

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 384 final

Brussels, 11th July 1980

PROPOSAL FOR A COUNCIL DIRECTIVE ON THE DEVELOPMENT OF AGRICULTURE IN THE FRENCH OVERSEAS DEPARTMENTS

(presented by the Commission to the Council)

COM(80) 384 final

EXPLANATORY MEMORANDUM

In the French overseas departments, agriculture is much less developed than in the other regions of the Community. So far, it is the European Development Fund that has helped finance measures to improve agricultural structures. From 1980, this function will be taken over by the Guidance Section of the EAGGF.

Given the special circumstances obtaining in the French overseas departments, the Directives for the reform of agriculture adopted in 1972 cannot be properly applied, and steps must therefore be taken to enable structural development in these regions to catch up.

THE COUNCIL OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament¹,

Having regard to the opinion of the Economic and Social Committee²,

Whereas, in order to attain the objectives of the common agricultural policy set out in Article 39 (1) (a) and (b) of the Treaty, special provisions, which are suited to those agricultural areas in which production conditions are least favourable, should be adopted at Community level;

Whereas from 1980 onwards there can be no aid from the European Development Fund;

Whereas the French overseas departments are very little developed compared with the other regions of the Community and are in a particularly unfavourable situation as regards agricultural yield and incomes, while the agricultural sector is the only one capable of playing a prominent part in the economic development of the said departments;

Whereas the conditions and limits laid down in Articles 14 and 19 of Council Directive 72/159/EEC of 17 April 1972 on the modernization of farms³ are not well suited to the particular structural situation of the French overseas departments;

1.

2.

3. OJ No. L 96, 23.4.1972, p. 1

Whereas the objective should be to enable the structural development of these regions to catch up through measures having lasting effects on their agricultural economies;

Whereas agricultural production in the French overseas departments is seriously affected by a water supply situation which is distorted by an inadequate infrastructure in rural areas, and by soils which require much improvement before they can yield well or be efficiently exploited for forestry;

Whereas diversification of crops must be encouraged;

Whereas these measures concerned with under-development should be expedited by means of Community aid;

Whereas these objectives should be pursued by way of a multi-purpose common measure covering all the French overseas departments and constituting a special programme extending over several years;

Whereas it follows from the foregoing that the measures referred to 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 policy¹, as last amended by Regulation (EEC) No. 929/79².

HAS ADOPTED THIS DIRECTIVE:

1. OJ No. L 94, 28.4.1970, p. 13

2. OJ No. L 117, 12.5.1979, p. 4

Article 1

1. With a view to promoting the development of agriculture in the French overseas departments, a common measure within the meaning of Article 6 (1) of Regulation (EEC) No. 729/70, to be implemented by the French Republic, shall be introduced for the purpose of stimulating the development of agriculture in the departments of Réunion, Guadeloupe, Martinique and Guiana.
2. The conditions and limits laid down in Article 14 (2) and Article 19 (2) and (3) of Directive 72/159/EEC shall not apply to the operations covered by this common measure.

Article 2

1. The Community's financial contribution may be used only in the framework of a programme implementing all the measures envisaged in the departments concerned. Such a programme for all the departments concerned or for one or more thereof shall be submitted to the Commission by the French Republic.
2. The programme and any amendments thereto shall be examined and approved, after consultation with the European Agricultural Guidance and Guarantee Fund Committee on the financial aspects, in accordance with the procedure laid down in Article 18 (2) and (3) of Directive 72/159/EEC.

Article 3

The object of the programme referred to in Article 2 shall be to promote the development of agriculture by:

- (a) collective irrigation operations
- (b) improvements to agricultural infrastructure
- (c) soil improvement, flood protection work and other protection work
- (d) afforestation and the improvement of degraded forest, including the establishment of shelter belts and forest roads
- (e) measures to encourage stockfarming and the diversification of crops.

Article 4

1. The programme shall include the following minimum information for each of the measures envisaged:
 - a description of the measure and the plan for financing the programme
 - the scope of operations and the time scale envisaged
 - the rules governing intervention, by public authorities in carrying out the programme
 - the measures provided for to encourage stockfarming and the diversification of crops.
2. All measures referred to in this action must fall within the framework of a regional development programme which the French Republic is required to forward to the Commission under Article 6 of the European Regional Development Fund Regulation.

Article 5

1. Expenditure incurred by the French Republic under the programme referred to in Article 2 on the work referred to in Article 3 shall be eligible under the Guidance Section of the Fund up to the following limits:
 - Under Article 3 (a), up to 31 million ECU
 - Under Article 3 (b), up to 90 million ECU
 - Under Article 3 (c), up to 47 million ECU
 - Under Article 3 (d), up to 9 million ECU
 - Under Article 3 (e), up to 34 million ECU, of which a maximum of 10% may be used for technical assistance.
2. The Fund, Guidance Section, shall reimburse to the French Republic 50% of the eligible expenditure referred to in the first, third, fourth and fifth indents of the preceding paragraph and 40% in respect of the second indent.

Article 6

1. The duration of the measure shall be not more than six years.
2. Before the period referred to in paragraph 1 expires the Directive shall be reviewed by the Council acting on a proposal from the Commission.
3. The total estimated cost of the common measure to be borne by the Fund shall be 96.5 million ECU.

Article 7

When the programme referred to in Article 2 is approved, the Commission shall, by agreement with the French Republic, determine the manner in which it shall be kept informed of the progress of the programme.

Article 8

1. Requests for reimbursement shall relate to expenditure incurred by the French public authorities during one calendar year and shall be submitted to the Commission not later than 30 June of the following year.
2. Aid from the Fund shall be decided upon in accordance with Article 7 of Regulation (EEC) NO 729/70.
3. The Fund may make advance payments on the basis of the method of financing adopted by the French public authorities and in the light of the progress of the programme.
4. 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 9

This Directive is addressed to the French Republic.

Done at Brussels,

For the Council

FINANCIAL STATEMENT

Date : 25 June 1980

1. BUDGET HEADING : 8235

~~APPROBATIONS~~

2. TITLE : Draft proposal for a Council Regulation on the development of agriculture in the French Overseas Departments.

3. LEGAL BASIS : Regulations 729/70, Article 6.

4. AIMS OF PROJECT : The acceleration of agricultural development in the French Overseas Departments

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (1980)	FOLLOWING FINANCIAL YEAR (1981)	
	5.0 EXPENDITURE			
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)		-		p.m.
- NATIONAL ADMINISTRATION		-		p.m.
- OTHER	-	-		-
5.1 RECEIPTS				
- OWN RESOURCES OF THE EC (LEVIÉS/CUSTOMS DUTIES)		-		-
- NATIONAL		-		-
	1982	1983	1984	1985
5.0.1 ESTIMATED EXPENDITURE	8,3 MEUA	13,6 MEUA	18 MEUA	20 MEUA
5.1.1 ESTIMATED RECEIPTS	-	-	-	-

5.2 METHOD OF CALCULATION

See Annex

6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ?

YES/NO

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET ?

YES/NO

6.2 IS A SUPPLEMENTARY BUDGET BE NECESSARY ?

YES/NO

6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY ? But included in the total funds allocated to the EAGGF-Guider Section.

YES/NOX

OBSERVATIONS :

-8

ANNEX

The action can be subdivided into five parts :

- acceleration of joint irrigation works
- improvement of agricultural infrastructure
- land and pasture improvement
- reafforestation and the improvement of degraded forests
- orientation of production.

1. Acceleration of joint irrigation works

The EAGGF will reimburse 50 % of the expenditure of the Member State. The maximum eligible expenditure is fixed at 31 million ECU's; thus, the maximum cost to the EAGGF is 15,5 million ECU's.

The time-table of expenditure is estimated as follows :

<u>Year</u>	<u>EAGGF Expenditure</u>
1	1,5 million ECU's
2	2 " "
3	3 " "
4	3 " "
5	3 " "
6	3 " "
Total	15,5 million ECU's

2. Improvement of agricultural infrastructure

The EAGGF will reimburse 40 % of the expenditure of the Member State. The maximum eligible expenditure is fixed at 90 million ECU's; thus the maximum cost to the EAGGF is 36 million ECU's.

./.

The time-table of expenditure is estimated as follows :

<u>Year</u>	<u>EAGGF Expenditure</u>
1	4 million ECU's
2	5 " "
3	6 " "
4	7 " "
5	7 " "
6	7 " "
<u>Total</u>	<u>36 million ECU's</u>

3. Land and pasture improvement

For this measure, the EAGGF will reimburse 50 % of the expenditure of the Member State which is limited to 47 million ECU's. Thus the maximum expenditure of the EAGGF will be 23,5 million ECU's.

The time table of expenditure is estimated as follows :

<u>Year</u>	<u>EAGGF Expenditure</u>
1	1,5 million ECU's
2	4 " "
3	5 " "
4	5 " "
5	5 " "
6	3 " "
<u>Total</u>	<u>23,5 million ECU's</u>

4. Reafforestation and improvement of degraded forests

The programme relates to the reafforestation of 3000 ha and the creation of 70 km of farm roads.

The average cost to the Member State of the reafforestation amounts to 12.000 FF per ha and 290.000 FF per km of farm roads.

./.

Thus, the total costs amount to

2.750 x 12.000 x 0,17334	=	5,72 million ECU's
65 x 290.000 x 0,17334	=	3,27 million ECU's
Total expenditure of the Member State		8,99 million ECU's

Cost to the EAGGF : 9 x 50 % = 4,5 million ECU's

Time table of expenditure :

<u>Year</u>	<u>EAGGF Expenditure</u>
1	0,3 million ECU's
2	0,6 " "
3	1 " "
4	1 " "
5	1 " "
6	0,6 " "
Total	4,5 million ECU's

5. Orientation of production

For this measure, the EAGGF will reimburse 50 % of the expenditure of the Member State which is fixed at 34 million ECU's; thus the maximum expenditure of the EAGGF will be 17 million ECU's.

The time table of expenditure is estimated as follows :

<u>Year</u>	<u>EAGGF Expenditure</u>
1	1 million ECU's
2	2 " "
3	3 " "
4	4 " "
5	4 " "
6	3 " "
Total	17 million ECU's

6. Summary of Community costs

million ECU's

Measures	Year						Total
	1	2	3	4	5	6	
Irrigation	1,5	2	3	3	3	3	15,5
Infrastructure	4	5	6	7	7	7	36
Land improvement	1,5	4	5	5	5	3	23,5
Reafforestation	0,3	0,6	1	1	1	0,6	4,5
Orientation of production	1	2	3	4	4	3	17
Total	8,3	13,6	18	20	20	16,6	96,5
Conversion to MEUA	8,3	13,6	18	20	20	16,6	96,5

Central rate as from 30.11.1979 : 5,84700

Representative rate : 5,84700

The total cost of the measure to the Community is estimated at 96,5 MUCE