

Proposal for a Council Regulation (EC) on transitional measures to be applied under the common agricultural policy with a view to the introduction of the euro

(98/C 224/07)

COM(1998) 367 final — 98/0215(CNS)

(Submitted by the Commission on 11 June 1998)

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 proposal from the Commission,

Having regard to the opinion of the European Parliament,

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

Having regard to the opinion of the Monetary Committee,

Whereas Council Regulation (EEC) No .../.. of ... establishing agrimonetary arrangements for the euro does away with the possibility of fixing specific agricultural conversion rates that are different from the real conversion rates for the currencies;

Whereas the agricultural conversion rates in force on 31 December 1998 pursuant to Council Regulation (EEC) No 3813/92 of 28 December 1992 on the unit of account and the conversion rates to be applied for the purposes of the common agricultural policy⁽¹⁾ could be different from the conversion rates fixed irrevocably by the Council for the currencies of the participating Member States in accordance with the first sentence of Article 109I(4) of the Treaty and from the real exchange rates applying on 1 January 1999 for non-participating Member States;

Whereas the disappearance of the agricultural conversion rates on 1 January 1999 may be regarded under certain conditions as an appreciable revaluation; whereas it may accordingly result in a reduction in agricultural income; whereas, as a consequence provision could justifiably be made for temporary, degressive aid to be granted to keep pace with the development of agricultural prices in a way that is compatible with the rules of the general economy;

Whereas it must be made possible to offset the effect of the disappearance of the agricultural conversion rates on the level of certain types of direct aid in terms of national currency in accordance with specific rules adapted to such aid;

⁽¹⁾ OJ L 387, 31.12.1992, p. 1. Last amended by Regulation (EC) No 150/95 (OJ L 22, 31.1.1995, p. 1).

Whereas provision should be made for a procedure introducing close cooperation between the Member States and the Commission to facilitate the implementation of this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

For the purposes of this Regulation, notwithstanding Regulation (EC) No .../.. of ... establishing agrimonetary arrangements for the euro:

(a) 'appreciable revaluation' means a reduction in the conversion rate applicable on 1 January 1999 which is greater in absolute value than the differences between that rate and the lowest levels of the conversion rates applicable:

— over the last 12 months, and

— at any time more than 12 months but not more than 24 months previously, and

— at any time more than 24 months but not more than 36 months previously.

Only two thirds and one third respectively of the differences covered by the second and third indents shall be taken into account;

(b) 'appreciable part' means the difference between, on the one hand, the threshold between appreciable and non-appreciable revaluations and, on the other hand, the conversion rate for the euro into national currency units or the exchange rate for the euro into national currency on 1 January 1999. This difference is expressed as a percentage of the said threshold.

Article 2

Where the conversion rate for the euro into national currency units of any Member State or the exchange rate for the euro into the national currency of any Member State on 1 January 1999 undergoes an appreciable revaluation within the meaning of Article 1 against the agricultural conversion rate in force on 31 December 1998, Articles 4 and 6 of Regulation (EC) No .../.. establishing agrimonetary arrangements for the euro shall apply to that appreciable revaluation and the appreciable part thereof shall be as specified in Article 1(b).

Article 3

1. Where the conversion rate for the euro into national currency units or the exchange rate for the euro into national currency applicable on the day of the operative event in 1999 to:

— flat-rate aid calculated per hectare or per livestock unit

or

— compensatory premiums per ewe or she-goat

or

— amounts of a structural or environmental nature

is lower than the rate applied previously, compensatory aid shall be granted. The aid shall be calculated in accordance with Article 5 of Regulation (EC) No .../... establishing agrimonetary arrangements for the euro.

Notwithstanding the second indent of Article 6(1) of the same Regulation, the first year the Community contribution shall amount to 100 % of the aid.

2. In following years, the Council, acting by a qualified majority on a proposal from the Commission, may waive the provisions of paragraph 1, first and second subparagraph and provide for the compensation to fall degressively.

Article 4

Detailed rules for applying this Regulation shall be adopted in accordance with the procedure laid down in:

- (a) Article 23 of Council Regulation (EEC) No 1766/92 ⁽¹⁾ of 30 June 1992 on the common organisation of the market in cereals, or
- (b) the corresponding articles of the other regulations establishing a common organisation of the market in agricultural or fishery products, or
- (c) the corresponding articles of other Community provisions introducing a similar procedure.

Article 5

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

It shall apply from 1 January 1999.

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

⁽¹⁾ OJ L 181, 1.7.1992, p. 21.