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on the
European Agricultural Guidance and Guarantee Fund

Financial Year 1972

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Commission of the European Communities
to the
Council and the European Parliament

VOLUME I

- Guarantee
- Guidance
- Verifications and irregularities
- Food Aid financing

O.1 SUMMARY: GUARANTEE SECTION

The Guarantee Section of the E.A.G.G.F. finances public expenditure incurred in implementing the common organisation of agricultural markets, that is refunds on exports to non-member countries, whereby Community agricultural products are sold on the world market, and also interventions on the internal market in order to support agricultural prices.

O.1.1 Financing of the definitive systemE.A.G.G.F. Financial Regulation

Budgetary centralisation, together with administrative decentralisation ensured by means of monthly advances paid by the Commission through Member States to 40 national paying authorities or bodies made it necessary to set up appropriate machinery in the form of an ad hoc financial regulation adopted in November 1972. This Regulation amplifies various concepts from the point of view of budget implementation, such as Commission decisions to make global advances, and payments made by approved paying bodies.

Enlargement

Full application of the definitive financing system to the three new Member States as of 1.2.1973 was the subject of preparatory work relating to bringing into operation paying bodies in Great Britain, Ireland and Denmark and to application of the procedures and methods contained in the regulations governing Community financing.

Administration of appropriations

Of the budget appropriations of 2737 million u.a. provided for the Fund, the Commission paid out 2304 million u.a. to Member States in 13 monthly advances. Including funds held by paying bodies at the beginning of the year, the total amount available for 1972 is 2557 million u.a.

Expenditure declared by the Member States for the year 1972 amounts to 2446 million u.a., which, unlike the 1971 figure, represents a relatively small difference between appropriations and expenditure. Expenditure has been allocated as follows: 42.5% for refund expenditure and 57.5% for intervention expenditure. It should be noted that expenditure on cereals, milk products and oils and fats represents in itself 78% of the total amount.

In implementation of the special Financial Regulation of November 1972, the Commission has carried out budgetary regularisation of most transactions, but was unable to do so for all of them, owing to various difficulties encountered.

Auditing of Accounts

On the basis of the Regulation relating to annual declarations by Member States, adopted in July 1972, the Commission has begun the examination of data received for the financial year 1971.

0.1.2 Transitional period

No decision could be adopted as to aid in respect of transitional period accounts for practical and technical reasons. However, the Commission continued to remove obstacles delaying such decisions. It should be remembered that the objective the Community has assigned itself, by a Council Regulation of July 1973, is to make up the time lag by 31 December 1974.

0.2 SUMMARY: GUIDANCE SECTION0.2.1 Financing characteristics

By adopting Directives nos. 72/159/EEC, 72/160/EEC and 72/161/EEC on 24 March 1972, the Council introduced a Community structural policy in the field of modernization of farms, measures to encourage the cessation of farming and the provision of socio-economic guidance for persons engaged in agriculture.

Implementation of these Directives in Member States was effected more slowly than had been initially expected and the Council was therefore led to defer the deadline for their implementation until 31 January 1973. Commission decisions on Community financing of measures adopted by Member States to implement these directives will be adopted in 1973 and 1974. Initial expenditure by the Guidance Section under this heading will not be incurred before 1974.

Moreover, the Council, in its Resolution of 21 March 1972, agreed that the resources of the E.A.G.G.F. Guidance Section may be used from 1972 onward for regional development measures, pending adoption of the draft regulation. To that end, the Commission reserved 25 million u.a. for the 1972 budget and 50 million u.a. for the 1973 budget.

It can be seen from the above that in 1972 the activities of the Guidance Section were characterised, as in the past, by the continued grant of aid for:

- common measures within the meaning of Article 6 of Regulation (EEC) no. 729/70; it should be noted in this context that a further measure was added to those adopted by the Council in December 1972, on reconversion of the cod fishing sector. The Council also adopted in principle a certain number of decisions to prepare measures in other fields;
- projects for the improvement of agricultural structures under Regulation no. 17/64/EEC;
- various special measures decided by the Council.

02.2 Financial measures02.2.1 Financing of common measures

Although the Council had already adopted a number of common measures no expenditure was incurred in that respect for 1972. Most of the expenditure will consist of refunds to Member States, and it is necessary to wait until they bring the relevant measures into operation before the Fund can intervene.

For the year 1972, appropriations amounting to 85,170,000 u.a. were reserved by decision of the Council for the financing of common measures by the Community.

A sum of approximately 84.8 million u.a. was reserved for 1969; 83.3 million u.a. for 1970; and 185 million u.a. for the year 1971; while total reserves as at 21.12.1972 were 438.4 million u.a. To this amount must be added a further 71 million u.a., reserved for 1973. These appropriations will be committed whenever expenditure on schemes exceeds the annual appropriation of 325 million u.a.

02.2.2 Projects for the improvement of agricultural structures

In 1972 the Commission decided to grant aid in respect of projects for the year 1971, representing 723 projects financed, for a total grant-in-aid of almost 200 million u.a.

Assistance granted is allocated as follows: 66.6% for improvement of production structures; 29.5% for improvement of marketing structures; and 3.9% for mixed structures.

The total amount of aid granted by the Fund since 1964 amounts to 709 million u.a. in respect of 2,932 projects financed.

In 1972, payments made towards projects exceeded 61 million u.a. Since 1964 a total of 150.2 million u.a. has actually been paid to beneficiaries or 21% of the appropriate commitments, which constitutes a slight improvement on the percentage of 17.5% recorded at the end of 1971. As in 1971, however, a disparity disadvantageous to French and Italian projects can be noted.

02.2.3 Financing special measures

In 1972, payments by the Fund for this category amounted to some 13 million u.a. Since 1966, a total of 224 million u.a. has been committed for the financing of special measures, of which 221 million u.a. had actually been paid by 31.12.1972.

03 IRREGULARITIES AND VERIFICATIONS03.1 Irregularities

Effective implementation of Regulation no. 283/72 is now in progress and this has allowed the Commission to become more fully aware of irregular transactions and to take various measures. The total amount to be recovered is 1.9 million u.a. in respect of 14 cases for the Guarantee Section; and 0.9 million u.a. in respect of 31 cases for the Guidance Section. However, the implementation of new obligations brought about administrative problems for certain Member States and this resulted in delays and even in failure to carry out obligations.

03.2 Verifications

The unsatisfactory situation as regards spot-checks has not improved and has in fact persisted in 1973, owing largely to the new tasks resulting from enlargement. The Commission has adopted measures which should correct this situation from 1974 onwards.

Seven projects for the improvement of agricultural structures were inspected on the spot, as a result of which contributions in aid were made from the Fund for five. In the case of one project, aid was withdrawn, and in another, payment became subject to the supply of additional information.

For the first time, the Fund carried out on the spot inspection of particular measures. Checks were made, in two Member States, concerning aid to fruit and vegetable producers' organisations, subsidies for grubbing fruit trees, for slaughtering cows and withholding milk and milk products from the market.

This initial experiment revealed that the Member States concerned had in general observed Community provisions. Nevertheless, slight differences in the implementation of provisions were observed in the case of certain measures.

FOOD AID

In this sector, the year 1972 was marked by the gradual establishment of financial machinery similar to that of the Guarantee Section, particularly as regards the system of monthly advances and annual closing of accounts.

A beginning was also made with the financing of various operations: refunds for aid in the form of cereals in the 1968/69 programme and refunds in respect of Community measures on behalf of Bengali refugees, totalling 23.95 million u.a.

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TITLE I

GUARANTEE SECTION

1972 is the second year of operation of the definitive system, which came into force on 1.1.1971¹, along with the own resource system. By means of monthly advances the Fund financed expenditure consequent upon implementation of the common organisation of agricultural markets, which now covers over 95% of total agricultural production².

The system of financing established by the new rules required adoption of special provisions included in the Financial Regulation applicable to the budget of the Communities³.

The year was also marked by preparations for extension of the financing of the common agricultural policy to the three new Member States.

The Fund also continued work preparatory to the closing of accounts for the transitional period and the closing of the definitive system accounts.

¹ Regulation (EEC) no. 729/70 - OJ no. L 94 of 24.4.1970

² During the financial year 1972, Community financing was extended to silkworms

³ Regulation 73/91 ECSC, EEC, EURATOM - OJ no. L 116 of 1.5.1973

1. THE DEFINITIVE SYSTEM OF FINANCING

1.1 General operation

1.1.1 Specific machinery set up by the Financial Regulation

(a) Reasons for setting up special machinery:

Unlike other expenditure provided for in the Communities' budget, for which the institutions concerned make their own payment, agricultural market expenditure has a particular character from the Community law aspect, inasmuch as budgetary centralisation at Community level is based on a system of decentralisation in respect of individual payments made by the appropriate national bodies.

In accordance with Article 4(2) of Regulation (EEC) no. 729/70¹, the Commission must make available to Member States the necessary credits for the designated authorities and bodies.

An advance of funds corresponding to the cash needs of each paying agency is decided on, monthly, by the Commission, after consultation with the Committee of the E.A.G.G.F.

This situation, whereby appropriations provided for in the Communities' budget are made available to national bodies, required the setting up of appropriate machinery in the form of a Financial Regulation.

(b) Preparation of a Financial Regulation for E.A.G.G.F.:

On 4 December 1970 the Commission, conscious of the problem, presented, before the entry into force of a definitive system, a proposal relating to the "revision and consolidation of the Financial Regulations", providing for various special measures in respect of the expenditure of E.A.G.G.F., Guarantee Section.

¹ OJ no. L 94 of 28.4.1970

As the Council took no decision in this regard until after 31.12.1971, the Commission restricted itself to the expenditure commitments declared by Member States and carried forward to 1972 the appropriations required in respect of applications for payment. Preparatory work consequent upon the accession of Great Britain, Denmark, and Ireland entailed a change in the time-table for discussions, and it was only in November 1972 that the Council adopted Financial Regulation no. 72/379/EEC¹ establishing special provisions applicable to E.A.G.G.F., Guarantee Section. This Regulation was made retroactive to 1 January 1971, when the definitive system began. The provisions it contains were fully incorporated into Financial Regulation (7 /91/ECSC, EEC, EURATOM) of 25 April 1973, which applies to the general budget of the European Communities².

- (c) Detailed rules for application of the specific Financial Regulation:

Support of markets in the various sectors subject to a common organisation and characterised inter alia by the scope of annual or seasonal variations in payments, and by the large number of individual payments to be made, demanded the decentralisation of payments provided for under Regulation EEC/2697/70³.

As a result, each State must ensure that the monthly advances decided by the Commission are properly administered and apportioned among the bodies and authorities who effect payment.

The special E.A.G.G.F. Financial Regulation provides that Commission decisions to grant advances shall be equivalent to global provisional commitments. Payments effected by the approved paying bodies are recognized under the Regulation as payments to be charged to the budget of the European Communities.

¹ OJ no. L 257 of 15.11.1972 p. 22. This Regulation is based on Article 209 of the EEC Treaty and Regulation 729/70/EEC.

² OJ no. L 116 of 1.5.1973

³ OJ no. L 285/63 of 31.12.1970

Advances made to Member States must of course remain limited to the appropriations entered under Titles 6 and 7 of the budget of the Communities.

In order to ensure proper administration of appropriations and to be able to follow the implementation of the budget the Financial Regulation provides that the Commission must, within two months, and following the budgetary nomenclature, prepare a detailed record of commitments, and charge to the budget the expenditure paid and declared every month by approved bodies. This, of course, is without prejudice to the making up of accounts, whereby expenditure financed by the E.A.G.G.F. for a given financial year may be amended.

Accounts must be passed and appropriation transfers approved by 31 March following the end of the financial year concerned, and appropriations can be carried forward only in exceptional cases. However, if the charging operation cannot be completed by 31 March, appropriations still committed globally may be carried forward to the following financial year.

(d) Implementation of the detailed rules:

At Community level, the measures to make up delays relating to individual commitments and items charged against payments, which were initiated in December 1972 following adoption of the special E.A.G.G.F. Financial Regulation were successfully completed by June 1973. However, expenditure on interventions known as "2nd category interventions" and based on the most complex records was not entered for the financial year 1972. It should be noted that the special procedure used by the AIMA for payment to beneficiaries¹ decided the Commission to wait for the data to be forwarded concerning the payments actually made as at 31.12.1972.

¹ Italy declares as payments the credits made available by AIMA to decentralised offices and not the payments made by the latter to the beneficiaries.

The operation of charging against payment was accordingly suspended for expenditure declared in January 1973 and the corresponding appropriations carried forward to the financial year 1973.

1.1.2 Enlargement

(a) Special financial provisions.

The special E.A.G.G.F. Financial Regulation provides for expenditure for the month of January 1973 to be included, by way of exception, in the financial year 1972, since payments made against expenditure financed by the Fund are normally made with a more or less pronounced time-lag as compared to the actual operations giving rise to the claim.

Standard assessment of this time-lag should allow the United Kingdom, Ireland and Denmark, which have been members of the Community since 1.1.1973, to escape any share of expenditure, none of which could be ascribed to implementation of the rules of the common agricultural policy within the enlarged Community.

(b) Application to the new Member States of the financing rules of the common agricultural policy.

Full application to the three new Member States of the definitive system of financing as from 1.2.1973 was the subject of considerable preparatory work. There were briefing meetings and continuous bilateral contacts with those responsible for the establishment of the paying bodies in the United Kingdom, Ireland and Denmark, thus facilitating application of the rules contained in the Regulations governing Community financing.

1.1.3 Supplementary regulations

The regulations of the Council and the Commission governing expenditure financed by the Guarantee Section were completed during the year 1972.

(a) Regulations adopted by the Council

It may be observed that in general the regulations concerning common organisation of the various markets have been supplemented by regulations laying down precise rules for Community financing of interventions.

As a result of amendments made to the common organisation of markets, or of the latter's recent establishment, the existing series of regulations concerning the financing of intervention expenditure by sector has been supplemented by analogous regulations for fish products (EEC) no 272/72¹, fruit and vegetables (EEC) no. 273/72², hops (EEC) no. 1037/72³ and seeds (EEC) no. 1674/72⁴. For these same reasons the regulation on financing the fats and oils sector (EEC) no. 786/69⁵ has been supplemented by introducing financing of aid for cotton seeds. Moreover, it must be observed that as a result of supplementary provisions adopted in the milk products sector, financing Regulation (EEC) no. 2306/70⁶ has also been amended.

The general rules for financing interventions to stabilize agricultural markets are to be adopted by the Council in accordance with Article 3(2) of Regulation 729/70⁷. The date on which these general rules come into force, initially set for 1 July 1972, was deferred by Regulation (EEC) no. 1566/72⁸ until 1 January 1973.

¹ OJ no. L 35 of 9.2.1972, p. 1

² OJ no. L 35 of 9.2.1972, p. 3

³ OJ no. L 118 of 20.5.1972, p. 19

⁴ OJ no. L 177 of 4.8.1972, p. 1

⁵ OJ no. L 105 of 2.5.1969, p. 1

⁶ OJ no. L 294 of 17.11.1970, p.4

⁷ OJ no. L 94 of 28.4.1970, p. 13

⁸ OJ no. L 167 of 25.7.1972, p. 5

In mid-1972 the Commission made proposals concerning these rules, specified in Regulation (EEC) no. 2824/72¹ adopted by the Council. This Regulation lays down the general rules for financing interventions for which an amount has been fixed within the framework of the common organization of the market, and lists in an Annex the measures which, in the various agricultural sectors, come within the scope of intervention within the meaning of Article 3(1) of Regulation (EEC) no. 729/70.

On the other hand, for interventions within the framework of the organization of the market for which no amount has been fixed, that is to say for purchasing, storage and disposal operations, commonly known as "second category interventions", the transitional arrangements remain provisionally in force.

Changes in the monetary situation in Member States led the Council, at the end of 1972, to extend Community financing to compensatory amounts governed by Regulation no. 974/71². On this subject Article 7 of this Regulation, as amended by Regulation (EEC) no. 2746/72³, provides that

- with retro-active effect from 1 July 1972, the compensatory amounts charged and granted in trade with non-member countries shall be treated as levies and restitutions.

- with effect from 1 January 1973, the compensatory amounts charged and granted in trade with Member States shall be treated as part of the expenditure on intervention intended to stabilize the agricultural markets.

To alleviate the monetary problems which arose for colza and rape seeds, due to the special features of this sector, the Council adopted Regulation (EEC) no. 1569/72⁴ providing for the granting and collection of differential amounts. These amounts also come under Community financing by virtue of Council Regulation no. 526/73⁵ proposed by the Commission in October 1972.

¹ OJ no. L 298 of 31.12.1972, p.5

² OJ no. L 106 of 12.5.1971, p.1

³ OJ no. L 291 of 28.12.1972, p.148

⁴ OJ no. L 167 of 25.7.1972; p.9

⁵ OJ no. L 51 of 24.2.1973, p.1

Application of the provisions on monetary matters involved a certain amount of work which was continued in 1973, including amendment of Commission Regulation no. 2697/70¹ (the system of advances).

(b) Commission regulations and decisions
.....

The Council rules on financing interventions for purchasing, storage, processing and disposal, need to be supplemented by detailed rules, to be laid down by the Commission.

Under this heading the Commission has laid down:

- the method and rates of intervention to be applied in calculating financing expenses for interventions in the beef and veal sector and in the milk products sector, by Regulation no. 741/72²;
- lump sums for the financing of expenditure for entry, exit, storing and, where appropriate, processing for the beef and veal sector and the milk products sector, by Decision dated 4.1.1972, and adjustment of the sums laid down for the fats and oils, cereals, rice, pigmeat and sugar sectors, by Decision dated 12.11.1972.

¹ OJ no. L 285 of 31.12.1970, p. 63

² OJ no. L 87 of 13.4.1972, p. 12

1.2 Paying bodies

1.2.1 Functioning in the original Member States

The activity of the 40 authorised paying bodies has progressed normally. In France, an intervention agency - ONIBE Office National Interprofessionnel du Bétail et de la Viande (National Cattle and Meat Office) - was set up by Decree. It replaces FCRMA, and is organised and operates in the same way in respect of all the responsibilities the latter assumed in the field of intervention and market management in beef, mutton and lamb.

The Commission also began work on a comparative study covering all paying bodies and concerning in particular the operating rules, administrative and accounting conditions of payment, and the organisation of verifications and checks.

1.2.2 Establishment in the new Member States

During the last quarter of 1972 the United Kingdom, Ireland and Denmark set up the administrative framework to enable them to carry out the obligations deriving from implementation of the common agricultural policy.

Unlike most of the earlier Member States, the three countries selected a single organisation covering all agricultural sectors, and authorised to effect all payments prescribed in connection with the common organisation of markets.

Ireland, however, like Luxemburg, did not establish a special body. The Ministry of Agriculture is the paying body entrusted with implementation of the common agricultural policy. The Minister, assisted by a purely advisory Committee, is fully empowered to ensure implementation of that policy.

The United Kingdom established a body governed by public law and with legal personality: the Intervention Board for Agricultural Produce. This is an executive body handling all aspects of the E.A.G.G.F. Guarantee Section and authorised to pay such expenditure.

With the authorisation of the Minister for Agriculture, the Intervention Board delegated a number of technical intervention functions to two special agencies: the Meat and Livestock Commission (MLC) and the Home-grown Cereal Authority (HGCA), which deal respectively with the sectors for which they are responsible but do not themselves effect payment.

In setting up, within the Ministry of Agriculture, a special section which enjoys a measure of administrative autonomy, Denmark chose a compromise solution. The "E.F. Direktorat" deals with financial management of the common agricultural policy and works in close cooperation with the national departments which ensure that the rules on the common organisation of markets are applied.

1.3 Advances

1.3.1 Implementation of decisions to grant advances

In accordance with the machinery set up by Articles 4 and 5 of Council Regulation (EEC) no. 729/70 and Commission Regulation no. 2697/70, the Commission adopted 13 decisions to grant advances for the financial year 1972, representing a total of 2,304,750,000 u.a. as compared with 1,793,585,945 u.a. in 1971, i.e. an increase in Community funds made available to the Member States of 28.5% in one year.

Furthermore, the amounts for the financial year 1971 not taken up by paying bodies and authorities up to 31.12.1971 were left with Member States to cover 1972 requirements (252,297,675.89) - which brings the amount available for 1972 to 2.55 thousand million u.a.

Table no. 1¹

Funds available to Member States for 1972

in u.a.

Member States	Decisions to grant advances	Amount available at 1.1.1972	Total amount available for 1972	Monthly average
Belgium	133 500 000.00	7 230 457.95	140 730 457.95	10 825 420
Germany	494 000 000.00	10 329 474.71	504 329 474,71	38 794 575
France	916 000 000.00	9 341 360.71	925 341 360.71	71 180 105
Italy	423 000 000.00	216 375 844.95	639 375 844.95	49 182 757
Luxembourg	1 750 000.00	99 040.57	1 849 040.57	142 234
Netherlands	336 500 000.00	8 921 497.00	345 421 497.00	26 570 884
Total	2 304 750 000.00	252 297 675.89	2 557 047 675.89	196 695 975

Similarly, an appreciable increase can be seen in the monthly average advances made available to Member States since this rises from 149.5 million u.a. in 1971 to 196.7 million u.a. in 1972, an increase of 31.5%

¹ See Annexes I and II

1.3.2 Amounts available in Member States (see Annex III)

The Commission is kept informed of Community funds still available in Member States through the monthly financial statement issued by each paying body or authority, and the weekly telexes providing details of the position of the special E.A.G.G.F. Guarantee Section Account of each Member State.

The amounts available in Member States represent the difference between total advances granted and duly authorised to cover expenditure until the end of the month in question, and the total expenditure declared as duly paid at the end of that month.

As a result, payments authorised at the end of one month to cover expenditure in the following month are not included in the figures for amounts available at the end of the said month. Those amounts in fact represent funds received to cover the month's expenditure, and which proved unnecessary for that purpose.

The size of the amounts still available in Italy throughout 1972 is due to 2 causes:

- first, it should be noted that the Italian estimates presented each month to the Fund Committee are based on applications made by paying bodies, irrespective of the time required from an administrative point of view to make such payments;
- second, the sizeable amounts available, recorded at the beginning of the year, result from carrying forward appropriations for the financial year 1971 to the year 1972, following the cancellation of credits opened by AIMA and unused as at 31 December.

1.3.3 Rate of utilisation of Community funds

- Average rate of utilisation -
.....

Comparison of the funds made available to Member States each month and the funds still available after payments have been made reveals an average rate of utilisation of Community funds (see Table no. 2) and also gives the average figures for the actual funds available to each Member State.

Table no. 2

Average monthly rate of utilisation of Community funds made available to the Member States

(million u.a.)

Member State	Average amount of Community funds available in the Member States for one month's expenditure	Average balances available after the month's expenditure	Average rate of utilisation $\frac{(a-b)}{a}$
	a	b	c
Belgium	19	9.1	52.1 %
Germany	47.7	9.9	79.2 %
France	92.2	21.9	76.2 %
Italy	140.8	96.7	31.3 %
Luxembourg	0.17	0.02	88.2 %
Netherlands	34.5	8.5	75.3 %

Leaving Italy aside, the average monthly rate of utilisation of Community funds is found to be over 74%, and the five Member States are also found to have had available on average at the end of each month, the funds required to cover expenditure for the following 11 days.

- Rate of utilisation at the end of the financial year -
.....

95.7% of the amounts made available to Member States for the financial year 1972 were utilised, as against 85.9% in 1971.

Comparison between expenditure for the financial year 1972 and the amounts available to Member States in the same period makes it possible to assess the rate of utilisation as at the end of the financial year (see Table 3).

Table no. 3

Rate of utilisation of Community funds made available to the Member States for the financial year 1972

Member States	Expenditure 1.1.1972 - 31.1.1973 (million u.a.)	Amounts avail- able for 1972 (million u.a.)	Rate of utilisation %	
			1972	1971
	a	b	c	
Belgium	128.1	140.7	91	93.2
Germany	492.4	504.3	97.6	97.5
France	913.4	925.3	98.7	98.5
Italy	573.6	639.4	89.7	45.5
Luxembourg	1.9	1.9	100	93.3
Netherlands	337.1	345.4	97.6	96.7
	2 446.5	2 557	95.7	85.9

As regards Italy, despite an improvement as compared with 1971, the monthly average rate of utilisation shown in Table 2 confirms a situation which is still not entirely satisfactory. This is due in general to estimates which are invariably too high and particularly to the decentralised organisation of payments by AIMA, the most important paying body.

The Commission invited the Italian authorities to amend certain provisions which had been impeding the smooth operation of dispersal of the Community funds made available to AIMA. Some results were achieved during the financial year 1972, and more important ones are expected for 1973, particularly following the adoption in August 1973 of a decree amending for future marketing years the system of payment aid for olive oil and durum wheat. Under that decree, payments are to be centralised on the basis of statements of account transmitted by the branch offices to AIMA. Effective implementation of the provisions laid down by that decree will place Italy in a situation comparable to that of other Member States.

1.4 Appropriations and their utilisation

1.4.1 Budgetary appropriations

Appropriations available for the financial year 1972 in respect of the new system of financing will be as follows:

- Initial budget	2 687 000 000 u.a.
- Chapter 77, appropriations for periods prior to 1.1.1971	<u>145 000 000 u.a.</u>
- Balance for the new system	2 542 000 000 u.a.
- Supplementary budget no. 2 (including January 1973 in the financial year 1972)	<u>195 190 000 u.a.</u>
- Total available	2 737 190 000 u.a.

1.4.2 Global commitments

Commission decisions to grant advances are not broken down by type of expenditure. In order, therefore, to ensure that the financing system is sufficiently flexible as regards expenditure which is very varied in character, these decisions entail provisional global commitments. For the financial year 1972, such commitments amounted to:

2 557 047 675.89 u.a.

of which 62 022 600.54 u.a. cancelled at the end of the financial year

2 495 025 075.35 u.a. appropriations actually utilised.

The administrative machinery employed by the AIMA led to cancellation of appropriations during the first few months of 1973.

1.4.3 Items charged against commitments and payments

Basing itself on payment statements made by Member States, totalling 2 446 592 347.09 u.a., the Commission charges the items concerned as commitments and payments, broken down in terms of the budgetary nomenclature, that is, according to the different classes of expenditure.

Thus, out of an uncancelled global commitment of 2 495 025 075.035 u.a.: 2 256 663 048.07 u.a. are the subject of detailed commitments ¹, and 238 362 027.28 u.a. have been carried forward globally to the financial year 1973 to enable subsequent charging of "second category" intervention expenditure against the year 1972, the data available being insufficient.

As for the items charged against payments, the situation is as follows: 2 256 663 048.07 u.a. charged as detailed commitments, of which 2 229 723 599.63 u.a. are charged against payments.

The remainder, i.e. 26 939 448.44 u.a., has been carried forward to the financial year 1973, to enable expenditure declared by AIMA to be charged against payments for January 1973, in cases where such outlay did not appear to the Commission to be clear enough to be considered as having actually accrued to the beneficiaries. This situation is the result of the concept of payment adopted by the body concerned and is unacceptable to the Community.

1.4.4 Utilisation of appropriations

To sum up, it should be noted that unlike the position in the previous year, the gap between the budget estimates in the form of appropriations available and the amounts actually utilised is a narrow one, since 2 555.03 million u.a.² have been utilised out of 2 737.19 million u.a. available, i.e. about 93.35%, as against 69.63% in 1971. Of these 2 555 million u.a., 2 289.7 (i.e. 2 229.7 + 60 million u.a.) have been definitely charged against the financial year 1972 and 265.3 (i.e. 238.4 uncommitted in detail + 26.9 million u.a. not charged against payments) have been carried forward to the financial year 1973 pending receipt of fuller information from Member States.

¹ i.e. 2 446 592 347.09 - 189 839 299.02.
189 839 299.02 being "second category" intervention expenditure declared by Member States.

² Taking account of 60 million u.a. paid to Germany, which is not an expenditure coming under the advances system, and therefore under global commitments.

1.5 Payments

1.5.1 Global amount

In the course of the second year of the definitive system's operation, agricultural market expenditure has gone up from 1 571 million u.a. in 1971 to 2 446 million u.a. for 1972, though not yet reaching the 1970 figure of 2 604 million u.a. (see Annexes IV and V). It should be borne in mind, however, that owing to the change in the financial system, 1971 expenditure as stated is less than that for a 12 month period, and therefore irrelevant in terms of real 1971 costs. The disparity between 1971 payments and the actual costs for that year varies considerably, depending upon class of measure and sector. It can be estimated, however, that total expenditure for the 1971 financial year would represent approximately 80% of expenditure for the calendar year 1971. Similarly it should be noted that expenditure for the financial year 1972 is not equivalent to expenditure for the calendar year 1972. Since the financial year includes January 1973, 1972 expenditure amounts to approximately 2 330 million u.a.

1.5.2 Payments by sector

Expenditure paid or declared against the financial year 1972 has been allocated as follows, by sector and type of financing.

Table no. 4

Expenditure paid or declared for the financial year 1972 by sector and

type of financing¹

in u.s.

Sector	Refunds	1st category interventions	2nd category interventions ²	Totals	% 1972	% 1971
Cereals	615 930 513.86	341 029 013.77	40 217 014.07	997 176 541.70	40.76	30.16
Rice	47 989 638.00	2 487 936.21	-	50 477 574.21	2.06	3.17
Milk/milk products	166 730 591.15	294 139 210.97	149 688 238.91	610 558 041.03	24.96	36.03
Olive oil	982 742.60	186 954 583.56	-	187 937 326.16	7.68	3.88
Oil seeds	4 525 894.57	99 965 992.52	-	104 491 887.09	4.27	3.31
Sugar	69 612 380.80	91 510 844.67	30 283.36	161 153 509.83	6.59	7.02
Veal/beef	7 931 342.33	-	-	7 931 342.33	0.33	1.21
Pigmeat	55 393 705.05	219 179.03	-	55 612 884.08	2.27	3.33
Eggs/poultry	13 771 068.21	-	-	13 771 068.21	0.56	0.76
Fruit/veg.	33 359 365.79	28 339 816.44	-	61 879 182.23	2.53	3.43
Wine	513 200.04	56 506 635.37	-	57 019 835.41	2.33	1.80
Tobacco	-	101 952 323.23	-	101 952 323.23	4.17	4.57
Fishery products	493 880.81	775 933.57	-	1 269 814.38	0.05	0.01
Flax/hemp	-	11 531 601.53	-	11 531 601.53	0.47	0.34
Seeds	-	370 753.60	-	370 753.60	0.02	0.01
Hops	-	-	-	-	-	-
Products outside Annex II	23 801 616.72	-	-	23 801 616.72	0.97	1.18
Comp.amount	-	432 954.65	-	432 954.65	0.02	0.01
Totals	1 041 215 939.93	1 215 350.869.82	189 935 537.34	2 446 502 347.09	100	100
%	42.56	49.68	7.76	100		

¹ Intervention expenditure covers various types of measure, breakdown of which is given in Annex VII.

² Statements by Member States on the basis of provisional balances to be covered by appropriations carried over to the 1973 financial year.

The cereals, milk products and fats and oils sectors, confirming the financial importance they have had in previous years (see Annex V), alone represent nearly 78% of total expenditure for the financial year, as against 73.33% in 1971.

Examination of expenditure by type of operation financed reveals the main item in the cereals sector to be expenditure on export refunds, which comprise almost 62% of expenditure in this sector. It should be observed, however, that most of the levies collected come from this sector, as shown by Table 8.

Expenditure in the milk and milk products sector is characterized by the large volume of interventions, which represented 75% of the expenditure in this sector in 1972. Two types of intervention make up the bulk of expenditure here: aid to skimmed milk (approximately 254 million u.a.) and storage of butter, including special disposal measures such as the supply of butter oil as food aid (approximately 159 million u.a. for all measures).

Expenditure on the fats and oils sector includes some 100 million u.a. for oil seeds and about 192 million u.a. for olive oil.

Although this sector shows a very large increase from 1971 to 1972, this is due primarily to the change in the accounting system in 1971, and the incidence of the rate of olive oil payments in Italy.

Expenditure can also be broken down in terms of the economic nature of the measures. An initial attempt to do so appears in the table in Annex VI. This shows that:

- refunds for exports to non-member countries represent approximately 41% of total expenditure;
- expenditure on storage proper is close to 10% of the total;
- compensatory aid for prices as compared to world levels or the prices for substitute products totals almost 45%.

1.5.3 Payments by Member States

Breakdown by Member State of expenditure incurred against the financial year 1972 is as follows:

Table no. 5

Payments made by Member States in 1972

Member States	Refunds	Interventions	Total	% 1972	% 1971
Belgium	67 175 922.98	60 893 470.30	128 069 393.28	5.23	6.33
Germany	177 896 209.32	314 532 001.22	492 428 210.54	20.13	24.95
France	487 768 657.17	425 626 908.75	913 395 565.92	37.33	38.23
Italy	119 713 719.82	453 898 912.21	573 612 632.03	23.45	13.58
Luxembourg	348 138.62	1 548 907.36	1 897 045.98	0.08	0.09
Netherlands	188 313 292.02	148 786 207.32	337 099 499.34	13.78	16.82
Total	1 041 215 939.93	1 405 286 407.16	2 446 502 347.09	100	100

in u.a.

1.5.4 Special expenditure

The sum of 60 million u.a. was paid in application of Council Regulation no. 2464/69 on measures to be taken in agriculture following revaluation of the German Mark¹. This amount paid to Germany represents Community participation for 1972 in the financing of aid to German agricultural producers, following revaluation of the German Mark in 1969.

1.6 Closing of accounts

1.6.1 Preparatory measures

On 26 July 1972, the Commission adopted Regulation (EEC) no. 1723/72 on the making up of the accounts of the European Agricultural Guarantee and Guidance Fund, Guarantee Section².

This Regulation lays down the procedures for presentation of accounts transmitted by paying bodies and authorities of Member States, along with statements of cash holdings, financial reports and reports from the inspection agencies. A number of tables are also included, to be used in submitting figures relating to expenditure paid during a financial year.

On the basis of information received and of documentary and on the spot verification, the Commission determines the expenditure it accepts as chargeable to E.A.G.G.F., Guarantee Section, and the amount of Community funds still available in each Member State at the end of the financial year.

Any differences between the amount of expenditure accepted by the decision on the making up of accounts as chargeable to the Fund, and the amount charged against payments on the basis of the expenditure declared monthly, are charged in turn to the financial year in the course of which the accounts have been made up³.

¹ OJ no. L 312/69 of 12.12.1969

² OJ no. L 186 of 16.8.1972, p. 1

³ In accordance with Article 110 of the Financial Regulation of 24 April 1973 applicable to the general budget of the Communities.

In order to ensure the uniform presentation of information supplied by paying bodies and Member States, the Commission prepared memoranda for the financial years 1971 and 1972.

1.6.2 Declarations by Member States and their examination

The Member States presented the data required for making up the 1971 accounts, on the dates shown in Table no. 6, and it was agreed that data relating to the financial year 1972 would be presented by 31 October 1973.

Table no. 6

Documents for making up the 1971 Accounts -
Dispatch by Member States

Belgium	13. X.1972
Germany	12. X.1972 15. I.1973 29. I.1973
France	13. X.1972 9. I.1973
Italy	30.IV.1973
Luxembourg	13. X.1972
Netherlands	12. X.1972 30.XI.1972

Examination of the documents received for the 1971 financial year is under way, as well as the preparation for inspections on the spot, the time table for which makes it possible to schedule a decision on the making up of accounts in 1974. The time-lag in the schedule provided for by Regulation no. 729/70 may therefore be assessed at 18 months.

2. THE TRANSITIONAL PERIOD

2.1 Payments other than payments on account

The second six-monthly payment on account for 1970 mentioned in the financial report for 1971 is the last such payment on account. No more payments therefore remain under the so-called "cumulation" provision Resolution.

2.1.1 Council Resolution of 21.4.1970

The financing scheme based on a system of advances, together with the obligation to make payments under the system in operation prior to 1.1.1971, was apt to create difficulties for certain Member States. On 21.4.1970 the Council therefore adopted a Resolution concerning the cash problem produced by changeover from the refund system to the system of direct financing (the so-called "cumulation" provision Resolution). This provides for six-monthly payments through the Commission by debtor Member States to creditor Member States for the periods prior to 1.1.1971.

Under this Resolution, and irrespective of decisions by the Commission to grant aid, payments must be made for six-monthly or other periods prior to 1.1.1971, i.e. for the second half of 1970 (payment on account); the 1967/68 and 1968/69 periods, the second half of 1969, and the year 1970 (balances).

2.1.2 Council Resolution of 30.5.1972

The Resolution of 21 April 1970 was based on estimates. Fresh information available led the Commission to transmit a communication to the Council for the purpose of amending the Resolution adopted by the Council on 21.4.1970. On 30.5.1972 the Council therefore adopted a new Resolution¹, the main elements of which are shown in the following table:

¹ OJ no. C 105 of 10 October 1972, p. 16

Table no. 7

Council Resolution of 30.5.1972

(- Payments by Member States + Payments to Member States)

in million u.a.

Member States	Expected balance	Payments in 1971	Payments in 1972	Payments in 1973	Balance outstanding
Belgium	- 44.6	- 5.5	- 15	- 15	- 9.1
Germany	- 227.9	- 141	- 37	- 25	- 24.9
France	+ 104.3	+ 92.9	-	+ 1	+ 10.4
Italy	+ 43.9	- 15 ⁽¹⁾	+ 21	+ 15	+ 7.9
Luxembourg	- 4.2	- ⁽²⁾	- 0.2	- 3	- 1
Netherlands	<u>+ 128.5</u>	<u>+ 53.6</u>	<u>+ 31.2</u>	<u>+ 27</u>	<u>+ 16.7</u>
Total	0	- 15	0	0	0

¹ paid back in 1972

² payments made in 1971 of 0.2 million u.a. were in respect of previous years.

2.2 Closing of accounts for the periods 1967/68 to 1970

2.2.1 Difficulties encountered

During the financial year 1972 no decision could be taken to provide aid in respect of the financing system in operation prior to 1.1.1971.

The E.A.G.G.F. had to deal in succession with a number of urgent tasks, which interfered with the work of closing the accounts, and these activities could not always be carried through simultaneously. In particular the setting up and implementation of the definitive system of Community financing, and the work connected with the enlargement of the EEC, had to be attended to.

The Commission's considerable delay in finally closing the accounts was due to the volume of work entailed, the following stages being required:

- (a) marshalling of the full range of Council and Commission acts, applicable for the year in question;
- (b) decision as to the form and relevant details for inclusion in applications to be presented by Member States;
- (c) preparation by Member States of repayment applications;
- (d) documentary and on the spot verifications in respect of such applications;
- (e) preparation and implementation of decisions to grant aid.

In addition, the former financing system involves conversion into units of accounts of the national currency figures declared by the Member States.

Devaluation of the French Franc in August 1969, revaluation of the German Mark in October 1969 and subsequent monetary movements not officially declared to the IMF presented problems which had to be solved before accounts were closed. The Commission therefore presented to the Council a proposal¹ to amend Financial Regulation no. 64/127/EEC concerning the E.A.G.G.F.², which is still in force for the former financing system.

¹ COM(73)43 final of 24.1.1973

² OJ no. 34 of 27.2.1964, p. 586/64

No decision to grant aid under the old system of financing can be taken by the Commission in any case until rules are adopted for conversion into u.a. of the data declared by the Member States in national currencies.

2.2.2 Preparation for making up delays

The Commission continued to try to eliminate all of the obstacles delaying decisions to grant aid. With this in mind, it urged the Council to give priority to issuing various regulations concerning financing procedure, and itself adopted decisions concerning standard amounts for public intervention financing. In addition, it adopted Regulation (EEC) no. 773/72 of 14 April 1972, stipulating the conditions required for presenting applications for repayment. That Regulation was amplified by a memorandum, and 1967/68 applications were forwarded to the Commission mainly during the latter months of 1972.

Finally, by Regulation no. 2030/73 of 24.7.1973, the Council decided to alter the dates fixed under Community rules for the decisions to grant aid to be taken by the Commission following the examination of repayment applications made by Member States. According to that Regulation, decisions for the accounting periods 1967/68, 1968/69, the second half of 1969, and the year 1970 have to be phased into a timetable prepared by the Commission, following an opinion from the E.A.G.G.F. Committee, with a deadline of 31 December 1974.

The same Regulation also provides for "making good" expenditure paid by a Member State, or any payment it may have made, after the closing of a period. The clause is governed by the fact that, despite the delays in taking a decision to grant aid, limited amounts continue to exist which remain unpaid, while amounts connected with irregularities or negligence can be recovered after a decision has in fact been taken to grant aid. When the cases now pending in Member States have been settled, the E.A.G.G.F. nevertheless has to be able to finance such amounts.

This question arises in respect of the amounts unpaid at the time when the system of financing was altered (as at 1.7.1967, 31.12.1969 and 31.12.1970) and as from the 1967/68 period for amounts connected with irregularities or negligence.

The Commission considers it essential to be able to close accounts on a definitive basis and believes that position to be such that rapid progress could be made in this respect in 1974.

2.2.3 Review of decisions to grant aid for the 1966/67 period

Following the appeal lodged by the Netherlands (Case no. 13/72) and the Court Judgment of 11.1.1973, the Commission Decision of 26.1.1972, fixing the amount of the lowest average repayment, and the Decision concerning the participation of E.A.G.G.F., Guarantee Section, in expenditure incurred by the Netherlands for the 1966/67 period were annulled, inasmuch as they took no account of expenditure relating to products exported by way of food aid.

It was the Commission's feeling that a refund granted for an exclusively national food aid measure, not forming part of any Community programme, did not come under Community financing, inasmuch as refunds can be granted only for commercial transactions. The Netherlands took the opposite view and won its case. As a result of this judgement, the Commission will be reviewing certain decisions adopted for the period in question.

GUIDANCE SECTION

The Guidance Section is required to participate in the financing of the Community policy on agricultural structures. Since the adoption of Regulation (EEC) no. 729/70, the financing of common measures has been given priority in the allocation of funds, followed by the financing of projects for the improvement of agricultural structures within the meaning of Regulation no. 17/64/EEC and the financing of various special measures decided on by the Council.

3. FINANCING OF COMMON MEASURES

No expenditure was incurred for this purpose in 1972. In December 1972 a new common measure was added to those already adopted by the Council¹. The Council also adopted a number of decisions of principle to the effect that it would be issuing measures in other fields.

3.1 Reconversion in the cod-fishing sector

By Regulation (EEC) no. 2722/72 of 19 December 1972² the Council decided that the E.A.G.G.F., Guidance Section, should finance a reconversion project in the cod-fishing sector. This project has two main aspects:

- the financing of projects for the redevelopment of production, processing, and marketing activities;
- the financing of measures relating to workers' vocational training.

The procedure for the financing of redevelopment projects is comparable in the main with that governing the financing of projects for the improvement of agricultural structures provided for under Regulation no. 17/64/EEC. This pinpoints the flexibility allowed by Regulation (EEC) no. 729/70 with regard to the procedure for financing common measures, particularly the possibility of effecting adjustments in the light of the specific technical and economic character of the

¹ See Financial Report for the year 1971, p. 27

² OJ no. L 291 of 28.12.1972, p. 30

proposed measures. The financing of measures relating to vocational training is to be carried out by means of a refund to Member States comparable to that applied in respect of other common measures.

3.2 Other common measures

As regards decisions of principle taken by the Council for other common measures, it will be seen that

- by its Resolution of 24 March 1972, the Council agreed to adopt a common measures concerning groups of producers and their associations, as well as other joint schemes in the fields of marketing and processing of agricultural products;
- by a declaration entered in the minutes of its meeting of 5 and 6 December 1972, the Council agreed to adopt measures for the structural improvement of non-industrial in-shore and deep-sea fishing;
- the Council and the Representatives of the Governments of Member States meeting within the Council adopted on 21 March 1972 a Resolution concerning application of the Resolution of 22 March 1971, whereby the Council gives its agreement to E.A.G.G.F. funds being used, as from 1972, for regional development measures.

A proposal for a Regulation in this sense was presented by the Commission to the Council on 2 June 1971, concerning the financing by E.A.G.G.F. Guidance Section of projects relating to agricultural regions having priority. The Council has not yet acted on this proposal for a Regulation.

- By its Resolution of 15 May 1973, the Council agreed to issue a Directive providing for special aid measures for certain less-favoured regions of the Community.

To provide expenditure towards existing or future common measures, the Council, on a proposal by the Commission, continued to reserve certain appropriations out of the total annual appropriations for the Guidance Section. Under this heading, 85 170 000 u.a. were reserved for the year 1972, in accordance with the provisions of Council Regulation (EEC) no. 847/72 of 24 April 1972¹, thus bringing up to 438 384 300 u.a. the appropriations reserved for joint schemes during the years 1969 to 1972.

¹ OJ no. L 100 of 27.4.1972

4. FINANCING OF PROJECTS FOR THE IMPROVEMENT OF AGRICULTURAL STRUCTURES

The financing of projects for the improvement of agricultural structures provided for in Regulation no. 17/64/EEC is maintained under the provisions of Article 6(4) of Regulation no. 729/70, as long as the sum for financing common measures is within 325 million u.a.

As there has been no expenditure on common measures in 1972, the financing of projects has been the main activity of the Guidance Section again this year.

4.1 Decisions to grant aid

4.1.1 Decisions for 1971

Throughout 1972, the E.A.G.G.F. was still one year behind in respect of decisions to grant aid. In June, July and December 1972, the Commission decided to grant aid for 1971, the amount concerned being of nearly 200 million u.a., as laid down by the Council pursuant to Regulation (EEC) no. 2591/70 of 17.12.1970¹.

This amount is allocated as follows:

Table no. 8

Grant of aid from E.A.G.G.F. Guidance Section for the year 1971

Member States	Improvement of production structures	Improvement of marketing structures	Improvement of mixed structures	Totals	
				Absolute figures	%
Belgium	8 003 091	3 817 333	704 963	12 525 387	6.27
Germany	40 353 234	15 780 367	989 033	57 122 634	28.57
France	28 816 829	14 562 407	1 694 410	45 073 646	22.54
Italy	46 584 055	17 550 957	3 766 357	67 901 369	33.97
Luxembourg	1 072 930	77 980	486 880	1 637 790	0.81
Netherlands	8 262 255	7 281 994	138 121	15 682 370	7.84
Total	133.092.394 (66.9%)	59 071 038 (29.5%)	7 779 764 (3.9%)	199 943 196	100

¹ OJ no. L 280 of 26.12.1970, p. 63

4.1.2 Number and size of projects financed

1017 projects were examined by the Guidance Section from the legal, technical, economic and financial viewpoints. Out of that total:

- 59 projects were withdrawn or became irrelevant, bringing down to 958 the number of projects finally introduced;
- 18 projects were declared unsuitable;
- 1 project was found not to comply with requirements.

Out of the 939 remaining projects, 216 could not be accepted for lack of sufficient funds, and 723 were the subject of a decision by the Fund to grant aid. These 723 projects represent 71.1% of the total number of projects examined. As regards the size of the investments to be made in aid of those projects, the 958 projects finally introduced for the year 1971 represent a total investment of 1 162 million u.a., or an average investment of 1.213 million u.a per project.

The 723 projects which received aid from the Fund represent a total investment of 807 million u.a., or an average investment of 1,116 million u.a. per project.

The average aid granted amounts to 276 500 u.a. per project, that is, on average, 24.8% of the amount of the investment. This percentage is an average only, since certain projects may be financed up to 45% of the amount of the investment.

Production structure projects may be 45% Community-financed. In selecting such projects, the Commission must take account of:

- (a) the market situation in products in products affected by the said projects;
- (b) the economic position of regions in which the projects are to be carried out, particularly the agricultural structure in certain regions of Italy and Luxembourg;
- (c) the need to reserve this possibility for projects which can be profitable only in the long term.

4.1.3 Analysis of projects financed

The 199 943 196 u.a. granted for the 723 projects financed have been allocated as follows:

Table no. 9

Breakdown by category of projects financed by the E.A.G.G.F.
Guidance Section, in 1971

<u>Production structures:</u>	133 092 394 u.a.
of which, for	(66.6%)
- land development	46 812 658 u.a.
- hydraulic engineering and irrigation	25 085 472 u.a.
- afforestation	3 729 446 u.a.
- miscellaneous	57 914 818 u.a.
 <u>Marketing structures:</u>	 59 071 038 u.a.
of which, for	(29.5%)
- cereals	8 213 219 u.a.
- milk products	18 809 889 u.a.
- meat	8 051 761 u.a.
- fruit and vegetables	9 458 928 u.a.
- wine	9 294 647 u.a.
- miscellaneous	5 242 594 u.a.
 <u>Mixed production/marketing structures:</u>	 7 779 764 u.a.
	(3.9%)

4.1.4 Projects presented in 1972

772 new projects were introduced in 1972, to which 144 projects must be added, which were not accepted in 1971 for lack of funds.

Regulation (EEC) no. 847 of 24 April 1972¹ provided for appropriations for 1972 amounting to 150 million u.a. Examination of applications for aid began in January 1973 and decisions were taken in June and November.

¹OJ no. L 100 of 27.4.1972, p. 4

4.1.5 Economic benefit of project financing

Overall assessment since 1964
.....

Decisions to grant aid in respect of 1971 constitute the eighth year of operation for the Guidance Section. Recapitulatory tables of the interventions are annexed hereto, but it may be noted that:

- a total of 2 932 projects amounting in all to 708 657 942 u.a. have received E.A.G.G.F. aid;
- the total volume of investment in respect of which aid was given by the Fund amounts to 3 254 million u.a.;
- 59.9% of the aid granted was used for the improvement of production structures; 35.5% for the improvement of marketing structures; and 4.6% for the improvement of mixed production/marketing structures.

Those figures show how important Guidance Section interventions have been for the improvement of agricultural structures at Community level. The 1971 financial report has already indicated the benefits of the interventions for agricultural producers and for investment guidance .

Interventions by the Fund in 1971
.....

The activity of the Guidance Section was not only important from a quantitative aspect with its 200 million u.a. or so in aid granted. Qualitatively also, the effective aid supplied to carry out projects made it possible to direct investments along lines which favoured the proper functioning of the common agricultural policy.

In order to make clear the benefits accruing from aid by the Guidance Section, the Commission has undertaken a detailed study of the economic effects of projects financed by the Fund. Examples of the results of this study for two sectors - viticultural and the fruit and vegetable sector - are shown in the report.

(a) Viti-vinicultural sector

As regards the improvement of production structures, the scheme for the renewal of vineyards begun several years ago, has been continued.

Table no. 10

Grants made by the Fund for the improvement of production structures in viticulture

Member State	Number of projects	Total grant (u.a.)	Number of hectares renewed
Germany	3	3 429 675	1 706
France	1	1 950 000	3 030
Italy	19	6 652 625	8 322
Luxembourg	3	890 000	192
Total	26	12 922 300	13 250

This principle of improving the wine sector's position is desirable, its purpose being to produce wine of the quality expected by consumers, rather than poor quality wine. With this aim in view, poor quality vines are grubbed and quality vinstocks planted, while improved productivity conditions are introduced (change from mixed crops to single crops, restructuring plantations to facilitate mechanisation). The new vinestocks are selected, where appropriate, in terms of their resistance to vine diseases, which may have disastrous results for producers, since monoculture is often the rule in this sector.

The Guidance Section also helps

- to improve operation of the common organisation of the market in wine, and
 - to increase the producers' income,
- by guiding production towards quality products which find a ready place on the market.

Between 1964 and 1971, the Guidance Section participated financially in the renewal of 75 701 hectares of vineyards, i.e. 135 projects. Having regard to the high cost per hectare of such operations, the Guidance Section's intervention was more often than not decisive in implementing these beneficial measures in the wine sector.

This improvement of production structure in the viti-vinicultural sector was supported by measures for the improvement of marketing and processing structures.

Table no. 11

Analysis of projects financed in 1971 in the viti-vinicultural sector

Member States	Number of projects	Aid granted (u.a.)	Total capacity (hectolitre)
Germany	10	2 774 395	924 456
France	3	316 712	262 656
Italy	30	6 203 540	2 051 450
Total	43	9 294 647	3 238 562

Investment aid in this field makes possible:

- improvements in the wine-making and wine preservation processes and hence the improvement of quality;
- price stabilisation, by adjusting storage capacity to volume of production.

(b) The fruit and vegetables sector

In this sector also, Community interventions, chiefly in marketing and processing, contributed towards improving the marketing of products and producers' income. This sector is characterised by seasonal production, which requires substantial investment in packaging, storage and processing facilities, to avoid excessive price fluctuations.

Under this heading, the Guidance Section participated in the financing of 50 projects in 1971. These concerned either the creation, the extension or the modernisation of facilities, involving a total grant of 9 458 928 u.a.

The handling capacity of the projects which received aid from the Fund is as follows:

Table no. 12

Analysis of projects financed in 1971 relating to the packaging and processing of fruit and vegetables

Member States	Packaging and storage centres		Processing centres	
	Number of projects	Handling capacity (metric tonnes)	Number of projects	Handling capacity (metric tonnes)
Germany	6	6 000	5	55 000
Belgium	4	17 000	3	41 000
France	2	12 000	2	20 000
Italy	23	180 000	1	12 000
Netherlands	4	20 000	-	-
	40	235 000 t	10	128 000

The main regions in receipt of aid were:

- in Germany : Schleswig-Holstein, Baden-Württemberg and Bavaria
- in Belgium : the Northern region
- in France : the South-West and the Centre East
- in Italy : the North-East, Emilia Romagna and Sicily
- in the Netherlands: the Northern region.

Fruit and vegetable producers derive even greater benefit from such investments when these are also the subject of rationalisation at regional level, thus making it possible to organise the marketing of regional production under satisfactory conditions.

This is true for example in the Province of Bolzano in Italy: decisions to grant aid by E.A.G.G.F. cover 13 packaging and storage centres, totalling 79 840 metric tonnes storage capacity. These investments permit the marketing of 116 000 metric tonnes of fruit at satisfactory prices and under the best possible productivity conditions.

There can indeed be little doubt that the possibility thus offered to producers to sell properly graded products of standard quality, in sufficient quantity to supply distant markets, enables them to ensure that their products yield satisfactory returns. For instance, study of the economic effects of setting up a Marketing Centre for table grapes which had been aided by the Guidance Section in a preceding year indicated that the average income of farmers had increased by over 18% as a result of the investment in question, even after allowing for depreciation.

In many cases nevertheless, investments could only be made by farmers as a result of the Fund's intervention which, together with the aid given by Member States, made it feasible to reduce the extra charges payable by beneficiaries.

When preparing the Financial Report for 1973 the Commission will attempt to provide an overall study of all grants made by the Guidance Section, instead of limiting itself to examining the economic benefit of projects in certain sectors.

4.1.6 Criteria for selecting projects

The Commission tries to select projects which are of maximum benefit from the technical and economic point of view. For this purpose, while applying the criteria laid down by Regulation no. 17/64, particular attention is paid to the following:

- the benefit of the project for the region concerned, having regard to possibilities and natural condition of production;
- the benefit of the project for agricultural producers, particularly as regards investments in the marketing and processing sector: increased returns for the products is likely to facilitate stabilisation of and an increase in prices paid to producers;
- the state of the market for the product concerned, certain investments being particularly suited to simplifying the marketing of surplus production, or the development of production of products in short supply.

4.2 Implementation of decisions to grant aid

4.2.1 Payments made in 1972

In 1972, 758 applications for payment in full or in part were transmitted to the Commission (as against 596 in 1971). Of the total figure, 151 were rejected in the first instance because the supporting details were not full or specific enough. Additional information received subsequently enabled in most cases payment to be made in 1972.

1972 payments reached a total figure of 61 059 035 u.a. These cover 233 completed projects and 333 in progress.

Table no. 13

Payments for individual projects in 1972

Member States	Amounts paid
Germany	24 251 268
Belgium	5 355 299
France	12 371 508
Italy	9 630 748
Luxembourg	1 081 331
Netherlands	<u>8 368 881</u>
	61 059 035

A breakdown of these figures by year is shown in Annex XII.

4.2.2 The position of projects financed in 1965, 1966 and 1967

During 1972, aid for 7 projects for the year 1964 which has not been dealt with by 31.12.1971 was successfully terminated or cancelled.

It was therefore necessary to seek authorisation from the Council to add 2 years' carry forward to the 5 years for which automatic carry forward is authorised.

Of 27 projects for the year 1965 which were the subject of a first carry-forward application for Council authorisation, 14 were terminated or cancelled in 1972; and 13 made the subject of a second carry-forward application.

In 1966, authorisation was sought for 85 projects which were uncompleted by the end of 1972. The same applied to one project concerning the allocation for damage caused by the 1967 flooding in Italy, financed in implementation of Regulation no. 206/66.

It should be mentioned in this context that, although in the case of projects financed by the Fund the time period indicated by beneficiaries in their application for aid, as being required to carry out the necessary work, is invariably less than 5 years - the period covered by the automatic carry-forward - nevertheless a fairly substantial number of projects remain uncompleted at the end of the said period.

Carry-forward applications are only presented to the Council, however, provided delays in carrying out the work are fully warranted. In this connection, it should be noted that the grounds for delay most frequently adduced by beneficiaries are either administrative in nature (delays in the granting of building permits or national subsidies) or of a technical nature (difficulty of finding suitable sites, or technological advance).

Details of the position with regard to projects for the years 1964-1965 and 1966 and for the "Italian flooding" projects are shown in Annexes VIII, IX and X, from which it appears that, for the year 1964, 83.86% of appropriations committed were actually paid to beneficiaries and 16.14% cancelled.

The corresponding percentages of appropriations not yet closed but charged under the years 1965 and 1966 are as follows:

1965	:	- actually paid	69.9 %
		- cancelled	19.5 %
		- carried forward to 1973	10.6 %
1966	:	- actually paid	58.2 %
		- cancelled	17.6 %
		- carried forward to 1973	24.2 %.

These tables also show that of 408 projects which received aid, 67 were not carried out, i.e. 3 German, 1 Belgian, 9 French, 52 Italian and 2 Netherlands projects.

4.2.3 Implementation of projects

(a) Modification of projects

In 1972, the Commission adjusted 10 of its decisions relating the grant of aid, since the projects had been amended in such a way that they could no longer be financed on the basis of the initial decisions. This involved substantial technical changes which, however, had no economic consequences, and did not affect the essential character of the project. In these cases, maintenance of aid was warranted. Aid was reduced by a total of 355 636 u.a. in 6 cases, where the technical changes reduced the amount of investment required.

(b) Projects not carried out

In 1972, 32 beneficiaries stated their intention not to carry out their projects, and to forego the aid granted. As a result, an amount totalling 5 391 256 u.a. was cancelled.

(c) Projects carried out in breach of the conditions laid down

In 1972, the Commission cancelled aid granted to two beneficiaries because they failed to observe the conditions laid down by Article 18 of Regulation no. 17/64/EEC relating to the minimum scale of beneficiary participation, and by the actual decision granting aid.

These two projects were the following:

F/9.3/65 : Woodland and pasture land development in the
Northern area of the Villefort -
Groupement forestier de la Fare (La Fare forest
group) - 7 190 u.a.
F/4/64 Building work in the Puy-de-Dôme department
R/18 22 261 u.a.

4.2.4 Aid not taken up

When a beneficiary decides not to carry through a project, the appropriations committed by Commission Decision concerning the grant of aid are cancelled. This applies also to unused appropriations, where the aid paid is less than the aid granted, the actual costs being below estimate. Furthermore, where the beneficiary fails to fulfil the financial or other conditions imposed for his project, and the aid has to be reduced or cancelled, the appropriations concerned are similarly cancelled.

Since Regulation no. 17/64/EEC began to be implemented, appropriations unused for those reasons have risen to 15 284 517 u.a., representing 2.1% of the amount committed by 31.12.1972 for individual projects and the "Italian flooding" projects.

During that period, beneficiaries decided not to carry out 76 projects, representing 11 055 771 u.a., and the aid paid out for 145 projects was 2 447 700 u.a. below the aid allocated, while for 13 projects the sum of 1 781 046 u.a. was cancelled, as the aid had to be withdrawn in part or in full.

4.2.5 Total payments made for individual projects since setting up the E.A.G.G.F.

At 31.12.1972, the total amount of payments on behalf of individual projects was 150 195 660 u.a.

The breakdown of the commitments and payments by year and by Member State is shown in Annex XIV. This reveals the percentage of payments in relation to commitments to be 21%.

If we include the year during which commitments were entered in the account, the percentage of amounts settled for the various Member States are as follows:

Table no. 14

Breakdown of payments committed, as a percentage,
by State and year

Appropriations committed in	EEC	D	B	F	I	L	N
1972	0,23	0	3	0,28	0	0	0
1971	11	23	16	12	0	58	11
1970	24	36	36	24	4	100	54
1969	33	45	38	25	14	100	74
1968	48	71	65	33	30	24	75
1967	58	76	86	57	30	90	83
1966	70	85	99,9	65	47	100	100
1965	84	95	99,6	64	78	-	100
Total	21	31	31	19	9	53	36

The low percentage commitments entered in the account as settled for 1971 and 1972 can be explained by the fact that projects take several years to carry out; the aid granted for these two years therefore applies to projects which are generally only in their initial stages. As in 1971, the rate of settlement in Italy and France remained extremely low.

4.3 Various special measures financed by the Fund

Since the entry into force of Regulation (EEC) no. 729/70 of 21 April 1970, all the measures financed by the Guidance Section other than individual projects have been common measures. Consequently, the special measures financed by the Fund and voted before the entry into force of Regulation no. 729/70, under the rules and regulations adopted by the Council in derogation from Regulation 17/64/EEC, are diminishing in importance.

4.3.1 Special measures

At present, the following special measures will still have financial consequences:

- (a) Aid for the initiation of fruit and vegetable producers' organisations, the Community financing of which is provided for under Article 36(2) of Regulation (EEC) no. 1035/72.

This measure - which is intended to encourage and facilitate the setting up of producers' organisations - is expected to be integrated into the common measures concerning groups of producers and their associations, in respect of which a draft regulation has been presented to the Council.

- (b) Premiums for slaughtering cows and for withholding milk and milk products from the market, for which Community financing is provided under Article 12 of Regulation (EEC) no. 1975/69.

The final date for slaughtering having been fixed at 30.4.1970, while the submission of applications in respect of premiums for withholding from the market has been set at 30.6.1971 - the date by which the position of the milk and milk products market had so improved that the grant of premiums was no longer warranted - the final expenditure by Member States will therefore be incurred in 1975, 50% of which will be reimbursed by the Fund in 1976.

- (c) Premiums for the grubbing of fruit trees, for which Community financing is provided under Article 7 of Regulation (EEC) no. 2517/69.

Since the final date for lodging applications for these premiums is set at 1.2.1973 and in the case of grubbing at 1.4.1973, it is thought that expenditure by Member States will continue until 1974, and that, consequently, final reimbursements from the Fund will take place in 1975.

- (d) Improvement of production and marketing in the common citrus fruit sector, for which Community financing is provided under Article 5 of Regulation (EEC) no. 2511/69.

Since implementation of the programme for the conversion and improvement of marketing structures in this sector has been held up for some 2 years, the initial expenditure charged to the E.A.G.G.F. is to be expected in 1974, and the final expenditure in 1979, i.e. one year following the final date set for implementation of the measures planned.

- (e) Aid for the initiation of organisations in the fishery sector, for which Community financing is provided under Article 22(2) of Regulation (EEC) no. 2142/70.

Just as for the groups of producers in the fruit and vegetables sector, this measure is expected to be integrated into the common measure concerning groups of producers and their associations, which the Council has yet to adopt.

4.3.2 Decisions to grant aid

In 1972, the Commission granted aid for the following measures:

- (a) Premiums for slaughtering and for withholding milk and milk products from the market

The further refund premiums paid by Germany in 1970 relates to additional expenditure brought about by increasing the premium from 500 u.a. to 800 u.a. 1 505 344 u.a.

This additional payment was also a condition for the final grand of aid to Germany for 1972 in respect of expenditure in 1970.

Reimbursement of premiums paid in 1972 by Belgium and Luxembourg

359 358 u.a.

Since the applications presented by Germany, France and the Netherlands were incomplete, no refund on the basis of expenditure declared could be made in 1972, and the appropriations provided for had to be carried forward to the financial year 1973.

As in the previous year, Italy has presented no application for a refund for 1971.

(b) Premiums for grubbing
.....

Refund of premiums paid in 1972 by Belgium, France and the Netherlands

2 557 015 u.a.

Refund of premiums paid in 1972 by Germany and Luxembourg

4 833 539 u.a.

Applications presented by France, Belgium and the Netherlands could not be accorded refunds in 1972 and the appropriations provided for had also to be carried forward to the financial year 1973.

As in the previous year, Italy has presented no application for a 1971 refund.

(c) Aids to groups of fruit and vegetables producers -
.....
Refund of expenditure incurred by Italy in 1970

390 903 u.a.

Regulations stipulate that application for refunds of expenditure incurred by a Member State during a calendar year must be presented to the Commission no later than 31 December of the following year. In practice, such applications are presented just before or even after that final date, so that refund is made with a timelag of almost two years.

In 1972, the Commission was still unable to adopt decisions regarding the refund of expenditure incurred by France in 1967, 1968, 1969 and 1970 and by Germany in 1970, because the applications put forward by the Member States were neither sufficiently complete nor sufficiently precise.

It should be noted that the Netherlands, Belgium and Luxembourg have made no payments to groups of fruit and vegetable producers, since no such groups have been formed in these countries.

4.3.3 Payments

Payments in implementation of decisions to grant aid for the above mentioned special measures were made in 1972. Furthermore, payments to Italy were made on the basis of appropriations committed during preceding financial years: 3 150 379 u.a. for projects concerning the repair of damage caused by flooding in Italy in 1967, and 26 971 u.a. paid in implementation of the Commission Decision of 3.12.1970 on the refund of expenditure for research in the field of swine fever.

In 1972, payments by the Fund therefore rose to 13 001 428 u.a., of which 6.31 million u.a. went to Germany, 1.54 million u.a. to Belgium, 0.37 million u.a. to France, 3.57 million u.a. to Italy, 0.05 million u.a. to Luxembourg and 1.16 million u.a. to the Netherlands.

Since 1966, the total appropriations committed for special measures amount to 224 274 178 u.a., allocated as follows:

Germany	25 253 346 u.a.
Belgium	3 977 514 u.a.
France	10 614 976 u.a.
Italy	173 381 523 u.a.
Luxembourg	7 663 638 u.a.
Netherlands	2 690 929 u.a.

A sum of 692 252 u.a. representing the unused balance of the 8 million u.a. committed for survey of the structure of agricultural holdings, has been cancelled.

The table in Annex XVI shows the amount of appropriations by Member State, allocated to each special measure since 1966.

4.3.4 Supporting evidence for aid fixed on a standard basis

The total amount of aid, fixed on a standard basis, with the obligation to prove its utilisation within a certain period, is 147.3 million u.a. for Italy (i.e. approximately 85% of the amount allocated to it) and 7.5 million u.a. for Luxembourg, or almost the full allocation made to that Member State.

The amounts paid to Italy were intended to improve production and marketing structures in the olive and olive oil sector, the fruit and vegetables sector and the tobacco sector.

In the olives and olive oil sector, and the fruit and vegetables sector, 5 payments, amounting to a total of 132.3 million u.a., were made between 1.8.1967 and 23.12.1971. The time limit for presenting records together with supporting documents was fixed at 31.12.1973 by Regulation no. 1966/71 which lays down that 6-monthly statements should be forwarded. The documents forwarded by 31.12.1972 were not considered, however, to be adequate.

In the tobacco sector, an amount of 15 million u.a. was paid on 10.3.1970. Although the time limit for forwarding records accompanied by supporting documents was set at 31.12.1971, the documents forwarded by 31.12.1972 were not considered adequate.

The Commission invited the Italian government to fulfil its obligations under the Regulations and to communicate details of the stage reached in the work. These details were forwarded on 12 August 1973, and show that the project will be completed during the first half of 1975. At that time, the Italian Government requested an extension until 30 June 1975 of the time limit for forwarding supporting documents.

On 12 October 1970, the sum of 7 500 000 u.a. was paid to the Grand Duchy of Luxembourg for measures to complete the integration of Luxembourg agriculture into the agricultural common market. The time limit for forwarding details of the measures taken, together with supporting documents concerning the expenditure incurred, was set at 1 January 1973. Documents relating to the expenditure of 5.01 million u.a. were forwarded on 28.3.1973. The Luxembourg government stated at the time that it would forward a second supplementary report as soon as the total amount of 7.5 million u.a. had been used up.

The Luxembourg government was asked to give reasons for its delay in using the grant, and to forward details of the stage reached in the work. It was also asked to state the probable date of completion and the probable date for transmission of the final report.

4.4 ContributionsContributions due by Member States

As at 31.12.1972, total appropriations committed were 932 931 620 u.a. which included all the appropriations available for the years 1964 to 1971, i.e. 927 560 804 u.a. (with the exception of appropriations reserved under the years 1969 to 1971 for the financing of common measures) and also part of the appropriations available for the year 1972, or 5 370 816 u.a.

The sum of 692 752 u.a. committed for survey of the structure of agricultural holdings having been cancelled, the appropriations committed for the years 1964 to 1971 amounting to 926.86 million u.a. are allocated as follows among Member States.

Table no. 15Total commitment of appropriations in 1964-1971

(in 1000 u.a.)

Year	Germany	Belgium	France	Italy	Luxembourg	Netherlands	Total
1964	2 558	704	1 951	3 069	-	775	9 057
1965	4 969	755	3 692	5 866	275	1 577	17 134
1966	11 600	3 280	8 924	26 771	899	3 113	54 587
1967	8 863	2 297	5 746	60 675	162	2 296	80 039
1968	27 083	7 192	23 227	56 904	820	7 531	122 757
1969	46 456	11 864	35 999	92 741	101	13 051	200 212
1970	45 877	11 703	35 781	86 682	7 882	13 323	201 248
1971	73 166	15 798	52 484	80 674	1 720	17 992	241 834
	220 572	53 593	167 804	413 382	11 859	59 658	926 868

The corresponding contributions are as follows:

Table no. 16

Breakdown of contributions owed in respect of aid in 1964-1971

(in 1000 u.a.)

Year	Germany	Belgium	France	Italy	Luxem- bourg	Nether- lands	Total
1964	2 536	716	2 536	2 536	18	715	9 057
1965	4 830	1 389	4 449	4 798	37	1 631	17 134
1966	15 988	4 593	13 200	15 285	122	5 399	54 587
1967	25 348	6 363	26 077	14 407	176	7 668	80 039
1968	37 846	9 759	35 919	27 007	270	11 956	122 757
1969	62 466	16 217	64 069	40 643	400	16 417	200 212
1970	62 789	16 301	64 400	40 853	403	16 502	201 248
1971	75 949	19 738	73 414	50 284	483	21 966	241 834
Total	287 752	75 076	284 064	195 813	1 909	82 254	926 868
Total of which actually paid at 31.12.1972:							
	146 353	38 342	143 532	102 923	1 007	43 085	475 252

Although, according to the agreement reached, contributions are claimed only as and when requirements so demand, the amount contributed exceeds by far the amount paid, which totalled 371.3 million u.a. on 31.12.1972. It should not be forgotten, however, that this amount also includes 200 million u.a. representing the starting-up fund provided for the Guarantee Section of E.A.G.G.F. under Council Resolution dated 31.4.1970. This amount has been made available to the Guidance Section in successive sums of 50 million u.a., the last of which was "refunded" during the first half of 1973.

TITLE III

VERIFICATIONS AND IRREGULARITIES

The purpose of this section is to inform the Council and the European Parliament of the methods employed and the results obtained with regard to verifications, irregular operations and their financial consequences.

5. VERIFICATIONS

5.1 General

It should be remembered that verifications of expenditure are made both on the basis of documents supplied by Member States to the Commission, and on the spot - either with agencies responsible for the accounts and possessing detailed supporting documents, or with the beneficiary of Community subsidies.

Verification of records made by the Commission's departments present mainly administrative problems. An examination as to whether expenditure is made in compliance with Community rules depends both on the quality and completeness of the information provided by Member States; and on the staff available and the methods employed to conduct a satisfactory examination. As to inspections on the spot, these require a highly qualified staff, concentrating mainly on questions of this kind.

The Commission, fully aware of serious shortcomings in this respect is attempting to develop new methods. It has informed the Council and the European Parliament, in another document, of its work in this connection.

5.2 Guarantee Section

The Commission's departments first carry out verification of the relevant documents. This includes general checks (that records are complete, and calculations correct); then comes comparison with other available information (for example, previous payments, estimates, information gained from the sections administering the organisation of markets, miscellaneous statistics); and finally an examination involving Community regulations (whether the expenditure is lawful; rates applied). After various adjustments of a minor nature have been carried out, expenditure which seems doubtful is the subject of a thorough study, together with other departments, and later with representatives of the Member States.

With regard to the stage reached in this work, it should be noted that annual applications by Member States concerning 1967/68 and 1971 have been lodged mainly during the latter months of 1972, and that certain verifications of records have been undertaken, but had to be suspended for over 6 months owing to the major effects of enlargement. Work was resumed in the autumn of 1973.

As to on the spot inspections, these could not be systematically undertaken owing to the imbalance between the problems to be dealt with and the staff available. However, three types of visit did take place: some relating to operation of the definitive system, other to verifications of accounts for food aid, and finally, still others, under "related services" in respect of the Community's own resources.

A new form of verification is tending to evolve. This is preventive checking, insofar as national administrations seek the Commission's advice as to the interpretation to be given to certain provisions, before they effect payment. This method seems particularly effective. It ensures improved implementation of Community rules, and reduces the number of problems arising when accounts are finally made up.

5.3 Guidance Section

During 1972, 7 projects were the subject of on the spot inspections; this represent 5% of the projects completed in 1972. Payment was effected for 5 of these.

On the other hand, when verification of the project termed "Setting up of a dairy in Château-Contier - F/150/69" was carried out - owing to the fact that estimates and results did not tally - it was found that not only were the premises built not used for pre-packaging cheese in portions, but for storing powdered milk, part of the project specifically excluded from financing by the Fund, - but also that the work had been started almost 9 months before application was made for aid. The Commission consequently adopted a decision on 14.9.1973 whereby aid amounting to 107 135 u.a., which had been granted for the project, was cancelled. As an initial payment of 358 317 FF had already been made to the beneficiary, on the basis of documents which made it impossible to discover the actual situation described above, the Commission will effect recovery of this sum.

In the case of the project termed "Construction of 136 stables in the lower Neto Valley - I/43.3/65", further information is still required to enable payment to be made.

A certain reduction can be observed in the number of on the spot inspections in 1972, as compared with 1971, when 14% of the projects completed were the subject of such inspection. This is due to the larger number of applications for payment presented for examination, and also to the need to carry out on the spot inspections for expenditure on special measures.

These latter inspections are made at the agencies responsible for the project. The purpose is principally to examine, in situ, the documents forming the basis of the data contained in applications for payment, but also to obtain information as to whether the various national authorities are correctly interpreting and applying Community rules.

The following special measures have been the subject of checks:

- (a) Aid to groups of fruit and vegetable producers pursuant to Regulation (EEC) no. 1035/72.

In this connection, expenditure declared by the Federal Republic of Germany for North Rhine-Westphalia and Baden-Württemberg was verified.

- (b) Premiums for the grubbing of fruit trees, pursuant to Regulation (EEC) no. 2517/69.

In this connection expenditure declared by the Federal Republic of Germany for North Rhine-Westphalia and Baden-Württemberg was verified.

- (c) Premiums for slaughtering cows and withholding milk and milk products from the market, pursuant to Regulation (EEC) no. 1975/69.

In this connection, expenditure declared by France in the Departments of Calvados and the Seine-Maritime was verified.

This first experiment has shown that the Member States concerned have in the main observed Community rules. Nevertheless, slight differences have been recorded in implementing the provisions for certain measures, even within a single Member State, such as, for instance, between "Länder" or between "départements". Involved are both differences of interpretation, and differences resulting from the application of Community provisions, which are sometimes very demanding. Where it proved necessary Member States were invited to provide further details or to adjust their requests for refund.

Checks made by the Community on special measures could only be carried out on the basis of limited sampling. It should be mentioned here that checks carried out by Member States on the above measures (and this will apply also to common measures) are generally more complicated than checks on individual projects, since the expenses involved are more varied, affect a larger number of people and involve a greater number of official bodies.

6. IRREGULARITIES

6.1 General principles

Article 8 of Regulation no. 729/70 deals with the financial consequences of irregular transactions and contains in particular the following provisions:

- Community responsibility for losses resulting from irregularities;
- obligation of Member States to take all measures required to prevent and deal with irregularities, and to effect recovery of sums lost;
- implementation measures with the dual purpose of providing certain details, and of organising relations between Member States and the Commission.

Those provisions have been implemented by Regulation no. 283/72¹, adopted by the Council on 7 February 1972. This Regulation contains the main three types of measure:

- (a) communication to the Commission of the provisions laid down by law, regulation or administrative action, concerning measures adopted by Member States to satisfy themselves that transactions financed by the Fund are actually carried out and correctly executed, to prevent and deal with irregularities, and to recover sums lost as a result of irregularities or negligence (Article 2);
- (b) creation of an information system containing the following two sections:
 - the quarterly transmission of a list of irregularities which have been the subject of the primary administrative or judicial findings of fact, and the provision, at regular intervals, of information concerning the procedures instituted with a view to recovering sums wrongly paid, until their recovery (Articles 3 and 5);

¹ OJ no. L 36 of 10.2.1972, p. 36

- communication, without delay, to the Commission and to the other Member States concerned, of any irregularities which are liable to have effects very quickly outside of the Member country involved, or which show that a new fraudulent practice has been adopted (Article 4).

(c) institution of an administrative inquiry where the Commission considers that irregularities or negligence have taken place in one or more Member States (Article 6).

6.2 Communication of provisions laid down by law, regulation or administrative action

As regards the laws of Member States, the Commission received the last communication from Member States of the Community, as originally composed, during the month of June, 1973. As mentioned in the report for 1971, the delay is due to certain administrative difficulties resulting from the very diversity of E.A.G.G.F. expenditure, and the number of national departments coming within the numerous provisions laid down by law and regulation.

As regards the new Member States, the United Kingdom has so far forwarded details of a number of legal and administrative provisions. Examination of the data transmitted by Member States has been undertaken, but is far from complete, owing to the number and complexity of the many national provisions. It is already evident, however, that legal differences between Member States in this connection are at times considerable. Apart from possible discriminations amongst Community debtors, these differences between Member States may encourage unscrupulous operators to give preference to certain Member States whose laws provide the most loopholes, when exercising their fraudulent activities.

National laws governing deferment or remission of debts are examined first, since pursuant to Article 8 of Regulation no. 729/71, amounts not recovered are chargeable to the Community.

6.3 Statements by Member States concerning irregularities

The quarterly lists transmitted in accordance with Regulation no. 283/72 setting out irregularities which have been the subject of the primary administrative or judicial findings of fact must contain information on several points. This as a rule concerns the practice adopted in committing the irregularity; the manner in which it was discovered; the financial consequences and possibilities of recovery (Article 3). Since a long time often relapses between discovery of an irregularity and recovery of the sums wrongly paid, Member States must communicate at the same intervals - i.e. quarterly - the progress made towards effecting recovery in cases already notified and contained in the said quarterly lists. In this context, communications must contain information as to the progress of recovery procedure, i.e., in particular, amounts already recovered or, possibly, the reasons for abandoning legal proceedings (Article 5).

Regulation no. 283/72 was not adopted until 1972, and Member States had initial difficulties in making declarations. The transmission of information concerning the year 1971 had therefore to be effected in a single operation. The data for the first two quarters of 1972 were also sent together.

Generally speaking, the information supplied by this method is not always detailed enough to allow of thorough processing, particularly as regards fraudulent practices. The E.A.G.G.F. has sometimes had to request Member States to supply fuller details.

6.4 Information supplied concerning the Guarantee Section

As regards cases of irregularity notified since 1971, the position as at 15.7.1973 was as follows:

6.4.1 Irregularities recorded in 1971

Of the 9 cases of irregularity reported by Member States concerning the Guarantee Section, 5 have been closed. So far 8 009 459.22 u.a. have been successfully recovered out of a total of 8 505 373.88 u.a. wrongly paid. 495 914.66 u.a. are now in process of recovery.

It may be mentioned nevertheless that neither Belgium nor Italy had forwarded their statement of irregularities to the Commission. The procedure under Article 169 of the Treaty, in respect of the non-observance of Articles 3 and 5 of Regulation no. 283/72 was instituted (despatch of statements of irregularities and recovery procedures). Italy and Belgium have made it known, quite recently, however, that for the year 1971 they had no irregularities in the Guarantee Section to communicate.

6.4.2 Irregularities recorded in 1972

The number of Guarantee Section irregularities listed is 33, of which 24 have been settled. The total sum wrongly paid is 2 125 821.15 u.a., and the total amount so far recovered 662 000.45 u.a.; 1 435 094.95 u.a. are in process of being recovered. 10 of the cases which are closed involved attempted fraud, totalling 26 124.87 u.a. Since the irregularity was discovered before payment was made, these cases required no procedure for recovery. No attempt will be made to recover a total of 2 600.88 u.a., concerned in two cases of presumed fraud as the expenditure proved lawful on investigation.

For the year 1972, the Commission recorded delays in the transmission of communications under Articles 3 and 5 of Regulation no. 283/72 (despatch of statements of irregularities and recovery procedures). The Commission also initiated proceedings as provided for by Article 169 of the Treaty in respect of non-compliance with the obligations deriving from the afore-mentioned provisions against two Member States. As mentioned for the year 1971, however, Italy and Belgium recently forwarded a declaration stating that no irregularities were discovered for 1972.

Table no. 17Communications relating to the years 1971 and 1972 for the Guarantee Section

	Germany	France	Netherlands	Total
Number of cases listed	22	5	15	42
Total amount (u.a.)	8 947 007.03	1 369 360	314 828	10 631 195.03
Number of cases settled	14 ¹	1	14	29
Amount recovered (u.a.)	8 651 155.70	2 538	17 765.97	8 671 459.67
Attempted frauds	-	-	(10)	(10)
Amount recovered (u.a.)	-	-	26 124.87	26 124.87
Cases pending	8	4	1	13
Amount to be recovered (u.a.)	293 250.45	1 366 822	270 937.16	1 931 009.61

¹ including 2 cases which did not give rise to proceedings for recovery since the expenditure of 2 600.88 u.a. proved lawful on investigation.

Note:

It should be noted, for purposes of information, that so far 20 cases have been reported for the first quarter of 1973, 3 of which have been closed. The total amount wrongly paid comes to 401 180.91 u.a., of which 7 134.45 u.a. have already been recovered. Recovery of the remainder is under way.

6.4.3 Irregularities relating to the periods 1967/68 - 1970

The procedure to be followed in respect of communications is governed by Article 5 of Commission Regulation (EEC) no. 773/72¹. Pursuant to paragraph 1 of that Article, Member States have communicated to the Commission cases of irregularities already closed but relating to the period 1967/68, when forwarding their applications for reimbursement of definitive aid for the said accounting period. The list of irregularities not yet closed at 31.12.1972 however in respect of the period 1967/68 to 1970, to be transmitted during the first quarter of 1973 under Article 5(2), has so far only been communicated by two Member States.

In two cases the provision of Article 4 was applied whereby communication is made without delay to the other Member States concerned and to the Commission of any irregularities which are liable to have effects very quickly outside the territory of the Member State involved or which show that a new fraudulent practice has been adopted. This has given rise to meetings organised by the Commission to seek an agreed solution.

¹ OJ no. L 97 of 24.4.1972, p. 1

6.5 Information transmitted concerning the Guidance Section

Since Regulation (EEC) no. 283/72 covers expenditure by the E.A.G.G.F., except in relation to individual projects, the communication of irregularities by Member States, as provided for in Article 3 of that Regulation, relates to expenditure by the Guidance Section on special measures.

Information transmitted in 1973 indicates that in 1971 and 1972 all the irregularities mentioned related to premiums paid for withholding milk and milk products from the market, under Regulation (EEC) no. 1975/69.

Table no. 18

Communications in respect of the years 1971 and 1972 - Guidance Section

	Germany	France	Netherlands	Total
Number of cases notified	30	40	10	84
Total amount (u.a.)	63 200	140 250	28 200	231 650
Number of cases settled	23 ¹	27	3 ¹	53
Amount recovered (u.a.)	44 449	89 925	3 124	141 948
Cases of force majeure ²	-	-	2	2
Amount concerned (u.a.)	-	-	4 450	4 450
Cases pending	8 ¹	17	6 ¹	31
Amount to be recovered (u.a.)	18 715	50 325	20 626	89 702

¹ partly settled

² declared by mistake as "irregularity".

Two Member State (Belgium and Italy) did not communicate any irregularities and in this connection it should be remembered that premiums for slaughtering, withholding from the market, and the grubbing of fruit trees were not applied in Italy.

The Grand Duchy of Luxembourg reported that there were no irregularities to be notified.

6.6 Initiation of inquiries at the Commission's request

In three cases, the Commission applied the provisions for an administrative inquiry where irregularities or negligence were considered to have taken place in one or more Member States (Article 6). One of these cases has, in the interim, been closed. In another case, the State concerned has not pursued the matter. Consequently, proceedings for infringement of the rules have been launched under Article 169 of the Treaty. In the third case, the reply of the Member State concerned arrived in September 1973 and the infringement proceedings are suspended provisionally, pending the conclusions to be drawn from that reply. By way of preparation for possible proceedings under this Article, the Commission also requested information in two cases where irregularities could have occurred. Examination of those cases by the Member States concerned has not yet been completed.

6.7 Other activities

In this section of the report it should be noted that Article 7(4) of Regulation no. 283/72 also governs cases where application of certain provisions in force would reveal gaps which prejudice Community interests. The paragraph concerned provides for consultations at Community level, where appropriate, to remedy the situation. Under this provision one case has been communicated.

Following this communication, a Community Regulation was amended, to make the committing of irregularities more difficult

TITLE IV

IMPLEMENTATION OF FOOD AID FINANCING

1972 was marked in this sector by the progressive establishment of financial machinery similar to that in the Guarantee Section and by a start, after some delay, on financing various operations.

7. FINANCIAL ADMINISTRATION OF FOOD AID

7.1 The various sources of financing provided for in the Budget

Following various Council decisions, Community financing of food aid was ensured in 1972 by means of appropriations coming under different budget headings, depending upon the nature of the expenditure involved. Thus:

- the Guarantee Section of the E.A.G.G.F. financed fob refunds, agreed on at the time when gifts of cereals were made and milk products provided out of public intervention stocks;
- the actual value of the cereals offered within the framework of Community measures and of the supplies of milk products bought on the market, and donations of sugar were charged under the budget heading "Food aid";
- the expenses incurred under emergency aid between the "fob" and the "cif" stages and also, exceptionally, the aid in the form of cereals and rice, granted to Bengali refugees in India, were financed under Chapter XIV of the budget: "Aid, subsidies and participation".

Administration of these appropriations was centralised, however, in the Guarantee Section of the E.A.G.G.F., despite the budgetary origin of the said appropriations.

The system of advance payments established by the Guarantee Section as from 1.1.1971 was extended under "Food Aid", initially for individual cases in the various aid sectors, particularly for milk products¹ on 28.2.1972, and for sugar² on 10.7.1972, and then on 3.8.1972 to cereals offered within the framework of the 1971 Food Aid Convention³. Financial procedures similar to those in the Guarantee Section were introduced by Article 115 of the Financial Regulation of 25 April 1973 applicable to the general budget of the Communities⁴.

The machinery and procedures applied in granting advances and making up accounts were modelled on those of the Guarantee Section. Thus, in addition to advances decided monthly to cover aid expenditure coming under the Guarantee Section, advances were made of 8 million u.a. on 29.12.1972 against appropriations under the heading of "Food Aid", in respect of gifts of cereals (1971/72 programme); of 21.4 million u.a. in respect of gifts of powdered skimmed milk; and 1.1 million u.a. in respect of gifts of sugar⁵.

¹ cf. Reg. 442/72, OJ no. L 54 of 3.3.72, p. 1

² cf. Reg. no. 1475/72, OJ no. L 157 of 13.7.1972, p.3

³ cf. Reg. no. 1703/72, OJ no. L 180 of 8.8.1972, p. 1

⁴ cf. Reg. no. 73/91, OJ no. L 116 of 1.5.1973, p. 27

⁵ Powdered skimmed milk WFP and IRCC - 35 000 metric tons (B F N)
Sugar - 4 000 metric tons - Refugees UNRWA (N).

7.3 Refunds made

7.3.1 Refunds for aid measures in the form of cereals, 1968/69

As regards implementation of the Convention on cereal aid of 1967, the Commission decided on 29.12.1972 to refund the "Gift Sector" of expenditure resulting from Community measures under the 1968/69 programme. This amounted to 18 842 681 u.a. and covered the grant of 301 000 metric tons of cereal equivalent, 24 600 of which were allotted to emergency aid. Those expenses were covered by financial contributions from Member States calculated in proportion to their quantitative participation in the Community measures. This is the only form of aid effected by "clearing", since financing is subsequently carried out by the own resources system. The result of the "clearing" is as follows:

Table no. 19

Financing of Community measures under the 1968/69 programme
(1967 Convention)

Member States	Amount of refund in u.a.	Participation of M.S. metric tons %	Contribution in u.a.	Balance in u.a. (-) debit (+) credit
B	1 257 927	23 000 7.64	1 439 581	181 654
D	9 127 589	91 500 30.4	5 728 175	+ 3 399 414
F	2 118 004	91 500 30.4	5 728 175	- 3 610 171
I	5 398 902	65 000 21.6	4 070 019	+ 1 328 883
L	-	2 000 0.66	124 362	- 124 362
N	<u>940 259</u>	<u>28 000</u> <u>9.3</u>	<u>1 752 369</u>	- <u>812 110</u>
CEE	18 842 681	301 000 100	18 842 681	-

It should be remembered that refunds, charged to the Guarantee Section, for expenditure in respect of fob restitutions deriving from aid measures has been excluded from this section. Such expenditure forms part of the Guarantee Section's normal operations.

Again refunds, under Chapter XIV of the Budget, of expenses incurred for emergency aid between the fob and cif stages have been made directly, on the strength of appropriate supporting documents, to "Diakonisches Werk" and the International Red Cross Committee (IRCC) through which those operations were carried out.

7.3.2 Refund of expenses relating to Bengali refugee aid

The Commission also decided on 29.12.1972 as to the amount of Community financing for expenditure incurred by Belgium and Italy in respect of aid involving 7 000 metric tons of cereals and 43 000 metric tons of rice respectively for Bengali refugees in India.

These emergency measures carried out through the I.R.C.C. come under the Cereal Aid Convention of 1971 (1971/72 programme), but in view of the urgency of the measures¹, decided upon before adoption of the financial regulation applicable to the 1971 Aid Convention², and before the Community became a party to the Convention, the Council decided in July 1971 that these measures would be financed under Chapter XIV, Article 145, appropriations, plus an additional transfer from the Title "Food Aid".

For this purpose, advances of 4.66 million u.a. and 0.35 million u.a. were granted on 11.10.1971 and 3.12.1971 for Italy and Belgium respectively. Since the actual expenditure was less than these amounts by 102 304 u.a. and 167 u.a. respectively, the operation was regularised by debit entries in the accounts relating to the two Member States concerned in accordance with existing rules.³

¹ cf. Reg. no. 1552/71 of 19.7.1971, OJ L 164 of 22.7.1971, p.3

² cf. Reg. no. 1703/72 of 3.8.1972

³ cf. the Commission decision of 10.11.1971, Article 3

COMMISSION OF THE EUROPEAN COMMUNITIES

Volume II - Annex to Report

- A. Statistical tables and figures concerning
the Guarantee Section

- B. Statistical tables and figures concerning
the Guidance Section

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A. STATISTICAL TABLES AND FIGURES CONCERNING
THE GUARANTEE SECTION

ANNEX I

Funds made available in 1972 to Member States for
payment of expenditure by the Guarantee Section

Financial year 1972

(in u.a.)

Date of decision	Belgium	Germany	France	Italy	Luxembourg	Netherlands	Total
17.12.1971	6 000 000	31 000 000	100 000 000	60 000 000	100 000	18 000 000	215 100 000
26.1.1972	8 000 000	38 000 000	78 000 000	32 000 000	150 000	17 000 000	173 150 000
15.2.1972	13 000 000	35 000 000	97 000 000	5 000 000	120 000	26 000 000	176 120 000
24.3.1972	8 000 000	43 000 000	60 000 000	-	140 000	16 500 000	127 640 000
26.4.1972	7 000 000	47 000 000	59 000 000	100 000 000	180 000	27 000 000	240 180 000
25.5.1972	15 500 000	40 000 000	45 000 000	80 000 000	130 000	21 000 000	201 630 000
20.6.1972	11 000 000	46 000 000	52 000 000	-	130 000	28 000 000	137 130 000
20.7.1972	17 000 000	47 000 000	55 000 000	23 000 000	70 000	16 000 000	158 070 000
18.8.1972	16 000 000	40 000 000	73 000 000	15 000 000	210 000	30 000 000	174 210 000
21.9.1972	7 000 000	16 000 000	83 000 000	8 000 000	160 000	43 000 000	157 160 000
23.10.1972	13 000 000	39 000 000	88 000 000	80 000 000	120 000	31 000 000	251 120 000
21.11.1972	12 000 000	40 000 000	40 000 000	-	120 000	28 000 000	120 120 000
22.12.1972	-	32 000 000	86 000 000	20 000 000	120 000	35 000 000	173 120 000
Total advances	133 500 000	494 000 000	916 000 000	423 000 000	1 750 000	336 500 000	2 304 750 000
Total amounts available: 1.1.1972	7 230 458	10 329 475	9 341 361	216 375 845	99 041	8 921 497	252 297 676
Total	140 730 458	504 329 475	925 341 361	639 375 845	1 849 041	345 421 497	2 557 047 676

ANNEX II

Dates of implementation of the decisions to grant advances under EAGGF-Guarantee

Date of the decision	Date of im plementation					
	Belgium	Germany	France	Italy	Luxembourg	Netherlands
17 December 1971	21 January 1972	4 January 1972	{23.12.1971 - 33 million {3.1.1972 - 67 million	1 February 1972	11 January 1972	23 December 1971
26 January 1972	31 January 1972	31 January 1972	31 January 1972	1 February 1972	31 January 1972	31 January 1972
15 February 1972	{17.2.1972 3 million {22.2.1972 6,5 million {7. 3.1972 3,5 million	{22.2.1972 1,7 million {7.3.1972 33,3 million	{29.2.1972 63 million { 7.3.1972 34 million	{22.2.1972 3,2 million {16.3.1972 1,8 million	{22.2.1972 80.000 {7.3.1972 40.000	21 February 1972
24 March 1972	24 March 1972	24 March 1972	24 March 1972	-	25 March 1972	24 March 1972
26 April 1972	28 April 1972	28 April 1972	28 April 1972	28 April 1972	28 April 1972	28 April 1972
25 May 1972	26 May 1972	25 May 1972	25 May 1972	25 May 1972	25 May 1972	25 May 1972
20 June 1972	21 June 1972	21 June 1972	21 June 1972	-	21 June 1972	21 June 1972
20 July 1972	26 July 1972	26 July 1972	25 July 1972	25 July 1972	25 July 1972	27 July 1972
18 August 1972	22 August 1972	22 August 1972	22 August 1972	22 August 1972	22 August 1972	22 August 1972
21 September 1972	22 September 1972	22 September 1972	22 September 1972	22 September 1972	22 September 1972	25 September 1972
23 October 1972	25 October 1972	25 October 1972	25 October 1972	25 October 1972	25 October 1972	25 October 1972
21 November 1972	21 November 1972	21 November 1972	22 November 1972	-	27 November 1972	27 November 1972
22 December 1972	-	22 December 1972	22 December 1972	22 December 1972	22 December 1972	22 December 1972

ANNEX III

Funds available to Member States at the end of each month

Financial year 1972

(in million u.a.)

Member State	Description of item	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Jan.
Belgium	Accumulated advances	13.2	21.2	34.2	42.2	49.2	64.7	75.7	92.7	108.7	115.7	128.7	140.7	140.7
	Accumulated expenditure	12.0	21.4	30.1	39.7	47.4	62.4	74.2	78.0	88.3	99.2	107.4	120.7	128.1
	Balance available	1.2	- 0.2	4.1	2.5	1.8	2.3	1.5	14.7	20.4	16.5	21.3	20.0	12.6
Germany	Accumulated advances	41.3	79.3	114.3	157.3	204.3	244.3	290.3	337.3	377.3	393.3	432.3	472.3	504.3
	Accumulated expenditure	34.3	77.4	117.3	158.5	206.2	245.3	278.8	311.1	341.2	377.9	418.9	460.4	492.4
	Balance available	7.0	1.9	- 3.0	- 1.2	- 1.9	- 1.0	11.5	26.2	36.1	15.4	13.4	11.9	11.9
France	Accumulated advances	109.3	187.3	284.3	344.3	403.3	448.3	500.3	555.3	628.3	711.3	799.3	839.3	925.3
	Accumulated expenditure	79.0	150.9	246.9	313.4	377.6	440.6	496.5	551.0	611.3	691.3	755.9	823.4	913.4
	Balance available	30.3	36.4	37.4	30.9	25.7	7.7	3.8	4.3	17.0	20.0	43.4	15.9	11.9
Italy	Accumulated advances	276.4	308.4	313.4	313.4	413.4	493.4	493.4	516.4	531.4	539.4	619.4	619.4	639.4
	Accumulated expenditure	71.5	143.3	194.7	255.7	296.8	355.1	383.2	410.5	477.7	512.2	537.5	608.1	573.6
	Balance available	204.9	165.1	118.7	57.7	116.6	138.3	110.2	105.9	53.7	27.2	81.9	11.3	65.8
Luxembourg	Accumulated advances	0.20	0.35	0.47	0.61	0.79	0.92	1.05	1.12	1.33	1.49	1.61	1.73	1.85
	Accumulated expenditure	0.18	0.34	0.41	0.58	0.72	0.92	1.01	1.13	1.29	1.42	1.61	1.69	1.90
	Balance available	0.02	0.01	0.06	0.03	0.07	-	0.04	- 0.01	0.04	0.07	-	0.04	- 0.05
Netherlands	Accumulated advances	26.9	43.9	60.9	86.4	113.4	134.4	162.4	178.4	208.4	251.4	282.4	310.4	345.4
	Accumulated expenditure	19.3	40.3	60.3	79.0	100.5	123.3	148.2	175.6	203.5	238.0	272.9	304.6	337.1
	Balance available	7.6	3.6	9.6	7.4	12.9	11.1	14.2	2.8	4.9	13.4	9.5	5.8	8.3

¹ Taking account of corrections, reducing expenditures, (62 022 600.54 u.a.) notified in May and June 1973

ANNEX IV

Development of expenditure of the EAGGF - Guarantee Section
from 1962 to 1972

<u>Periods</u>	<u>Expenditure in million u.a.</u>
1962/63	28.723
63/64	50.690
64/65	159.864
65/66	238.635
66/67	395.540
67/68	1 039.064
68/69	1 642,628
2nd half of 1969	1 668.868
1970	2 504.157
1971	1 571.-
1972	2 446.- ¹

¹ Financial year 1972 = 13 months; 1972 : 2 330 million u.a.

ANNEX V - Development of expenditure of the Guarantee Section of EAGGF by sector

Sector		Average 1968/69	1970	1971	1972	
a		b	c	d	e	
Mains sectors under the common organisation of markets before 1.1.1970	Cereals	713	900	474	908	
	Milk products	670	993	566	574	
	Fats and oils	274	281	113	336	
	Sugar	170	193	110	152	
	Pigmeat	45	43	52	50	
	Total A	1 872	2 410	1 315	2 020	
Other sector	1. under the c.o.m. before 1.1.1970	Eggs and poultry	6	17	12	12
		Beef and veal	19	31	19	7
		Rice	12	52	50	50
		Fruit and vegetables	34	58	54	61
		Products outside Annex II	18	25	18	21
		Total B1	89	183	153	151
	2. under c.o.m. after 1.1.1970 and before 31.12.1972	Wine	-	-	28	58
		Tobacco	-	6	74	38
		Fishery products	-	-	pm	1
		Hemp and flax	-	5	1	11
		Seeds	-	-	-	pm
Hops	-	-	-	-		
Silkworms	-	-	-	-		
Total B2	-	10	103	158		
Total B		89	193	256	309	
Other sectors		-	-	-	-	
Compensatory amounts in respect of intra- Community trade	monetary	-	-	-	-	
	accession	-	-	-	-	
Total C		-	-	-	-	
Grand Total A + B + C		1 961	2 604	1 571	2 329	

ANNEX VI

Breakdown of expenditure for the year 1972 by sector according to the economic character of the measures¹

(in million u.a.)

Sectors	Amount of expenditure	Breakdown according to the economic character of the transactions								Other
		Refunds on exports to non-member countries	Storage as such	Food gifts	Withholding from markets	Aid by way of compensation for world prices and for prices of substitute products, where applicable			Total	
						General compensation		Compensation for specific use on the domestic market		
						total or quasi-total	partial			
a	b	c	d	e	f	g	h	i	j	k
Cereals	908.2	555.8	54.0	-	-	-	109.6 (1)	188.8 (2)	298.4	-
Rice	50.4	47.9	1.0	-	-	-	-	1.5	1.5	-
Milk products	573.7	155.8 (3)	63.6	50.5 (4)	-	29.4 (5)	3.9 (6)	270.5 (7)	303.8	-
Olive oil	236.2	1.0	0.1	-	-	235.1	-	-	235.1	-
Oil seeds	99.6	4.3	-	-	-	95.3	-	-	95.3	-
Sugar	151.7	65.8	78.3 (8)	p.m.	-	-	-	7.6 (9)	7.6	-
Beef and veal	7.4	7.4	-	-	-	-	-	-	-	-
Pigmeat	49.5	49.3	0.2	-	-	-	-	-	-	-
Eggs/poultry	11.8	11.8	-	-	-	-	-	-	-	-
Fruit/veget.	61.4	33.1	-	-	21.3	-	-	-	-	7.0
Wine	57.7	0.3	28.3	-	-	-	-	-	-	29.1 (12)
Tobacco	88.5	-	-	-	-	88.5	-	-	88.5	-
Flax/hemp	10.6	-	0.5	-	-	10.1	-	-	10.1	-
Fishery prod.	1.1	0.4	-	-	0.7	-	-	-	-	-
Seeds	0.1	-	-	-	-	0.1	-	-	0.1	-
Hops	-	-	-	-	-	-	-	-	-	-
Silkworm	-	-	-	-	-	-	-	-	-	-
Products outside Annex II	21.3	21.3	-	-	-	-	-	-	-	-
Comp. amount in respect of intra-Comm. trade	-	-	-	-	-	-	-	-	-	-
Accession monetary	-	-	-	-	-	-	-	-	-	-
(1)	2329.2	954.2	226.0	50.5	22.0	458.5	113.5	465.4	1080.4	36.1
%	100	40.97	9.70	2.17	0.94	19.58	4.87	20.11	44.07	1.55

¹ Expenditure for the financial year 1972, which includes January 1973, amounts to 2 446 million u.a.

Annex VI (cont.)

- (1) mainly aid for durum wheat (107.9 million u.a.)
- (2) production refund for starches (118.7 million u.a., of which about 43 for potato starch) and premiums for denaturation or incorporation of bread-making cereals in animal feeding stuffs (69.8 million u.a.)
- (3) expenditure for export of ghee ex intervention stocks (about 11.7 million u.a.) + refunds properly speaking 144.1 million u.a.
- (4) supply by way of gift to developing countries or to countries victims of disasters:
16 000 metric tons butter
20 000 metric tons milk powder
- (5) aid for casein
- (6) aid for butter consumption of 100 u.a., of which 50% financed by Guarantee
- (7) aid for skimmed milk for animal feedingstuffs (224.2 u.a.) and aid for the use of butter under certain conditions on the internal market (46.3 million u.a.)
- (8) almost all covered by storage levies
- (9) refund on utilisation in the chemical industry and subsidy for utilisation in animal feedingstuffs
- (10) refining subsidies
- (11) special measures for the promotion of Community citrus fruit, the processing of certain varieties of oranges and aid for the distribution, free of charge, of products withdrawn from the market; this figure could have been shown under column (i).
- (12) compulsory distilling of by-products of wine-making and table wine; this expenditure can be included as aid.

ANNEX VII

DETAILS OF EXPENDITURE PAID OR DECLARED APPEARING IN TABLE No. 4¹
FOR FINANCIAL YEAR 1972

SECTOR AND HEADING	REFUNDS	INTERVENTIONS	TOTALS	\$ 1972	\$ 1971
<u>CEREALS</u>					
Export refunds	615.930 513.86				
Denaturing premiums		75 990 179.93			
Production refunds		127 085 215.05			
Aid to durum wheat		121 600 873.44			
Annual carry-over payments		14 199 395.24			
Storage		40 482 711.96			
Subsidies for fodder cereals imported into Italy		1 887 649.22			
CEREALS TOTAL	615 930 513.86	381 246 027.84	997 176 541.70	40.76	30.16
<u>RICE</u>					
Export refunds	47 989 638.00				
Interventions		2 487 936.21			
RICE TOTAL	47 989 638.00	2,487 936.21	50 477 574.21	2.06	3.17
<u>MILK AND MILK PRODUCTS</u>					
Export refunds	166 730 591.15				
Aid to skimmed milk for animal feedingstuffs		236 584 290.51			
Aid to skimmed milk processed as casein		31 237 954.62			
Storage of skimmed milk powder		17 364 305.81			
Storage of cheese		—			
Storage of butter		158 640 898.94			
MILK AND MILK PRODUCTS TOTAL	166 730 591.15	443 827 149.88	610 558 041.03	24.96	35.03

ANNEX VII (Cont.)

SECTOR AND HEADING	REFUNDS	INTERVENTIONS	TOTALS	1972	1971
<u>FATS AND OILS</u>					
Refunds for exporting olive oil	982 742.60				
Aid to the production of olive oil		186 792 028.81			
Other interventions for olive oil		162 554.75			
Refunds for the export of oil seeds	4 525 894.57				
Aid to the production of oil seeds		99 955 992.52			
Other interventions for oil seeds		—			
FATS AND OILS TOTAL	5 508 637.17	286 920 576.08	292 429 213.25	11.95	7.19
<u>SUGAR</u>					
Export refunds	69 612 380.80				
Denaturing premiums		3 754 261.74			
Refunds for use in the chemical industry		4 360 872.01			
Repayment of storage expenses		23 395 710.92			
Public storage		20 284.36			
SUGAR TOTAL	69 612 380.80	91 541 129.03	161 153 509.83	6.59	7.02
<u>BEEF AND VEAL</u>					
Export refunds	7 931 342.33				
Interventions		—			
BEEF AND VEAL TOTAL	7 931 342.33	—	7 931 342.33	0.33	1.21
<u>PIGMEAT</u>					
Export refunds	55 393 705.05				
Interventions		219 179 03			
PIGMEAT TOTAL	55 393 705.05	219 179 03	55 612 884.08	2.27	3.33

ANNEX VII (cont.)

SECTOR AND HEADING	REFUNDS	INTERVENTIONS	TOTALS	% 1972	% 1971
<u>EGGS AND POULTRY</u>					
Refunds for exporting eggs	3 293 806.66	-			
Refunds for exporting poultry	10 477 261.55				
EGGS AND POULTRY TOTAL	13 771 068.21	-	13 771 068.21	0.56	0.76
<u>FRUIT AND VEGETABLES</u>					
Refunds for exporting fresh fruit and vegetables	31 906 428.14				
Refunds for exporting processed prod.	1 632 937.65				
Financial compensation and purchases		21 358 848.42			
Special measures		4 091 079.00			
Other interventions		2 839 889.02			
FRUIT AND VEGETABLES TOTAL	33 539 365.79	28 339 816.44	61 879 182.23	2.53	3.43
<u>WINE</u>					
Export refunds	513 200.04				
Aid to private storage		28 214 575.72			
Other interventions		27 226 502.71			
Obligatory distillation of the by- products of wine-making		1 065 556.94			
WINE TOTAL	513 200.04	56 506 635.37	57 019 835.41	2.33	1.80
<u>TOBACCO</u>					
Export refunds	-				
Premiums to encourage selection		100 853 584.75			
Storage		1 098 738.48			
TOBACCO TOTAL	-	101 952 323.23	101 952 323.23	4.37	4.67

ANNEX VII (cont.)

SECTOR AND HEADING	REFUNDS	INTERVENTIONS	TOTALS	1972	1971
<u>FISHERIES</u>					
Export refunds	493 880.81				
Financial compensation and purchase		775 933.57			
FISHERIES TOTAL	493 880.81	775 933.57	1 269 814.38	0.05	0.01
<u>FLAX AND HEMP</u>					
Export refunds	—				
Interventions		11 531 601.53			
FLAX AND HEMP TOTAL	—	11 531 601.53	11 531 601.53	0.47	0.04
<u>SEEDS</u>					
Export refunds	—				
Interventions		370 753.60			
SEEDS TOTAL	—	370 753.60	370 753.60	0.02	—
<u>HOPS</u>					
<u>PRODUCTS OUTSIDE ANNEX II</u>					
Export refunds	23 801 616.72				
Interventions		—			
PRODUCTS OUTSIDE ANNEX II TOTAL	23 801 616.72	—	23 801 616.72	0.97	1.18
COMPENSATORY AMOUNTS		- 432 954.65	- 432 954.65	- 0.02	—
TOTALS	1 041 215 939.93	1 405 286 407.16 (1)	2 446 502 347.09	100,-	100,-
	42.56	57.44	100,-		

(1) Including 189 935 537.34 to be covered by appropriations carried over to financial year 1975

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ANNEX VIII

Charges collected under the common agricultural policy by sector of C.O.M. ^{1 + 2}

Type of charge and sector	1968	1969	1970	1971	1972
a	b	c	d	e	f
<u>Levies:</u>					
- Cereals	640	575	550	490	500
- Milk products	30	35	25	25	30
- Pigmeat	45	50	35	35	45
- Eggs and poultry	15	15	10	5	13
- Beef and veal	65	80	70	25	5
- Rice	6	11	15	20	20
- Other sectors	9	10	7	5	4.8
Total levies	810	776	712	605	618
Sugar contribution			138	109	181.7
Grand total			850	714	799.5

¹ Breakdown by sector is approximate since two Member States have not yet provided details of the breakdown of charges actually collected.

² Customs duties on agricultural products are not included.

B. STATISTICAL TABLES AND FIGURES
RELATING TO THE GUIDANCE SECTION

ANNEX I

APPLICATIONS FOR AID BY YEAR AND MEMBER STATE - GUIDANCE SECTION

(Years 1964 to 1971)

Year	Projects presented				Number of unacceptable projects	Number of projects not complying with requirements	Projects not accepted for lack of sufficient funds	Projects financed		
	Total number of projects presented	Number of projects withdrawn or without further object	Projects finally presented					Number	Total investment (in 1000 u.a.)	Aid granted (u.a.)
			Number	Total investment (in 1000 u.a.)						
1964	226	19	207	142 057	69	0	81	57	115 611	9 056 922
1965	154	21	133	131 108	23	7	6	97	102 103	17 134 258
1966	495	68	427	378 174	48	17	108	254	276 266	41 586 875
1967	303	31	272	265 358	17	12	91	152	343 474	26 039 369
1968	739	96	643	724 714	26	23	156	438	480 360	94 897 375
1969	894	64	830	902 501	14	9	144	663	681 164	160 000 000
1970	862	33	829	1 108 585	14	7	260	548	648 035	159 999 497
1971	1 017	59	958	1 162 307	18	1	216	723	806 856	199 943 196
	4 690	391	4 298	4 814 804	219	76	1 062	2 932	3 253 869	708 657 492

Aid granted by EAGGF, Guidance Section
for the financing of projects from 1964 to 1971

Year	GERMANY		BELGIUM		FRANCE		ITALY		LUXEMBOURG		NETHERLANDS		E.E.C.	
	Number of projects	Aid granted (u.a.)	Number of projects	Aid granted (u.a.)	Number of projects	Aid granted (u.a.)	Number of projects	Aid granted (u.a.)	Number of projects	Aid granted (u.a.)	Number of projects	Aid granted (u.a.)	Number of projects	Aid granted (u.a.)
1964	9	2 557 635	7	703 751	10	1 951 487	27	3 069 464	-	-	4	774 585	57	9 056 922
1965	21	4 968 976	6	754 985	21	3 692 070	40	5 865 889	1	275 000	8	1 577 338	97	17 134 258
1966	59	11 600 152	20	3 279 496	33	8 924 174	119	13 771 303	3	899 342	20	3 112 408	254	41 586 875
1967	31	7 239 940	9	2 040 664	34	5 745 508	59	8 835 445	2	150 600	17	2 027 212	152	26 039 369
1968	95	26 569 946	45	7 154 359	65	20 876 853	188	31 989 105	2	813 700	43	7 493 412	438	94 897 375
1969	152	45 100 881	69	11 826 499	132	35 660 880	249	54 303 638	3	94 550	58	13 013 552	663	160 000 000
1970	148	44 964 169	71	11 665 534	114	35 443 459	173	54 265 555	2	374 867	40	13 285 913	548	159 999 497
1971	161	57 122 634	96	12 525 387	143	45 073 646	282	67 901 369	7	1 637 790	34	15 682 370	723	199 943 196
Total	676	200 124 333	323	49 950 675	552	157 368 077	1 137	240 001 768	20	4 245 849	224	56 996 790	2 932	708 657 942

Breakdown by category of projects financed
by the Guidance Section
from 1964 to 1971

<u>Production structures</u>	<u>425 million u.a.</u>
of which for:	(59.9% of the total)
- land development	122 million u.a.
- hydraulic engineering and irrigation	104 million u.a.
- afforestation	11 million u.a.
- miscellaneous	188 million u.a.
<u>Marketing structures</u>	<u>251 million u.a.</u>
of which for:	(35.5% of the total)
- cereals	14 million u.a.
- milk products	92 million u.a.
- meat	32 million u.a.
- fruit and vegetables	54 million u.a.
- wine	28 million u.a.
- miscellaneous	30 million u.a.
<u>Mixed production/ marketing structure</u>	<u>33 million u.a.</u>
	(4.6% of the total)

Breakdown by intervention sector
of aid granted by EAGGF, Guidance Section,
between 1964 and 1971

Sectors	Number of projects	Total 1964-1971	
		Aid	%
Land and water supply improvement	1 182	318 402	45
Milk sector	309	93 754	13.2
Viti-vinicultural sector	306	79 968	11.2
Fruit and vegetables sector	376	60 091	8.5
Meat sector	276	52 073	7.3
Olives and olive oil sector	130	25 734	3.7
Cereals sector	69	16 421	2.3
Forestry sector	58	11 220	1.6
Animal feedingstuffs sector	30	8 156	1.1
Flowers and plants sector	24	7 797	1.1
Eggs and poultry sector	48	5 501	0.9
Seedlings and nursery sector	31	4 600	0.6
Research and information sector	25	3 658	0.5
Sugar sector	2	780	0.1
Fishery sector	5	1 471	0.2
Miscellaneous	61	19 031	2.7
	2.932	708 657	100

Regional breakdown by Member State of the projects
financed by the EAGGF, Guidance Section (1964-1971)

GERMANY		BELGIUM		FRANCE		ITALY		NETHERLANDS	
Community Region	Aid granted	Community Region	Aid granted	Community Region	Aid granted	Community Region	Aid granted	Community Region	Aid granted
Schleswig-Holstein	19 459	Nord	25 103	Région parisienne	1 381	Nord-Ouest	7 346	Noord	17 652
Hamburg	186	Sud	19 945	Bassin parisien	24 230	Lombardia	8 925	Oost	11 373
Bremen	581	Brabant	4 903	Nord	4 359	Nord-Est	44 580	West	19 207
Niedersachsen	40 077			Est	7 357	Emilia Romagna	31 475	Zuid	8 735
Nordrhein-Westfalen	24 864			Ouest	40 952	Centre	46 594		
Hessen	18 585			Sud-Ouest	24 369	Lazio	21 835		
Rheinland-Pfalz	18 965			Centre Est	21 754	Campania	5 835		
Baden-Württemberg	30 701			Méditerranée	32 966	Abruzzi-Molise	10 277		
Bayern	46 419					Sud	50 272		
Saarland	286					Sicilia	10 466		
						Sardegna	1 320		
						Centro-Lazio	1 077		
Total	200 123	Total	49 951	Total	157 368	Total	240 002	Total	56 967

ANNEX VI

Utilisation of available appropriations

Situation as at 31.12.1972 (in u.a.)

	Appropriations entered or re-entered	Appr. not committed carried forward by Council	Appropriat. available	Approp. committed, of which:		Appropriations not committed, of which:	
				projects	special purpose	cancelled	carried forward Council
1965 budget							
1964	9 057 000	-	9 057 000	9 056 922 ⁽¹⁾	-	78	-
1965	16 617 000	-	16 617 000	-	-	16 617 000	-
Total	25 674 000	-	25 674 000	9 056 922	-	16 617 078	-
1966 budget							
1965	16 617 000	517 440	17 134 440	17 134 258 ⁽²⁾	-	192	-
1966	59 561 000	-	58 561 000	-	-	58 561 000	-
Total	75 178 000	517 440	75 695 440	17 134 258	-	58 561 192	-
1967 budget							
1966	54 303 000	270 676	54 587 076	41 586 875 ⁽³⁾	5 000 000 ⁽⁴⁾	901	8 000 000
1967	80 040 000	-	80 040 000	-	50 000 000 ⁽⁵⁾	30 040 000	-
Total	134 343 000	270 676	134 627 076	41 586 875	55 000 000	30 040 901	8 000 000
1968 budget							
1966	-	8 000 000	8 000 000	-	8 000 000 ⁽⁶⁾	-	-
1967	30 040 000	-	30 040 000	26 039 369 ⁽⁷⁾	4 000 000 ⁽⁸⁾	-	631
1968	123 450 000	-	123 460 000	34 114 667 ⁽⁹⁾	24 000 000 ⁽¹⁰⁾	65 227 524	117 809
Total	153 500 000	8 000 000	161 500 000	60 154 036	36 000 000	65 227 524	118 440
1969 budget							
1968	65 227 524	118 440	65 345 964	60 782 708 ⁽¹¹⁾	3 931 253 ⁽¹²⁾	632 003	-
1969	285 000 000	-	285 000 000	8 472 837 ⁽¹³⁾	37 969 486 ⁽¹⁴⁾	238 557 677	-
Total	350 227 524	118 440	350 345 964	69 255 545	41 900 739	239 189 680	-
1970 budget							
1968	632 003	-	632 003	-	620 798 ⁽¹⁵⁾	-	-
1969	239 557 677	-	233 557 677	151 527 163 ⁽¹⁶⁾	2 242 301 ⁽¹⁷⁾	84 799 419	-
1970	285 000 000	-	290 000 000	-	39 448 124 ⁽¹⁸⁾	245 531 098	20 777
Total	524 189 680	-	524 189 680	151 527 163	42 311 223	330 330 517	20 777
1971 budget							
1969	84 799 418	-	84 799 419	-	-	84 799 418	-
1970	245 531 099	20 777	245 551 876	159 999 497 ⁽¹⁹⁾	1 746 326 ⁽²⁰⁾	33 751 532	54 171
1971	427 500 000	-	427 500 000	-	37 491 812 ⁽²¹⁾	336 000 000	4 008 188
Total	757 880 517	20 777	757 851 294	159 999 497	39 238 138	554 551 050	4 062 359
1972 budget							
1969	84 799 418	-	84 799 418	-	-	84 799 418	-
1970	83 751 382	54 171	83 806 053	- (22)	54 171 ⁽²³⁾	83 428 832	323 000
1971	386 000 000	4 008 188	390 008 188	199 943 145,78	4 399 091 ⁽²⁴⁾	185 042 956,22	623 097
1972	285 000 000	-	285 000 000	-	5 370 816	110 170 000	169 459 184
Total	839 551 300	4 062 359	843 613 669	199 943 145,78	9 824 078	463 441 154,22	170 405 281
1973 budget							
1969	84 799 418	-	84 799 418	-	-	-	-
1970	83 428 832	323 000	83 751 882	-	-	-	-
1971	184 936 000 ⁽²⁵⁾	623 097	185 609 097	-	-	-	-
1972	110 170 000	169 459 184	279 629 184	-	-	-	-
1973	325 000 000	-	325 000 000	-	-	-	-
Total	788 384 300⁽²⁵⁾	170 405 281	958 789 581	-	-	-	-

Total amount of appropriations committed up to 31.12.1972 : 932 931 619.78
of which : projects : 700 657 441.78
special purpose : 224.274 178

See footnotes on next page.

Footnotes to Table in Annex VI

The amounts shown in the attached table concern:

- (1) 57 projects for the year 1964. Commission Decision of 14.10.1965.
- (2) 97 projects for the year 1965. Commission Decision of 19.7.1966.
- (3) 254 projects for the year 1966. Commission Decision of 27.7.1967.
- (4) 29 projects concerning repair of damage caused by the flooding in Italy. Reg. 206/66. Commission Decision of 2.10.1967.
- (5) 5 million u.a. idem (4).
45 million u.a. for Italy in respect of the fruit and vegetables sector, and olives and olive oil sector (Art. 4 of Reg. 130/66); Commission Decision of 5.7.1967.
- (6) 8 million u.a. for Italy in respect of the olives and olive oil sector (Art. 13 of Reg. 130/68). Commission Decision of 29.2.1968;
- (7) 152 projects for the year 1967. Commission Decision of 15.3.1968.
- (8) Surveys of the structure of agricultural holdings, under Reg. 70/66/EEC. Commission Decision of 18.12.1968.
- (9) 161 projects for the year 1968 (Part I). Commission Decision of 18.12.1968.
- (10) 4 million u.a. idem (8):
20 million u.a. for Italy in respect of the fruit and vegetables sector for the 1966/67 accounting period (Art 12(4) of Reg. 159/66/EEC). Commission Decision of 16.10.1968.
- (11) 277 projects for the year 1968 (Parts Ia and II). Commission Decision of 5.2.1969 and 23.7.1969.
- (12) 3 043 253 u.a. for Italy as refund of expenditure incurred to repair damage caused by African swine fever in 1967 (Reg. 349/68). Commission Decision of 29.4.1969.
888 000 u.a. for pig population surveys carried out by Member States (Reg. 350/68).
Commission Decisions of 17.7.1969 and 11.11.1969.
- (13) 34 projects for the year 1969 (Part I). Commission Decision of 29.10.1969.

Footnotes to Table in Annex VI (cont.)

- (14) 22 969 486 u.a. for Italy in respect of the fruit and vegetables sector for the 1967/68 accounting period (Art. 12(4) of Reg. 159/66/EEC). Commission Decision of 22.12.1969.
15 000 000 u.a. for Italy in respect of the raw tobacco sector (Art. 12(1) of Reg. 130/66/EEC). Commission Decision of 22.12.1969.
- (15) 200 000 u.a. for Germany as refund for the fruit and vegetable aid granted to producers' organisations during the years 1967 and 1968 (Art. 12(3) of Reg. 159/66/EEC). Commission Decision of 21.12.1970.
312 000 u.a. for pig population surveys carried out by Italy (Reg. 350/68). Commission Decision of 16.2.1970.
108 798 u.a. for Italy as refund for expenditure on swine fever research (Reg. 349/68). Commission Decision of 3.12.1970.
- (16) 629 projects for the year 1969 (Part II, III and IV).
Commission Decisions of 2.3.1970, 1.7.1970 and 27.10.1970.
- (17) 1 042 301 u.a. idem (15) 1st indent.
1 200 000 u.a. for pig population surveys carried out by Member States (Reg. 350/68). Commission Decision of 4.6.1970 and 4.12.1970.
- (18) 7.5 million u.a. for the Grand Duchy of Luxembourg to carry out measures to achieve full integration of Luxembourg agriculture into the common market (Reg. 541/70). Commission Decision of 12.10.1970.
31 948 124 u.a. for Italy in respect of the fruit and vegetables sector for the period 1968/69 (Art. 12(4) of Reg. 159/66/EEC). Commission Decision of 22.12.1970.
- (19) 766 projects for the year 1970 (Part I, II and III). Commission Decisions of 10.3.1971, 12.7.1971 and 22.12.1971.
- (20) 1 200 000 u.a. for pig population surveys carried out by Member States (Reg. 350/68). Commission Decisions of 14.6.1971 and 17.12.1971.
546 326 u.a. for Germany as a refund for aid granted to fruit and vegetable producers' organisations during the year 1969 (Art. 12(3) of Reg. 159/66/EEC). Commission Decision of 21.12.1971.
- (21) 24 773 340 u.a. paid to Member States:
(Germany 14 255 500 u.a.;
Belgium 2 065 930 u.a.;
France 7 216 577 u.a.;
Luxembourg 91 993 u.a.;
Netherlands 1 153 350 u.a.)
as refund of premiums paid in 1970 for slaughtering cows and withholding of milk and dairy products from the market.
(Reg. no. 1975/69). Commission Decisions of 17.12.1971 and 22.12.1971.
336 543 u.a. for Germany as refund of premiums paid in 1970 for the grubbing of fruit trees (Reg. no. 2517/69). Commission Decision of 21.12.1971.

Footnotes to Table in Annex VI (cont.)

- 12 381 929 u.a. for Italy in respect of the fruit and vegetables sector under the period "2nd half of 1969 (Art 12(4) Reg. 159/66/EEC. Commission Decision of 21.12.1971.
- (22) projects for the year 1971 (Parts I, II and III). Commission Decisions of 21.6.1972, 20.7.1972 and 22.12.1972.
- (23) 1 505 344 u.a. for Germany, as additional refund of premiums paid in 1970 for slaughtering cows and withholding of milk and dairy products from the market (Reg. no. 1975/69). Commission Decision of 18.7.1972.
- 2 557 015 u.a. paid by Member States as refund of premiums paid in 1970 for the grubbing of fruit trees (Reg. no. 2517/69), of which 1 206 285 u.a. for Belgium (Commission Decision of 18.7.1972); 1 156 813 u.a. for the Netherlands (Commission Decision of 22.12.1972); 193 936 u.a. for France (Commission Decision of 22.11.1972) relating to 371 855 u.a., the balance of 177 919 u.a. having been charged against the financial year 1972 (see footnote no. 24).
- 390 903 u.a. for Italy as refund of aid granted in 1970 to fruit and vegetables producers' organisations (Art. 12(3) of Reg. 159/66/EEC). Commission Decision of 18.7.1972.
- (24) 4 833 539 u.a. paid to Member States as refund of premiums paid in 1971 for the grubbing of fruit trees (Reg. 2517/69):
4 806 544 u.a. to Germany (Commission Decision of 22.12.1972);
26 995 u.a. to Luxembourg (Commission Decision of 22.11.1972).
177 919 u.a. for France, relating to the payment of 371 855 u.a. grubbing premiums 1970 (see footnote 23).
359 358 u.a. to Member States as refund of premiums paid in 1971 for slaughtering cows and withholding of milk and milk products from the market (Reg. no. 1975/69):
i.e. to Belgium : 336 846 u.a. (Commission Decision of 22.11.1972)
to Luxembourg: 22 512 u.a. (Commission Decision of 22.11.1972).
- (25) This figure corresponds to appropriations cancelled by the end of financial year 1972 except for 56 804 u.a., representing the uncommitted balance of the amount of 200 million u.a. intended for financing 1971 projects.
- (26) includes 438 384 300 u.a. reserved against the years 1969 to 1972 for financing common measures within the meaning of Article 8 of Reg. 729/70.

ANNEX VII

PAYMENTS MADE AND APPROPRIATIONS TO BE CARRIED FORWARD (in u.s.)

(Position as at 31.12.1972)

(See footnotes on following page)

Commitments entered in accounts in	In respect of	Appropriations committed up to 31.12.1972	Payments made up to 31.12.1972	Appropriations cancelled	Appropriations to be cancelled	Appropriations to be carried forward	
						automatic	Council Ministers
1965	- 57 projects for the year 1964	9 056 922	7 504 839	I 268 980	I 51 703	-	-
1966	- 97 projects for the year 1965	17 134 258	11 987 059	3 166 720	167 153	-	I 013 213
1967	- 254 projects for the year 1966	41 526 875	24 100 374,50	I 047 461	6,203 059	-	10 011 000,50
	- 29 projects "INDU" Italy	10 000 000	7 559 580	I 038 000	287 287	-	101 451
	- fruit and vegetables, olives and olive oil sectors Italy (Art. 4 Reg. no. 130/66)	45 000 000	45 000 000	-	-	-	-
1968	- 152 projects for the year 1967	26 939 359	13 075 956	214 273	21 734	II 821 305	-
	- 161 projects for the year 1968 (Part I)	34 114 667	14 635 728	24 729	56 720	19 397 290	-
	- survey structure agricultural holdings (Reg. 70/66)	8 000 000	7 307 743	692 252	-	-	-
	- olives, olive oil sector Italy (Art. 13 Reg. 130/66)	8 000 000	8 000 000	-	-	-	-
	- fruit/vegetables sector Italy, period 1966/67 (Art. 12(4) Reg. 159/66)	20 000 000	20 000 000	-	-	-	-
1969	- 277 projects for the year 1968 (Parts Ia and II)	60 782 708	20 223 179	99 532	I 54 927	40 300 070	-
	- 34 projects for the year 1969 (Part I)	8 472 537	2 701 129	-	49 418	5 732 290	-
	- refund for damage swine fever 1967 Italy (Reg. 340/68)	1 052 253	3 041 223	-	-	-	-
	- survey pig population (Reg. 350/68)	808 000	808 000	-	-	-	-
	- fruit/vegetables sector Italy, period 1967/68 (Art. 12(4) Reg. 159/66)	22 969 436	22 969 436	-	-	-	-
	- unmanufactured tobacco sector Italy (Art. 12(1) Reg. 130/66)	15 000 000	15 000 000	-	-	-	-
1970	- 629 projects for the year 1969 (Parts II, III and IV)	I 51 527 163	36 157 743	I 73 495	90 007	II 5 108 213	-
	- survey pig population (Reg. 350/68)	I 512 000	I 512 000	-	-	-	-
	- integration Luxembourg into Common Market - Grand Duchy (Reg. 541/70)	7 500 000	7 500 000	-	-	-	-
	- refund Italy research expenditure swine fever (Reg. 340/68)	105 791	307 009,04	-	-	828 06	-
	- refund Germany, aid to groups of fruit and vegetable producers - 1967 and 1968 (Art. 12(3) Reg. 159/66)	I 242 301	I 242 301	-	-	-	-
	- payment Italy, for fruit and vegetables sector 1968/1969 period (Art. 12(4) Reg. 159/66)	31 948 124	31 948 124	-	-	-	-
1971	- 648 projects for the year 1970 (Parts I, II and III)	I 59 999 497	18 265 119	-	I 30 416	II 603 963	-
	- survey of pig population (Reg. 350/68)	I 200 000	I 200 000	-	-	-	-
	- refund Germany aid to fruit and vegetable producers' organisations in 1969 (Art. 12(3) Reg. 159/66)	546 326	546 326	-	-	-	-
	- refund to Member States of premiums paid in 1970 for slaughtering cows and withholding milk and milk products from the Market (Reg. 1975/69)	24 773 340	24 773 340	-	-	-	-
	- refund Germany of premiums paid in 1970 for grubbing fruit trees (Reg. 2517/69)	335 543	335 543	-	-	-	-
	- payment Italy for the fruit and vegetables sector - period "2nd half 1969" (Art. 12(4) Reg. 159/66)	12 381 929	12 381 929	-	-	-	-
1972	- 723 projects for the year 1971 (Parts I, II and III)	I 99 943 165,78	479 357,44	-	-	I 99 453 053,34	-
	- refund of premiums paid in 1970 for slaughtering cows and withholding milk and milk products from the market (Reg. 1975/69) - Germany	I 505 344	I 505 344	-	-	-	-
	- item 1971 (Belgium-Luxembourg)	359 358	359 358	-	-	-	-
	- refund of premiums paid in 1970 for grubbing fruit trees (Reg. 2517/69) - Belgium, France, Netherlands	2 734 934	2 734 934	-	-	-	-
	- item 1971 (Germany, Luxembourg)	4 833 539	4 833 539	-	-	-	-
	- refund Italy aid to fruit and vegetable producers' organisations 1970 (Art. 30(2) Reg. 1035/72)	390 903	390 903	-	-	-	-
	TOTAL	932 911 619,78	371 346 317,88	8 525 442(1)	7 451 327(2)	533 434 748,40	12 173 704,90
	APPROPRIATIONS NOT COMMITTED						170 400 201
	APPROPRIATIONS TO BE CARRIED FORWARD					533 434 748,40	128 572 065,50

Footnotes to Annex VII

- (1) of which : 5 096 733 u.a. relating to 36 projects abandoned by beneficiaries.
1 647 018 u.a. relating to 106 projects and 21 sub-projects completed, where actual costs less than estimated.
682 832 u.a. relating to 4 considerably modified projects requiring adjustment of decision; cost of modified projects less than initial estimates and aid fixed at an amount below that provided for in initial decision.
406 567 u.a. relating to 6 projects not carried out in accordance with the decision to grant aid.
692 252 u.a. relating to survey of structure of agricultural holdings.
- (2) of which : 5 858 998 u.a. relating to 40 projects abandoned by beneficiaries.
800 682 u.a. relating to 18 completed projects where actual costs less than estimates
691 647 u.a. relating to 9 projects not carried out in accordance with decision to grant aid.

Annex VIII

E.A.C.C.F., Guidance Section

Position as at 31.12.72 of aid granted to projects for the year 1964

Member State	Appropriations committed		No. of projects completed	Number of projects which will not be carried out	Aid given in u.a.	Aid cancelled in u.a.
	No. of projects	Amounts u.a.				
Germany	9	2 557 635	9	-	2 477 091	80 544
Belgium	7	703 751	7	-	700 945	2.806
France	10	1 951 487	7	3	1 239 610	711.877
Italy	27	3 069 464	22	5	2 402 608	666.856
Luxembourg	-	-	-	-	-	-
Netherlands	4	774 585	4	-	774 585	-
TOTAL	57	9 056.922	49	8	7 594 839	1 462 083

ANNEX IX

E.A.G.G.F., Guidance Section

Position as at 31.12.72 of aid granted for projects for the year 1965

Member State	Appropriations committed		No. of projects completed	Number of projects which will not be carried out	Aid given in u.a.	Aid cancelled or to be cancelled in u.a.	Appropriations to be carried forward to 1973	
	No. of projects	Amounts u.a.					No. of projects	Amounts u.a.
Germany	21	4 968 976	18	1	4 225 989	536 894	2	206 093
Belgium	6	754 985	6	-	754 467	518	-	-
France	21	3 692 070	14	4	2 403 982	683 680	3	604 408
Italy	40	5 865 889	18	14	2 750 293	2 112 784	8	1 002 812
Luxembourg	-	275 000	1	-	275 000	-	-	-
Netherlands	8	1 577 338	8	-	1 577 338	-	-	-
TOTAL	97	17 134 258	65	19	11 987 069	3 333 876	13	1 813 313

The 13 projects for the year 1965, for which a second application was presented to carry forward appropriations, consist of :

- 6 projects completed as at 31.12.72 but in respect of which late presentation of the application for payment, or the need to obtain further information, prevented effective payment being made.
- 3 projects which met with unexpected technical difficulties.
- 3 projects which obtained only belated authorisation by local authorities.
- 1 project which was substantially modified.

ANNEX X

E.A.G.G.F., Guidance Section

Position as at 31.12.72 of aid granted to projects for the year 1966 and to INON projects

Member State	Committed appropriations		Number of completed projects	Number of projects which will not be carried out	Aid paid u.a.	Aid cancelled or to be cancelled u.a.	Appropriations to be carried forward to 1973	
	Number of projects	Amount u.a.					Number of projects	Amounts u.a.
A. Year 1966								
Germany	59	11 600 152	42	2	8 814 428,50	1 361.034	15	1.424 689 50
Belgium	20	3 279 496	15	1	2 811 129	135 166	4	333 201
France	33	8 924 174	16	2	5 090 879	686 035	15	3.147 260
Italy	119	13 771 303	39	33	4 098 762	5 041 454	47	4 631.087
Luxembourg	3	899 342	2	-	806 592	42 969	1	49 781
Netherlands	20	3 112 408	15	2	2 568 546	73 862	3	470 000
TOTAL	254	41 586 875	129	40	24 190 336,50	7 340 520	85	10 056 018,50
B. Projects INON	29	10 000 000	22	6	7 569 560	2 125 987	1	304 453

The 85 projects for the year 1966, for which an application to carry forward appropriations was presented, consist of :

- 36 projects which were completed at 31.12.72 but in respect of which late submission of the application for payment, or the need to obtain further information prevented effective payment being made.
- 18 projects were delayed owing to financial difficulties often arising from delays in settling national subsidies.
- 21 projects delayed owing to technical difficulties.
- 10 projects were more or less substantially modified; for certain projects, the Decision requires amendment, for others further information is needed to ascertain the extent of modification.

ANNEX XI

Position as at 31.12.72 of appropriations committed and payments made (years 1964/72) - in p.a.

Year	Committed appropriations		Payments made		Commitments cancelled		Commitments not settled		Appropriations not yet comm.		Reserve
	Projects	Special measures common measures	Projects	Special mea- sures/common measures	Projects	Special mea- sures/common measures	Projects	Special meas./com. measures	Projects	Special mea- sures/common measures	
1964	9 056 922		7 594 839		1.268.980		193.103				
1965	17 134 258		11.987 089		3 177.127		1.970.062				
1966	41 586 875	13 000 000	24 190 338,5	13.000.000	1.240 260		16 155.278,5				
1967	26 039 309	54 000 000	13 975 056	51 569 560	236 007	1.838.000	11.828.306	592.440			
1968	94 897 375	28 552 051	34 862 906	27 859 971	336.108	692.252	59 692 361	828			
1969	160 000.000	40 211 787	38 839 977	40 211 787	354 919		120.805 104				84 799.478
1970	159 999 497	41 249 621	16 265 188	41 248 621	130.416		141.603 963			323.000	83.428 882
1971	199 943 145,78	41 890.903	479 357.44	41 890.903			199.462.788,34		56.854,22	623 097	184.985.000
TOTAL											
1964 - 71	708.657.441,78	218.903.367	150 194.658,94	215.779.842	6.743.817	2.530.252	551.718.965,84	593.268	56.854,22	946 097	353 214 300
1972		5.370 816 (6)		5.370,616					150.000.000	44.459,184	85.170.000
GRAND TOTAL	708 657 441,78	224.274.178	150.194,658,94	221.150,658	6.743,817	2.530,252	551 718.965 84	593,268	150.056.854,22	45.405 281	438.384.300

ANNEX XII

Payments made in 1972 for individual projects

YEAR	GERMANY	BELGIUM	FRANCE	ITALY	LUXEMBOURG	NETHERLANDS	TOTAL
1964				977 408			977 408
1965	737 334	15 149	69 943	547 313			1 369 739
1966	1 331 017	90 831	1 346 067	1 280 015	212 031	282 500	4 542 461
1967	446 829	383 636	113 765	1 342 983		197 587	2 484 800
1968	361 371	738 283	674 113	1 919 028		466 817	4 159 612
1968 I bis et 2	3 578 173	260 723	353 839	1 973 425	800 000	1 245 075	8 211 235
1969 I	235 255	103 763	627 061	283 033			1 249 112
1969 2,3,4	7 317 352	2 075 513	4 634 986	1 037 543	69 300	4 565 335	20 070 029
1970	10 243 937	1 336 299	4 423 479			1 511 567	17 515 282
1971		351 102,60	128 254,84				479 357,44
	24 251 268	5 355 299,60	12 371 507,84	9 630 748	1 081 331	8 368 881	61 059 035 44

ANNEX XIII

Payments made in 1972 for special measures broken down by Member State

	GERMANY	BELGIUM	FRANCE	ITALY	LUXEMBOURG	NETHERLANDS	TOTAL
IRON R 206/66				3.150 379			3 150 379
Swine fever research R 349/68				26 971.44			26 971.44
Aid to groups of producers Art 12(3) Reg. 159/66				390 903			390 903
Slaughtering of cows Reg. 1975/69	I 505 344	336 846		-	22 512		I 864 702
Crubbing of fruit trees Reg. 2517/69	4 806 544	I 206 266	37I 855		26 995	I 156 813	7 568 473
	6.311 888	I 543 112	37I 855	3 568 253.44	49 507	I 156 813	13 001 428.44

ANNEX XIV

Amounts committed and payments made for individual projects as at 31.12.72

YEAR	TOTAL	GERMANY	BELGIUM	FRANCE	ITALY	LUXEMBOURG	NETHERLANDS
1964 :							
Amounts committed	9 056 922	2 577 635	703 751	1 951 487	3 069 464	-	774 585
Amounts paid	7 594 839	2 477 091	700 945	1 239 610	2 402 608	-	774 585
1965 :							
Amounts committed	17 134 258	4 968 976	754 985	3 692 070	5 865 889	275 000	1 577 338
Amounts paid	11 987 069	4 225 989	754 467	2 403 982	2 750 293	275 000	1 577 338
1966 :							
Amounts committed	41 586 875	11 600 152	3 279 496	8 924 174	13 771 303	899 342	3 112 408
Amounts paid	24 190 336.5	8 814 428.5	2 811 129	5 090 879	4 098 762	806 592	2 568 546
1967 :							
Amounts committed	26 039 369	7 239 940	2 040 664	5 745 508	8 835 445	150 600	2 027 212
Amounts paid	13 975 056	4 337 053	1 198 195	2 761 736	5 806 754	25 600	1 845 716
1968 :							
Amounts committed	94 897 375	26 569 946	7 154 359	20 876 853	31 989 105	813 700	7 493 412
Amounts paid	34 863 907	15 216 771	1 449 971	4 453 251	5 470 595	813 700	5 459 619
1969 :							
Amounts committed	160 000 000	45 100 881	11 826 499	35 660 880	54 303 638	94 550	13 023 532
Amounts paid	38 839 977	16 223 730	4 351 993	9 048 180	2 140 373	94 550	6 981 151
1970 :							
Amounts committed	159 999 497	44 964 169	11 665 534	35 443 459	54 265 555	374 867	13 285 912
Amounts paid	18 265 118	10 243 937	1 868 763	4 423 479	-	217 372	1 511 567
1971 :							
Amounts committed	199 943 145.78	57 122 628.84	12 525 388.40	45 073 597.88	67 901 369.27	1 637 790.48	15 682 370.91
Amounts paid	479 357.44	-	351 102.60	3 128 254.84	-	-	-
Amounts committed	708 657 441.78	200 124 327.84	19 950 676.40	157 368 028.88	240 001 768.27	4 245 849.48	56 946 790.91
Amounts paid	150 195 659.94	61 538 998.5	15 486 565.60	29 549 371.84	20 669 385	2 232 814	20 713 524

ANNEX XV

Amounts committed and payments made for special measures as at 31.12.72

YEAR		TOTAL	GERMANY	BELGIUM	FRANCE	ITALY	LUXEMBOURG	NETHERLANDS	UNUSED
1966	Commitments	13 000 000	-	-	-	13 000 000	-	-	692 252 (1)
	Payments	13 000 000	-	-	-	13 000 000	-	-	
1967	Commitments	54 000 000	1 622 628	256 602	-	51 839 976	11 898	263 896	
	Payments	51 068 499	1 622 628	256 602	-	48 908 475	11 898	263 896	
1968	Commitments	28 552 051	512 720	37 290	2 350 644	24 915 105	6 750	37 290	
	Payments	27 858 971	512 720	37 290	2 350 644	24 914 277	6 750	37 290	
1969	Commitments	40 211 787	1 355 021	37 290	337 950	38 437 486	6 750	37 290	
	Payments	40 211 787	1 355 021	37 290	337 950	38 437 486	6 750	37 290	
1970	Commitments	41 248 621	913 217	37 290	337 950	32 416 124	7 506 750	37 290	
	Payments	41 248 621	913 217	37 290	337 950	32 416 124	7 506 750	37 290	
1971	Commitments	41 890 903	16 043 216	3 272 196	7 410 513	12 772 832	81 983	2 310 163	
	Payments	41 890 903	16 043 216	3 272 196	7 410 513	12 772 832	81 983	2 310 163	
1972	Commitments	5 370 816	4 806 544	336 846	177 919		49 507		
	Payments	5 370 816	4 806 544	336 846	177 919		49 507		
TOTAL	Commitments	224 274 178	25 253 346	3 977 514	10 614 976	173 381 523	7 663 638	2 690 929	
	Payments	220 649 597	25 253 346	3 977 514	10 614 976	170 499 194	7 663 638	2 690 929	

(1)- Unused balance of the 8 million u.s.a. committed for survey of the structure of agricultural holdings

ANNEX XVI

in u.a.

Amounts committed and payments made for the various special measures as at 31.12.72 by Member State

		Total	Germany	Belgium	France	Italy	Luxembourg	Netherlands	Unused
1. Flooding Italy R 206/66	Commitments	10 000 000				10 000 000			
	Payments	7 569 560				7 569 560			
2. Olives and olive oil sector Art. 13 Reg. 130/68	Commitments	8 000 000				8 000 000			
	Payments	8 000 000				8 000 000			
3. Fruit and Veg. and olive oil sectors Art. 4 Reg. 130/66	Commitments	45 000 000				45 000 000			
	Payments	45 000 000				45 000 000			
4. Structure surveys Reg. 70/66	Commitments	8 000 000	1 622 628	256 602	2 012 694	3 135 030	11 898	268 896	692 252
	Payments	7 307 748	1 622 628	256 602	2 012 694	3 135 030	11 898	268 896	
5. Fruit and Veg. sector Art. 12(4) Reg. 159/66	Commitments	87 299 539				87 299 539			
	Payments	87 299 539				87 299 539			
6. African swine fever Reg. 349/68	Commitments	3 152 051				3 152 051			
	Payments	3 151 222,94				3 151 222,94			
7. Survey pig population Reg. 350/68	Commitments	3 600 000	938 160	111 870	1 013 850	1 404 000	20 250	111 870	
	Payments	3 600 000	938 160	111 870	1 013 850	1 404 000	20 250	111 870	
8. Unmanufactured tobacco sec- tor, Art.12(1) Reg.130/66	Commitments	15 000 000				15 000 000			
	Payments	15 000 000				15 000 000			
9. Producers organisations Art. 12 Reg. 159/66	Commitments	1 788 627	1 788 627						
	Payments	1 788 627	1 788 627						
10. Integration of Luxembourg agriculture Reg. 541/70	Commitments	7 500 000					7 500 000		
	Payments	7 500 000					7 500 000		
11. Slaughtering of cows Reg. 1975/69	Commitments	26 638 042	15 760 844	2 402 776	7 216 577		104 495	1 153 350	
	Payments	26 638 042	15 760 844	2 402 776	7 216 577		104 495	1 153 350	
12. Grubbing of trees Reg. 2517/69	Commitments	7 905 016	5 143 087	1 206 266	371 855		26 995	1 156 813	
	Payments	7 905 016	5 143 087	1 206 266	371 855		26 995	1 156 813	
13. Producers Organisation Art. 36(2)Reg. 1035/72	Commitments	390 903				390 903			
	Payments	390 903				390 903			
TOTAL	Commitments	224 274 178	25 253 346	3 977 514	10 614 976	173 381 523	7 663 638	2 690 925	692 252
	Payments	221 150 667,94	25 253 346	3 977 514	10 614 976	170 950 254,94	7 633 638	2 690 925	-

ANNEX XVII

Contributions from Member States for aid granted for the years
1964 to 1971.

Year	Amount committed	Basis of calculation for contributions	Amount called
1964	9 056 922	9 574 362 (1) - 132 335 (3)	a) 9 574 362 - 132 335 (3)
1965	17 134 258	16 896 494 (2) - 201 876 (3)	a) 16 896 494 - 201 876 (3)
1966	54 536 875	54 307 199 - 47 776 (3)	a) 54 307 199 - 47 776 (3)
1967	80 039 369	80 039 369 - 11 926 (3)	a) 80 039 369 - 11 926 (3)
1968	123 449 426	123 460 628	a) 114 818 183 b) 8 642 445
1969	200 211 787	285 000 000 - appropriations reserved	b) 191 357 555
1970	201 248 318	285 000 000 - appropriations reserved	-
1971	241 834 048	427 500 000 - appropriations reserved	-
	927 561 004		a) 275 241 694 (4) b) 200 000 000 (5)

- (1) Amount available according to the rule of the third. The difference between this amount and the amount committed, which is 517,440 u.a., was committed for the year 1965.
- (2) Amount available according to the rule of the third, of which 279,676 u.a. were committed for the year 1966.
- (3) Amounts returned to Member States in respect of aid cancelled.
- (4) Amount called under the agreement on payment of contributions according to requirements.
- (5) Start-up Fund pursuant to the Council Resolution of 21.4.70 on cash problems brought about by transfer from the refund system to the system of direct financing.