



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 12.07.1995
COM(95) 343 final

95/0197 (CNS)

Proposal for a

COUNCIL REGULATION (EC)

establishing the possibility of national aid being granted in compensation for losses of agricultural income caused by monetary movements in other Member States

(presented by the Commission)

EXPLANATORY MEMORANDUM

Currency movements directly affect the common agricultural policy and affect many products via the agrimonetary system provided for by Council Regulation (EEC) No 3813/92 (OJ No L 387, 31.12.1992, p. 1), as last amended by Regulation (EC) No 150/95 (OJ No L 22, 31.01.1995, p. 1).

The agrimonetary system provides for the possibility of granting compensatory aid for losses of income caused by falls in the agricultural conversion rate following a revaluation. However, other losses of income caused by currency movements may occur.

At its meeting of 19 to 22 June 1995, the Council adopted the policy guideline that the granting of national aid should also be allowed to compensate for losses of income caused by currency movements in other Member States.

That aid must be justified on the basis of facts and may not be granted in a way that favours production within one sector. It must be reduced progressively over a maximum period of three years and be authorized by the Commission under the procedural rules of Article 93 of the Treaty.

The measures to be taken concern the Community as a whole since they have the general objective of achieving coherent application of the common agricultural policy.

**Proposal for
COUNCIL REGULATION (EC) No**

of

**establishing the possibility of national aid being granted in compensation for losses of
agricultural income caused by monetary movements in other Member States**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 42 and 43 thereof,

Having regard to the Commission proposal¹,

Having regard to the opinion of the European Parliament²,

Whereas monetary movements have influenced the agricultural market particularly in the first half of 1995; whereas certain producers may have suffered from losses of income caused by significant monetary movements in Member States other than the one in which they produce;

Whereas, where such losses of income are objectively established, temporary national aid which does not favour a particular type of production may be granted to compensate for the loss actually established; whereas it is necessary for the Community to take measures to enable the common agricultural policy to be coherently implemented;

Whereas these exceptional measures are justified solely on the basis of the specific objectives, circumstances and features of the common agricultural policy;

¹

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HAS ADOPTED THIS REGULATION:

Article 1

Where it can be justified on the basis of facts that agricultural producers of given production sectors have suffered considerable losses of revenue in a Member State because of significant monetary movements which have occurred in other Member States since the beginning of the 1994/95 marketing year and no later than 31 December 1995, flat-rate compensatory aid, reducing over three years, may be granted to the producers in question on the basis of national financing.

The compensatory aid shall at the most be equal to the aforementioned loss of income and may not be granted in the form of an amount linked to production other than that of a fixed period corresponding to that in which the income was lost. It may not be so directed as to favour a particular type of production in the sector concerned nor be dependent on production subsequent to that fixed period.

Member States shall determine the amounts and detailed rules of this aid and notify them to the Commission for approval. The procedural provisions of Article 93 of the Treaty shall apply without taking account of the criteria in Article 92.

Article 2

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

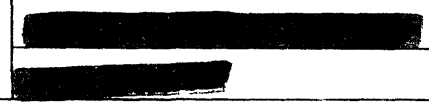
A Member State may not notify an aid project under this Regulation after 30 June 1996.

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

Done at Brussels,

For the Council

FINANCIAL STATEMENT



1. BUDGET HEADING: - APPROPRIATIONS: -

2. TITLE:
 Proposal for a Council Regulation (EC) No/95 ofestablishing the possibility of national aid being granted in compensation for losses of agricultural income caused by currency movements in other Member States.

3. LEGAL BASIS:
 Articles 42 and 43 of the Treaty.

4. AIMS:
 To give Member States the right to grant national aid compensating for losses of income caused by currency movements in other Member States.

5. FINANCIAL IMPLICATIONS:	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (95)	FOLLOWING FINANCIAL YEAR (96)	
			1997	2000
5.0. EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION) - NATIONAL AUTHORITIES - OTHER				
5.1. REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL				
			1999	
5.0.1. ESTIMATED EXPENDITURE				
5.1.1. ESTIMATED REVENUE				

5.2. METHOD OF CALCULATION:

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. WILL A SUPPLEMENTARY BUDGET BE NECESSARY? YES/NO

6.3. WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY? YES/NO

OBSERVATIONS

The costs of this measure can be calculated when the Member State concerned submits the amount of the aid to the Commission for approval.

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DOCUMENTS

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