

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(75) 530 final

Brussels, 28 October 1975

## Proposal

for a Regulation (EEC) of the Council  
concerning the application of  
Article 40(4) of the EEC Treaty to the  
French overseas departments

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(submitted to the Council by the Commission)

## Explanatory memorandum

1. In so far as it is laid down in the Treaty of Rome, the French overseas departments are subject to its provisions.

In accordance with the first subparagraph of Article 227 (2) of the Treaty, the provisions concerning the European Agricultural Guidance and Guarantee Fund do not apply to the French overseas departments.

However, the second subparagraph of this Article states that the conditions under which provisions of the Treaty not already covered by the first subparagraph are to apply shall be determined by decisions of the Council, acting unanimously on a proposal from the Commission. This is therefore also true of the provisions relating to the EAGGF.

2. The economic structure of the French overseas departments is essentially agricultural. Moreover, agriculture in these departments suffers from certain natural disadvantages, in particular the climatic conditions and the distance from Community markets.

It therefore appears desirable to extend the field of application of the Guidance Section of the EAGGF to these departments in order to allow them to improve their agricultural structure with the aid of the Community, in particular with regard to the principle laid down in the third subparagraph of Article 227 (2) of the Treaty which lays down that "the economic and social development of these areas (should be) made possible".

3. Since the agricultural structure of the French overseas departments needs to be improved, it appears desirable to allow them to receive Community aid as soon as possible and to make provision from 1975 onwards for applications for aid for projects designed to improve agricultural structures, within the meaning of Regulation No 17/64/EEC. Regulation (EEC) No 1215/75 fixed 1. June 1975 as the final date for the submission of applications for aid for 1975. It is therefore necessary to make provision for a derogation in respect of projects in the French overseas departments.

proposal  
for Regulation No /75 of the Council  
of concerning the application of  
Article 40 (4) of the EEC Treaty to the  
French overseas departments

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,  
and in particular Articles 43 and 227 thereof ;

Having regard to the proposal from the Commission ;

Having regard to the Opinion of the European Parliament ;

Whereas the field of application of the Guidance Section of the  
European Agricultural Guidance and Guarantee Fund should be extended to  
include the French overseas departments so that they may receive the  
Community aid for the improvement of agricultural structures provided  
for in Article 6 of Council Regulation (EEC) No 729/70<sup>(1)</sup> of 21 April 1970  
on the financing of the common agricultural policy, as last amended by  
Regulation (EEC) No 2783/72<sup>(2)</sup> and thus promote the economic and social  
development of these areas which are basically agricultural;

Whereas the activities of the Guidance Section should be extended as  
to the French overseas departments as soon as possible; whereas provision  
should be made for applications for aid under Council Regulation  
No 17/64/EEC<sup>(3)</sup> 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<sup>(4)</sup> to be submitted in 1975 ; whereas a  
derogation must therefore be made from the final date for the submission.

<sup>1</sup> OJ No L 94, 28 April 1970, p. 13

<sup>2</sup> OJ No L 295, 30 December 1972, p. 1

<sup>3</sup> OJ No L 34, 27 February 1964, p. 586/64

<sup>4</sup> OJ No L 288, 25 October 1974, p. 5

of such applications laid down by Council Regulation (EEC) No 1215/75<sup>(1)</sup> of 5 May 1975 on the allocation for 1974 of appropriations from the Guidance Section of the European Agricultural Guidance and Guarantee Fund and deferring certain final dates for the years 1974 and 1975, HAS ADOPTED THIS REGULATION :

Article 1

Article 40 (4) of the EEC Treaty shall apply to the French overseas departments as regards the Guidance Section of the European Agricultural Guidance and Guarantee Fund is concerned.

Article 2

The final date for the submission of applications for aid under Regulation No 17/64/EEC, laid down for 1975 in Article 3 of Regulation (EEC) No 1215/75, is hereby deferred until 31 December 1975 in respect of projects to be carried out in the French overseas departments.

Article 3

This Regulation shall enter into force on the third day following 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

For the Council

The President

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<sup>1</sup> OJ No L 121, 14 May 1975, p. 1

# FINANCIAL STATEMENT

Annex to Doc. ....

Date

1. Line of the Budget concerned : Title 8

2. Title of the action : Proposed Council Regulation relating to the conditions of application of Article 40, paragraph 4 of the Treaty to the French Overseas Department

3. Legal basis : Article 6 of the Council Regulation No. 729/70/EEC of 21 April 1970, relating to the financing of the common agricultural policy

4. Objectives of the action : To extend the field of application of the Guidance Section of the European Agricultural Guidance and Guarantee Fund to the French Overseas Departments so that they can benefit from Community aid towards the improving of Agricultural Structure.

5.0 Cost of the action	during the campaign	current exercise ( 75 )	following exercise(76)
charge to the EC Budget	-	-	0.5 m.u.a.
charge to the national administrations	-	-	-
charge to other national sectors	-	-	-

5.1 Estimated costs    Year ..1976...    Year ..1977..    Year ..1978..  
                              0.5 mua                1 mua                1.3 mua

## 5.2 Method of calculation

The method and hypotheses used in calculating the financial consequences, are detailed under point "Comments" below

6.1 Possible financing by credits written into the relative chapter of the current Budget

YesX

NoX

6.2 Possible financing by transfers between chapters of the current Budget

YesX

NoX

6.3 Necessity for a supplementary Budget    YesX    No

6.4 Credits to be written into future budgets

Comments :

.../...

## OBSERVATIONS

- a) To determine the financial effect of extending the field of action of the E.A.G.G.F. Guidance Section to the D.O.M.'s it is useful to compare both the Utilised Agricultural area and also the Total Active Agricultural population of the D.O.M.'s with that of the Nine.

	EEC of Nine	D.O.M.	%
utilised agricultural area	93,487,000	148,061	0.16
active agricultural population	9,655,000	66,104	0.69

For the sake of this calculation the increase incurred by the addition of the D.O.M.'s to the Community of Nine is taken as 0.5%.

- b) Budgetary effects of the inclusion of the D.O.M.'s
- Chapter 80, Regulation No. 17/64/EEC : projects financed in the D.O.M.'s shall be treated as applications from France and shall be subject to the constraints of the limited finance for this regulation.
  - Chapter 81 - Common actions in the field of the reform of agricultural structures.
- The effect of the inclusion of the D.O.M.'s will be to increase by a  $\frac{1}{2}\%$  the provisions :

	Budget 1976 mua	Budget 1977 mua	Budget 1978 mua
Provisions for the Nine	91	194	261.9
Provisions for the D.O.M.'s	0.5	1	1.3
Total	91.5	195	263.2

- c) Considering the level of imprecision in estimating the expenditure on Common Actions, it is not necessary to modify the proposed Budget for 1976 to take into account this additional expense. In future years, the inclusion of the D.O.M.'s within the field of application of E.A.G.G.F. Guidance Section will be taken into consideration when establishing future budgets.
- d) The estimated cost of this action over the next four years is 2.8 mua.