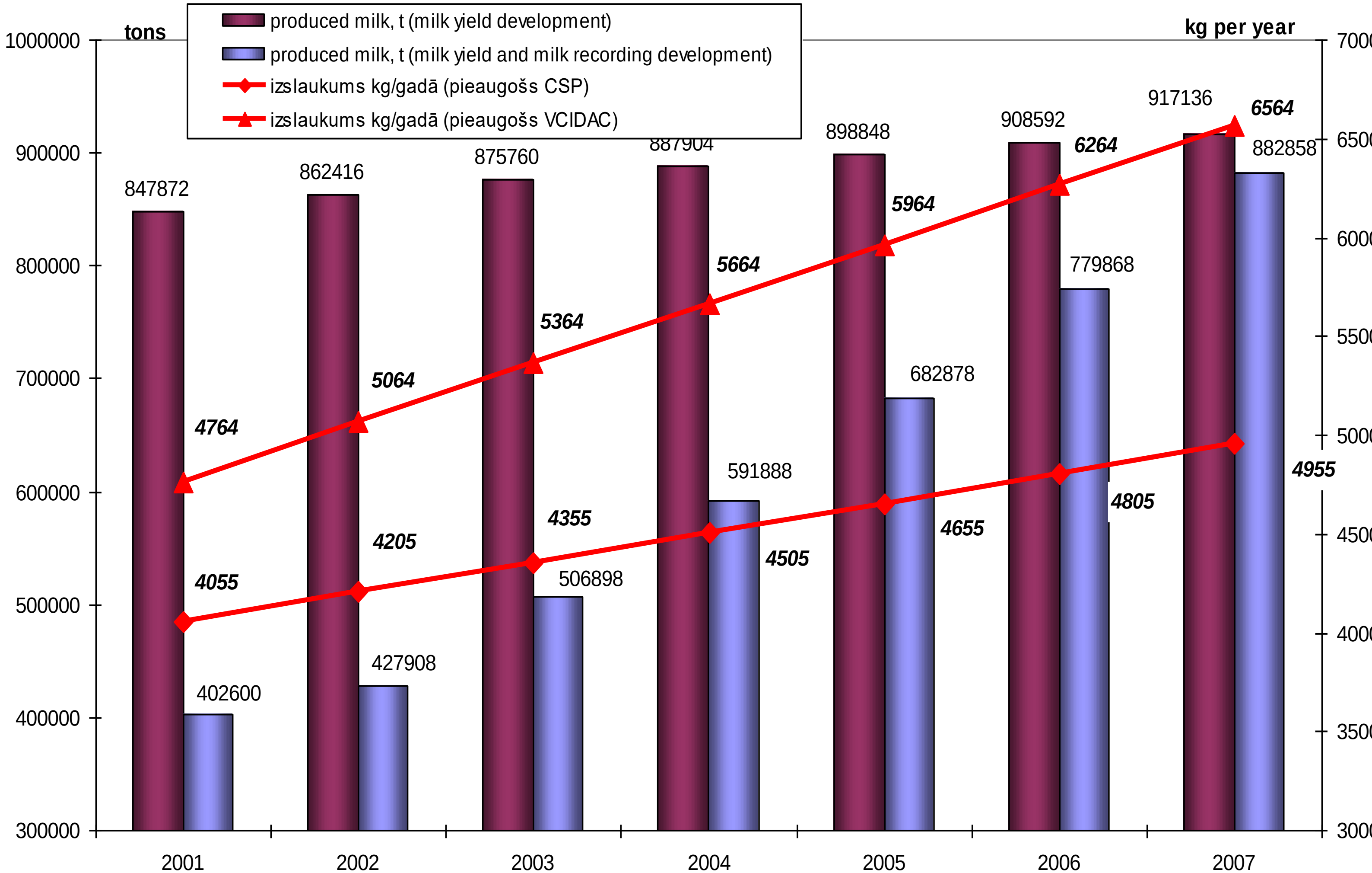
Direct sales

Direct sales** (364) =
Total produced (847)
– Delivered to processing (402)
– On-farm consumption (80)

	Category	1-2 cows farms	3... and more cows farms	Total
1	number of cows, thous., CBS	80 624	128 469	209 093
2	number of farms, thous., CBS	59 832	17 342	77 174
3	milk yield, kg per year, CBS	4 055	4 055	4 055
4	farmers consumption, kg per year (MoA experts)	500	500	
5	feeding consumption, kg per year per calve (LUA, Sigra)	200	200	
6	*production, thous. Tons*	326 930	520 942	**847 872**
(*)	production, thous. tons, CBS			847 962
7=7.1.+7.2.	total consumption in farm, thous. tons	46 041	34 365	**80 406**
7.1.=1*5	feeding consumption, thous. tons	16 125	25 694	41 819
7.2.=2*5	farmers consumption, thous. tons	29 916	8 671	38 587
8	*processing in 2001, thous. tons, CBS*			*402 577*
	processing in reference period (97-99), CBS			***405 167***
9=6-7-8	Direct sale, thous. tons			***364 890***
10=8+9	Total sale volume, thous. tons	*280 890*	*486 577*	*767 467*

(*) - difference made goats milk

Milk



Source: Latvian State Institute of Agrarian Economics (LSIAE), Ministry of Agriculture

Milk

- ✓ EU offered milk quota (489.5 thous.t) will decrease:
  - **Number of cows** ↓ – 88 415 (43%)
  - **Area of agricultural land** ↓ 111 thous. ha **(4.5% of total utilized agriculture land)**
  - **Lost jobs** ↓ 5.3% **from full time employed in agriculture and far reaching social implications in rural areas**
  - **Implications on public opinion**

Main principles for milk

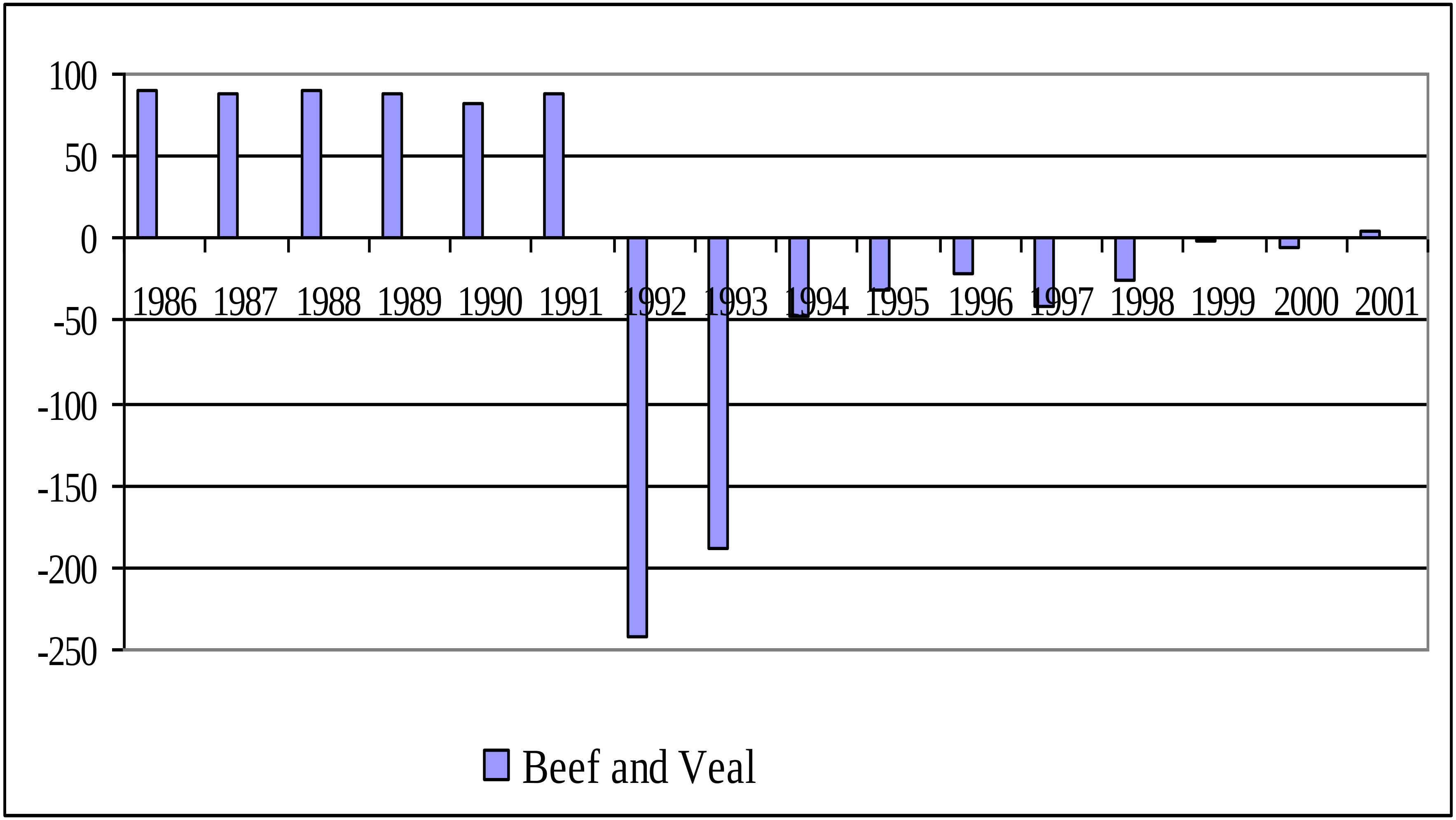
- **Following main principles must be taken into account for milk quota:**
  - Deliveries to processing;
  - Direct sales (both accounted and <u>unaccounted</u>) ;
  - Correction shall be applied in order to take into account effect of <u>transition</u> and Russian <u>crisis</u>

Direct payments for milk

- Since Direct payments for milk sector will be introduced in 2005, Latvia considers that these direct payments shall be applied in full (100%). Lavian farmers will be affected by the decrease of target price to the same extent as farmers of the current Member states.

BEEF (issue 36-39)

PSE for beef and veal, %



Source: Latvian State Institute of Agrarian Economics (LSIAE) calculation by OECD PSE/CSE database

Beef: suckler cows

Specialized beef breed animals per group

	01.11.2000.	01.09.2001.	01.01.2002
Total	15 524	19 813	19 265
Including females	7 694	9 952	9 942
Heifers 1-12	2 666	3 616	2 809
Heifers 12-24	2 671	3 184	***3916**
Suckler cows	2 357	2 640	**3 217**
Total			**7 133**
***According to Regulation 1254/1999, Article 6(6)**			

Source: State Breeding Information Data Processing centre

Milk yield per cow on all farms

	Cows with milk yield 2000 kg per year		Cows with milk yield 2000-3000 kg per year	
	number	% of total	number	% of total
2001	7 951	3.8	31 786	15.1
2000	9 921	4.3	41 246	19.4
1999	12 789	6.0	48 987	22.9
1998	13 292	5.3	51 426	20.3

Source: Central Bureau of Statistics

Main principles: suckler cows

- Introduction of specialised suckler cows support started only in 1998 and the sector is rapidly developing. The current number of suckler cows is 7 133
- As a result of the restructuring of the subsistence dairy farms, more farms dealing with suckler cows will develop.

Clarification on extensification premium

SHEEP and GOATS (issue 41)

Sheep and Goats

	91	92	93	94	95	96	97	98	99	00	Ave-rage
Goats, thousd	6,1	6,4	6,3	7,4	8.9	8.4	8.9	10.5	8.1	10.4	8.14
Sheep, thousd	184	165	114	86	72.1	55.5	40.7	29.4	27	28.6	80.2
Ewes, thousd	-	-	-	-	46.6	35.7	21.5	17.9	14.7	16	25.4

- Statistics on the number of goats shall be taken into account when defining the ewe premium
  - Due to the outbreak of Visna Maedi disease since 1995, the number of sheep has been declining in the recent years. Allocated premium amounts shall take into account the recovery from this natural disaster
  - Latvia wishes to maintain national direct payments in sheepmeat and goatmeat sector

Source: Central Bureau of Statistics

RURAL DEVELOPMENT (issue 46)

Flexibility in use of finances for Rural Development measures

- ✓ To ensure effective use of finances for Rural Development and to ensure finances for structural adjustment of rural area in Latvia, distribution of the finances between the Rural Development Plan and Single Programming Document should be only indicative. Without such flexibility in use of finances, appropriate restructuring necessary for rural development in Latvia would be problematic

The necessary investments for improvement of manure holding in farms in the vulnerable zones

Farm group	Number of farms	Investments, million EUR			
		Cattle farms	Pig farms	Poultry farms	Total
>250LU	38	2.23	0.51	1.58	4.32
101-250LU	24	1.22	0.11	0.02	1.35
51-100LU	25	0.71	0.03	0.07	0.81
5-50LU	1.853	20.44	0.14	0.01	20.59
Total	1.940	24.60	0.79	1.68	27.07

Proportion between gross added value at basic prices per one person employed in agriculture in EU and Latvia (1999, current prices)

	Gross added value at basic prices	Persons employed in agriculture, hunting, forestry and fishery	Gross added value at basic prices on 1 person employed in agriculture (EUR/person employed)
EU - 15	143695 million EUR	6898 thousands	20831
Latvia	157 million EUR	176 thousands	892
Difference (EU/Latvia)			23,4
Difference in percentage (Latvia in % of EU)			4,3

Increase in public contribution for rural development measures

- Maximum total amount of support for rural development, expressed as a percentage of the volume of eligible investment, should be at least 75% instead of 50%, to ensure sustainable rural development and protection of the environment, animal welfare without throwing back economical development of the agricultural holdings

Financial engineering

- What is financial engineering within the meaning of Art. 33 of the Council Regulation (EC) No 1257/1999 of May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations?

Issues for disscusion

1. Support for semi – subsistence farms undergoing restructuring
2. Flexibility in use of finances for Rural Development measures between RDP and SPD measures
3. Flexibility in use of state aid to add on top of Direct payments from EU. Additional support from national state support in order to compensate scenarious of EU direct payments at the level of 25% to ensure equal competition.
4. Setting up of the flexibility on minimum eligible area and number of animals for direct payments in accordance with current practice under state aid;
5. Increase in public contribution vs. private contribution for rural development measures for the investments in agricultural holdings
6. Flexibility in defining larger areas in percentage of total under Art.21 of Regulation 1257/1999
7. EU support for areas affected by specific handicaps
8. Financial engineering under 1257/99