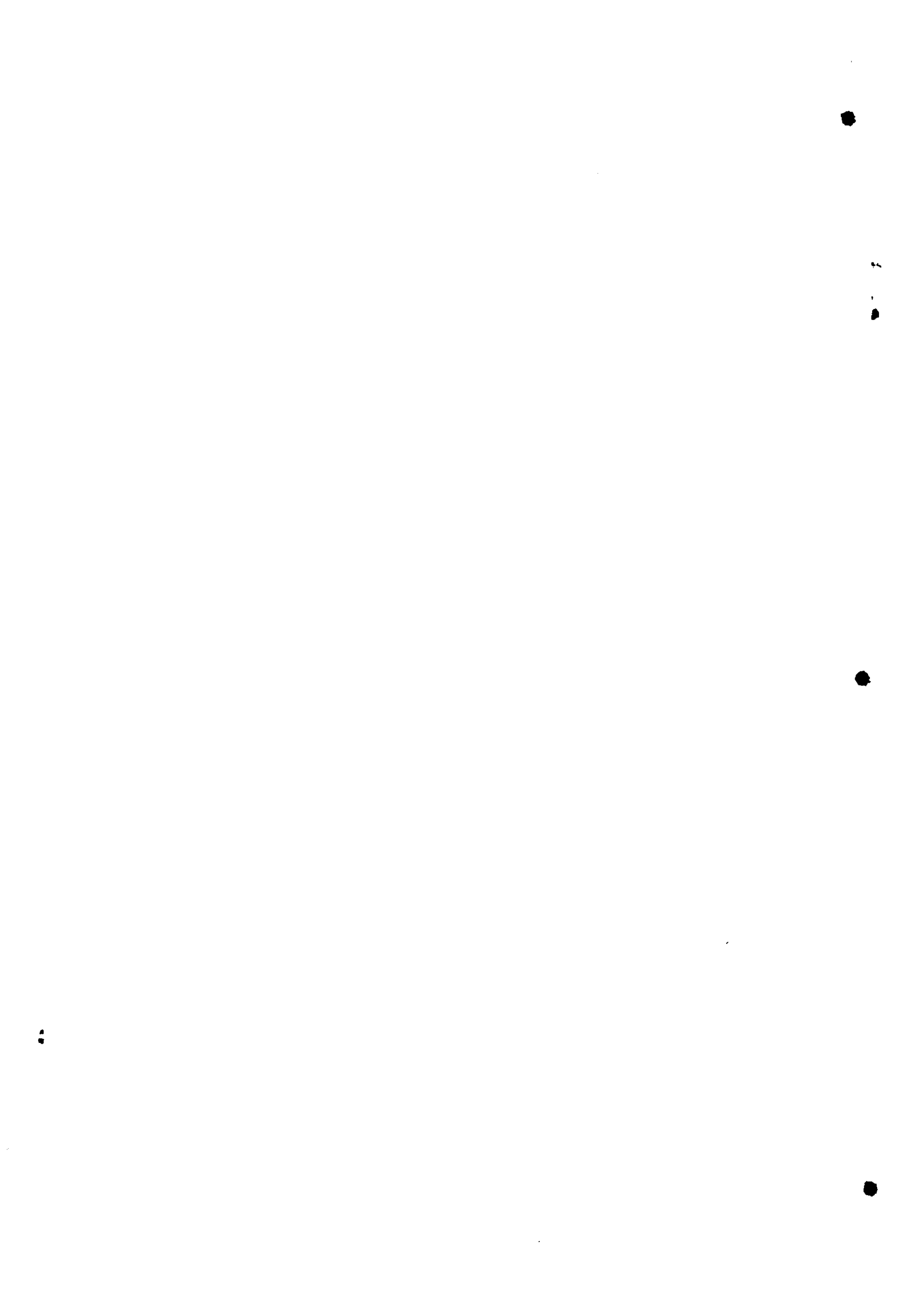


^{COM 0873}
HILLMAN

Brussels, 8th October 1979

EMERGENCY RESOURCES
TO RECONSTITUTE THE AGRICULTURAL AREAS OF THE
FRENCH OVERSEAS DEPARTMENTS DAMAGED BY
HURRICANES "DAVID" AND "FREDERICK"

(presented by the Commission to the Council)



EXPLANATORY MEMORANDUM

Between 30 August and 3 September 1979 hurricanes "David" and "Frederick" devastated the French departments of Martinique and Guadeloupe. Thanks to the precautionary measures taken by the local authorities, losses in terms of human life were very small.

However, certain infrastructures, and agriculture in particular, a vital economic asset in these areas, suffered considerable damage, estimated in total at 800 million French francs.

The national and local authorities have borne the full cost of restoring the electricity supply, public buildings, school buildings and sports installations, besides the living environment.

The French Government has asked the Commission to bear half of the costs of the financing, which will make possible the speedy restoration of the agricultural potential of these Departments, reserving the right to call in at a later date, by normal procedures, the FEDER for the purpose of rebuilding certain infrastructures, relating essentially to the road network.

Since agriculture is involved here, an emergency measure is necessary, which requires an exceptional procedure and this is the subject of this communication.

A delegation composed of French experts and a representative of the Commission went to the area in order to assess the extent of the damage and to form an opinion as to the measures to be taken to restore agricultural holdings as speedily as possible.

Banana production, which represents 60% of the agricultural potential of Martinique and Guadeloupe, has been all but wiped out; it will be able to resume in two years time provided that clearing and replantation work is undertaken very quickly; otherwise, apart from considerable losses in earnings, which these islands' economy can ill afford, 20 000 jobs will disappear, thereby doubling the number of unemployed.

The cost of this work represents 80% of the costs inherent in the agricultural sector, the other areas of financing proposed relating to the restoration of orchards and some irrigation work.

In all, the French Government expects to cover 40% of the cost of the work and is requesting an equivalent amount of aid from the EEC.

In order to give a favourable reply to this request, special arrangements must be made, since the "Guidance" section of the EAGGF has no appropriations relating to suitable Regulations.

However, out of the 1979 budget, a certain number of appropriations will not be committed during the current financial year.

It is thus proposed to the Council, following an Opinion from the Parliament, to take a decision on the two following points:

- introduction of an amending budget for the 1979 financial year, creating a new budget line for the "Guidance" Section of the EAGGF, thereby enabling 12 mEUA set aside for the special measure in question to be committed;
- adoption of an "ad hoc" Regulation in order that the EEC may finance 40% of the costs necessary for restoring agriculture in the French Departments of the Antilles, using the above-mentioned new budget line.

Details of the costs are annexed.

PROPOSAL FOR
COUNCIL REGULATION (EEC)

concerning assistance from the Guidance Section of the EAGGF in respect of
emergency measures to reconstitute the agricultural areas of the French
overseas departments damaged by hurricanes "David" and "Frederick"

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 Parliament,

Whereas hurricanes "David" and "Frederick" have caused considerable damage
to agriculture in Martinique and Guadeloupe;

Whereas the Community should contribute towards repairing this damage;

Whereas measures to benefit agriculture in these areas further the aims
defined in Article 39(1)(a) of the Treaty; whereas they therefore
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;

Whereas Community aid must be concentrated on the areas most badly
affected;

Whereas the procedure for granting and paying the aid must be the most
rapid possible without, however, the need for sound management of the
Community's financial resources being neglected,

HAS ADOPTED THIS REGULATION:

¹OJ No L 94, 28.4.1970, p. 13
²OJ No L 117, 12.5.1979, p. 4

Article 1

1. A common measure for the purpose of reconstituting the agricultural areas damaged by hurricanes "David" and "Frederick" shall be instituted.
2. The range of measures provided for by this Regulation shall constitute a common measure within the meaning of Article 6(1) of Regulation (EEC) No 729/70.
3. Expenditure incurred after 30 August 1979 relating to the restoration of destroyed crops, in particular the banana plantations, and the repair of installations necessary for crop growing shall be eligible for charging to the Guidance Section of the EAGGF.

Article 2

1. The French Republic shall submit an application for aid to the Commission before 15 November 1979.
2. The Commission shall decide on the granting of assistance from the Guidance Section of the EAGGF by 31 December 1979.
3. The Commission shall as far as possible consult the Standing Committee on Agricultural Structures, at the periodic meetings of that Committee, on the essentials of the draft Decision without such consultation preventing its adoption within the time period stated above; failing this, the Commission shall inform the Committee as soon as possible of the decision which it has taken.

Article 3

The application for aid shall include at least the following information:

- a brief description of the general situation, particularly with regard to the damage caused to agriculture;
- description of the work to be carried out (in particular, the number of hectares concerned, the nature of the work envisaged, the geographical extent of the work);
- an estimate of the cost by category of work;
- the schedule envisaged for the work and the expenditure;
- the amount of aid provided for by the French Government;
- the amount of aid requested from the Guidance Section of the EAGGF.

3

Article 4

1. Assistance from the Guidance Section of the EAGGF may not exceed:
 - an amount equal to the aid granted by the French Republic;
 - 12.2 m ECU for the restoration of destroyed crops, including 10.6 m ECU for the banana plantations;
 - 0.6 m ECU for the repair of installations necessary for crop growing.
2. Advances may be granted of up to 80% of the Community aid provided for.
3. The balance will be paid only on production of a statement justifying the expenditure and of a report on the execution of the work, to be submitted no later than 1 October 1980.
4. The anticipated cost of the measure is 12 million EUA.

Article 5

This Regulation shall enter into force on the third day following that of 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

FINANCIAL STATEMENT

DATE : 27.9.1979

1. BUDGET LINE CONCERNED : 8131 (to be created)

2. ACTION : Emergency measures to reconstitute the agricultural areas of the French overseas departments damaged by hurricanes "David" and "Frederick"

3. LEGAL BASIS : Article 6 of Regulation 729/70

4. OBJECTIVES : To provide Community aid to the affected areas and to promote the speedy restoration of normal operations

5. FINANCIAL CONSEQUENCE	FOR THE MARKETING YEAR	CURRENT FINANCIAL YEAR (79)		FOLLOWING FINANCIAL YEAR (80)	
		CA	PA	CA	PA
5.0 EXPENDITURE					
-CHARGED TO THE EC BUDGET (REFUNDING/INTERVENTIONS)		12	9.6	token entry	2.4
-CHARGED TO NATIONAL ADMINISTR.		12	9.6	token entry	2.4
-CHARGED TO OTHER NATIONAL GROUPS					
5.1 RECEIPTS					
-OWN RESOURCES OF THE EC (LEVIERS/CUSTOMS DUTIES)					
-NATIONAL					

	YEAR 1979	YEAR 1980	YEAR 1981	1982
5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE (A)	12	token entry		
5.1.1 PLURIANNUAL PATTERN OF RECEIPTS				

5.2 METHOD OF CALCULATION See Annex

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ? YES NO

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ? YES NO

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ? YES NO

6.3 CREDITS TO BE WRITTEN INTO FUTURE BUDGETS ? YES NO

COMMENTS :

ANNEX

1. RESTORATION OF DESTROYED CROPS

(a) Banana plantations

Average cost per hectare: 10 000 FF = 1.815 (agricultural) ECU
Number of hectares: 14 500 hectares
Total cost: 26.3 million ECU
 including 40% borne by the Member State: 10.52 m ECU
 and 40% borne by the EAGGF : 10.52 m ECU.

(b) Other crops

The overall cost of restoring other crops (mainly avocados, flowers, plants and shade plants for an area of 500 to 600 hectares) is estimated as follows:

- borne by the Member State: 9 000 000 FF = 1.65 m ECU (agricultural)
- borne by the EAGGF : 9 000 000 FF = 1.65 m ECU (agricultural)

2. REPAIRS TO INSTALLATIONS NECESSARY FOR CROP GROWING

The overall cost of repairs to irrigation systems and various hydraulic works is estimated as follows:

- borne by the Member State: 3 250 000 FF = 600 000 ECU (agricultural)
- borne by the EAGGF : 3 250 000 FF = 600 000 ECU (agricultural).

3. TOTAL COST OF THE EAGGF MEASURES

$10.52 + 1.65 + 0.6 = 12.77$ million ECU (agricultural)

$\frac{12.77 \times 5.50961}{5.86133} = 12$ million European units of account

Payment appropriations : 80% of 12 m EUA in 1979 = 9.6 m EUA
Balance in 1980 : 2.4 m EUA.

