



COMMISSION OF THE EUROPEAN COMMUNITIES

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COM(95) 467 final

95/0244 (CNS)

REPORT FROM THE COMMISSION TO THE COUNCIL

on the implementation of Regulation (EEC) No 307/91 of 4 February 1991 on reinforcing the monitoring of certain expenditure chargeable to the Guarantee Section of the European Agricultural Guidance and Guarantee Fund, for the period 1991-1993

Proposal for a

95/0244 (CNS)

COUNCIL REGULATION (EC)

on the implementation of
Member States' action programmes on control of EAGGF
Guarantee Section expenditure

(presented by the Commission)



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1. Introduction

Council Regulation (EEC) No 307/91, which came into force on 9 February 1991, encourages Member States to step up controls in the field of export refunds on agricultural products and products exported as goods not falling within Annex II (Article 1) and in that of certain compensatory aid and intervention measures (Article 2).*

To help the Member States bear the extra cost of reinforcing controls, the Regulation provides for a financial contribution from the Community over a five-year period at a declining rate: 50% for three years and 25% for two years, up to a maximum annual amount at Community level of ECU 20 million (ECU 10 million for expenditure under Article 1 and ECU 10 million for expenditure under Article 2).

The Regulation provides that the Community financing should be allocated each year by the Commission between the Member States concerned, proportionally to average EAGGF expenditure in the relevant sectors during the two previous financial years.

The Regulation specifies the categories of expenditure eligible for financial assistance from the Community. They mainly include the remuneration of the agents occupying supplementary posts, the cost of training and briefing the agents, responsible for controls, the cost of equipping agents, and laboratory costs for checking products intended for export, with a view to the granting of refunds.

2. Action by the Member States

Over the period considered, only four Member States, Belgium, France, Ireland and the Netherlands, took action in all the areas provided for. The others applied only some, or only one, of the possible measures.

In general, the Member States have concentrated on export refunds rather than compensatory aid and intervention measures; in particular, three Member States, Greece, Ireland and the United Kingdom, took no measures other than those relating to the inspection of products exported. However, Spain and Portugal (in the first two years) concentrated on aid measures, taking no action in the other sector.

The level of expenditure varied widely from one Member State to another, as did the application of the different types of measure provided for in the Regulation. Annex I shows expenditure by each Member State, by year and by category of measure.

* aid per hectare, aid for the set-aside of arable land, premiums provided for in the beef and veal and sheepmeat and goatmeat sectors, aid for oil seeds, measures provided for in the wine sector, measures provided for in the fruit and vegetables sector, measures provided for in the tobacco sector, measures provided for dried grapes, aid for cotton.

2.1 Remuneration of officers

As a rule, the flat-rate amount of ECU 28 500 per person per year for wages and travelling costs of the officers responsible for controls, fixed by Commission Regulation (EEC) No 967/91 of 19 April 1991¹ and valid throughout the Community, was used as a basis for calculating staff costs.

For most of the Member States, these costs were a major, if not an essential, component of their expenditure; the exceptions were Italy and the United Kingdom, neither of which have submitted any expenditure in this sector.

In general, remuneration declared relates to officers redeployed following restructuring in the departments concerned; rarely does it concern newly recruited staff. This is due, first, to the problems of taking on new personnel, because of the budgetary restraints on most national civil service departments, and secondly to the need to reassign redundant staff, especially customs officers, following the reduction in border controls at the Community's internal frontiers.

Table 1: Number of extra officers declared by the Member States (men/year)

Member State	1991	1992	1993	Total
Belgium	8	8	9	25
Denmark	10	11	15	36
Germany	19	31	82	132
Greece	0	4	11	15
Spain	111	75	55	241
France	75	209	165	449
Ireland	2	6	8	16
Italy	0	0	0	0
Netherlands	112	131	136	379
Portugal	0	22	27	49
UK	0	0	0	0
Total	337	497	508	1342

As the following table shows, more of these officers were responsible for controls covering products eligible for refunds than for aid and intervention.

¹ OJ No L 100, 20.4.1991, p.18

Table 2: **Officers declared by sector of activity**

Member State	Products for export (Article 1)	Aid and intervention (Article 2)	Total
Belgium	14	11	25
Denmark	22	14	36
Germany	132	0	132
Greece	15	0	15
Spain	0	241	241
France	213	236	449
Ireland	16	0	16
Italy	0	0	0
Netherlands	330	49	379
Portugal	0	49	49
UK	0	0	0
Total	742	600	1342

2.2 Training and briefing

Training and briefing organized by the Member States for their inspectors has on the whole been negligible, if not non-existent. Any measures that were taken were spread over the whole period, in the form of courses and seminars of variable duration. A total of about 9 900 officers were involved (see table below for details).

The level of expenditure was particularly low. Unlike the other forms of expenditure, this remark applies in all the Member States (see Annex I for a table on the breakdown of expenditure).

Table 3: Main types of training for officers

Member State	Type of training	Total number of participants
Belgium	techniques for checking agricultural produce; computer techniques	428
Denmark	methodology and rules for controls	498
Germany	accounting, control techniques	150
Greece	current legislation, chemistry	35
Spain	controls on aid per hectare, cotton, wine-growing sector	359
France	rules and procedures for controls, computer techniques, food chemistry	7343
Ireland	control techniques	168
Italy	fraud, chemistry	36
Netherlands	legal provisions, rules governing controls	194
Portugal	Community law, computer techniques	69
United Kingdom	control of agricultural products for export	596
Total		9876

2.3 Equipment costs

All the Member States made use of Community financing to purchase equipment, in particular computer hardware and software, and vehicles, with a view to improving the work of officers responsible for controls, increasing their mobility and capacity to cope with more controls, and improving the quality and speed of verifications.

On the computer side, much of the expenditure went on microcomputers, software and printers, and on developing new systems, and updating existing programmes.

Purchases of means of transport related to renewing or reinforcing the existing vehicle stock. There was very little vehicle hire, except by certain French inspectorates.

In general, the volume of expenditure on equipment was large, especially in Denmark and France. In Italy and the UK, this category represented virtually the only item of expenditure.



2.4 Laboratory costs (analyses)

Analyses were carried out by the national departments responsible for inspecting commercial operations in the field of export refunds, and more specifically the customs departments, or by specialized laboratories at the request of those departments, on the quality and/or the quantity of products exported, with a view to detecting any irregularities.


Expenditure on analyses was declared in seven Member States: Belgium, Denmark, France, Greece, Ireland, the Netherlands and Portugal. The number of samples analysed in virtually all the sectors eligible for refunds was very high, with the French customs service giving a figure of about 15 500, and the Portuguese Wine Institute a figure of about 14 000.

3. Controls carried out by the Member States

The information available on the precise number of controls carried out is not harmonized, so that no statistics can be established at Community level. Some Member States freely admit that they are unable to put a precise figure on the extra controls carried out in the framework of Regulation (EEC) No 307/91, because the departments responsible for control also work in other sectors, and carry out large numbers of controls each year.

Table 4: **Main sectors covered (exported products and aid)**

Member State	Sectors
Belgium	Cereals, sugar, dairy products, beef and veal, sheepmeat and goatmeat, aid per hectare, products not covered by Annex II, processed products
Denmark	Cereals, composite products, dairy products, meat
Germany	Cereals, sugar, milk, poultrymeat, beef and veal, pigmeat and sheepmeat, products not covered by Annex II, tobacco
Greece	Products not covered by Annex II, cereals, processed fruit and vegetables
Spain	Aid per hectare, wine-growing, aid for cotton
France	Cereals, milk, tobacco, wine-growing, aid per hectare, arable land set-aside, beef and veal, sheepmeat and goatmeat, withdrawal of fruit and vegetables, products not covered by Annex II
Ireland	Beef and veal, pigmeat, dairy products, products not covered by Annex II



Italy	Olive oil, processed fruit and vegetables, wine-growing, dairy products
Netherlands	Cereals, sugar, arable land set-aside, beef and veal, pigmeat, sheepmeat, processed products, dairy products, tobacco
Portugal	Cereals, wine-growing
United Kingdom	All sectors

4. Use of Community financial resources

All the Member States made use of the Community financial aid available, with the exception of Luxembourg, which has never used it, and, in 1991, of Greece, which did not use the aid, and of the United Kingdom, which did not request it.


Expenditure by the Member States amounted to ECU 7.3 million in 1991. The overall rate of utilisation of the Community contribution was only 37% of the amount available. Only Belgium, Denmark, Spain, France and the Netherlands used up a higher-than-average percentage (45% to 86%); all the other Member States used up from 3% to 15% of the amounts made available.

There was a slight improvement in 1992, when the Member States' expenditure increased to ECU 9.3 million, or 47% of the total amount available. However, this result hides a variety of different situations at national level: rates of utilization were above average in Denmark, Spain and France (64% to 83%), while Belgium, Germany, Ireland and the United Kingdom all used about 30% of the resources available to them. Greece, Italy and Portugal used only 3% to 17% of the funds at their disposal. Only the Netherlands used up all the available resources.

In 1993, expenditure by the Member States amounted to ECU 10.3 million, or 52% of the total available financing.

This gradual improvement is due to an increase in the rate of utilization of Community financing by Member States such as Germany (from 15% in 1991 to 59% in 1993), Ireland (from 9% in 1991 to 52% in 1993) and Portugal (from 5% in 1991 to 45% in 1993), and to the steady high rate of utilization of Denmark, France and the Netherlands, which have continued to use up available funds, and were even granted extra financing from resources not used by the other Member States, under Commission Regulation (EC) No 1116/94.²

² Amending Commission Regulation (EEC) No 967/91 (OJ No L 122, 17.5.1994, p.13).



Expenditure by both Greece and Italy remained fairly low (it should be pointed out that in those countries, it related only to the activities of the control services depending on the Finance Ministry), as did expenditure by the United Kingdom.

Annex II shows the Member States' rates of utilization of Community financing from 1991 to 1993.

5. **Commission's assessment of the application of the Regulation**

Commission departments have reported regularly to the Member States on the application of the Regulation, at meetings of the EAGGF Group of experts on irregularities and mutual assistance. While welcoming the interest shown by certain Member States in the Regulation, as demonstrated by their regular use of the Community financing it makes available, the Commission has not concealed its dissatisfaction and its concern about under-use of the resources by certain national departments, especially those that might have been thought to need them most.


In particular, the Commission regrets that the Member States have, in general, made little use of Community financial support to do more in the way of training, which is a very important factor in ensuring effective controls, and which all agreed was inadequate.

The Commission also wonders whether the measures taken by the Member States were part of a well-defined strategy, or simply a response to immediate pressing needs. The Commission also wonders about how the Member States view Community financing: as a real financial incentive to reinforce controls, or simply as a means of reducing their budget costs, with Community financing as an extra resource in a budget that would have existed anyway.

In these conditions, while noting the progress made, the Commission cannot be sure whether the aim set by the Regulation, the reinforcement of controls, has really been achieved.

Nevertheless, recognizing that some rigidity in the rules on granting aid had become apparent during the second year of application of the Regulation, Commission departments took the initiative, in 1993, of embarking upon a revision of Commission Regulation (EEC) No 967/91, with a view, among other things, of enabling Member States to receive financing in each of the sectors concerned, so as to satisfy their requirements in the sector where the need for reinforcement was most urgent. This work led to the adoption of Regulation (EC) No 1116/94, mentioned above.

By providing the Member States with an opportunity to adapt Community financing to their needs, and providing the possibility of extra resources from amounts originally allocated to the other Member States but not taken up, the Commission departments are confident that they have acted not only in the interests of the Member States, and especially those that have been most active and most willing to use up all the financing put at their disposal, but also in compliance with the principles of good financial management.



Clearly, however, the problems some Member States have in tapping Community resources must be attributed in the first place to the arrangements for part-financing, which entail setting aside in the national budget an amount equal to the amount of Community aid.

Moreover, experience seems to show that introducing part-financing arrangements at a high rate does not take account of the lead time for national budgets to respond, which means that part of the Community contribution is lost from the outset. It would be better to start with a low rate of part-financing, progressively increasing to a maximum, and then decreasing to allow the national budget to take over gradually.

There is no doubt that as the Community financial contribution is limited in time, the Member States limit their expenditure, especially on recruitment, to what they know they can cover in the longer term.

All these factors need to be taken into account in future.

6. Future outlook

A long discussion could be held on whether the Community should contribute or not, in particular through budgetary measures, to covering costs incurred by the Member States for the control of EAGGF Guarantee Section expenditure.


To protect the Community's interests, it seems appropriate to continue providing financial assistance to the Member States for controls, but to do so in the framework of better structured initiatives in a form different from that provided for in Regulation (EEC) No 307/91.

Allocating funds to the Member States solely on the basis of expenditure incurred in the areas covered by the Regulation appears too limited, as it does not take account of the specific problems of individual Member States, nor of their capacity to use Community aid.

Moreover, to preclude the use of Community financing for measures whose impact on controls is difficult to establish, it would be helpful if the Member States hoping to receive Community financing could define their action strategy and set the aims to be achieved from the outset.

Community assistance should be decided case by case, taking account first of all of the usefulness of the proposed measures, but also of the budget problems that might face the Member States, because of the risk that these problems might prevent priority measures from being taken.

It is essential to maintain the systems of control and direct electronic information exchange set up between the Member States and the Commission constantly at peak performance level.



To this end, a proposal for a Council Regulation is annexed to this report. Among other things, this proposal provides that the Member States should submit to the Commission action programmes, possibly multiannual, including an analysis of the existing situation, the aims to be achieved, and the measures to be carried out, where appropriate, each year.

After consulting the Fund Committee, the Commission sets the rate and maximum amount of the Community's financial participation (which may cover up to 100% of national expenditure) for each year of an action programme, as a function of available resources and taking account of the need for the measures proposed by the Member State, the problems it might encounter in financing them, and the progress made with the action programme.

Annex: Proposal for a Regulation

ANNEX I

EXPENDITURE BY THE MEMBER STATES, BROKEN DOWN BY CATEGORY (as % of total expenditure)

Table 1: Expenditure in 1991

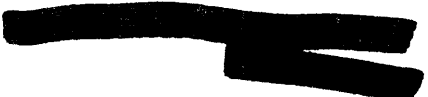
MEMBER STATE	TOTAL ELIGIBLE EXPENDITURE	STAFF	TRAINING	EQUIPMENT	COST OF ANALYSES	TOTAL
BELGIUM	210 629	54%	8%	35%	3%	100%
DENMARK	963 473	0%	7%	54%	39%	100%
GERMANY	369 520	57%	0%	43%	0%	100%
GREECE	0	0%	0%	0%	0%	0%
SPAIN	1 207 003	82%	1%	17%	0%	100%
FRANCE	2 508 219	43%	8%	37%	12%	100%
IRELAND	67 437	21%	1%	1%	77%	100%
ITALY	97 431	0%	7%	93%	0%	100%
NETHERLANDS	1 887 871	82%	1%	10%	7%	100%
PORTUGAL	52 684	0%	0%	100%	0%	100%
UNITED KINGDOM	0	0%	0%	0%	0%	100%
TOTAL	7 364 267	54%	4%	30%	12%	100%

Table 2: Expenditure in 1992

MEMBER STATE	TOTAL ELIGIBLE EXPENDITURE	STAFF	TRAINING	EQUIPMENT	COST OF ANALYSES	TOTAL
BELGIUM	182 947	57%	3%	22%	18%	100%
DENMARK	744 899	17%	1%	47%	35%	100%
GERMANY	580 658	74%	0%	26%	0%	100%
GREECE	34 581	27%	3%	50%	20%	100%
SPAIN	1 302 016	82%	1%	17%	0%	100%
FRANCE	3 112 522	76%	4%	14%	6%	100%
IRELAND	173 290	52%	2%	1%	45%	100%
ITALY	515 874	0%	7%	93%	0%	100%
NETHERLANDS	2 058 300	83%	4%	7%	6%	100%
PORTUGAL	256 646	98%	2%	0%	0%	100%
UNITED KINGDOM	383 205	0%	21%	79%	0%	100%
TOTAL	9 344 938	66%	4%	22%	8%	100%

Table 3: Expenditure in 1993

MEMBER STATE	TOTAL ELIGIBLE EXPENDITURE	STAFF	TRAINING	EQUIPMENT	COST OF ANALYSES	TOTAL
BELGIUM	189 497	68%	1%	15%	16%	100%
DENMARK	700 174	31%	0%	27%	42%	100%
GERMANY	1 495 586	78%	1%	21%	0%	100%
GREECE	191 592	39%	2%	0%	59%	100%
SPAIN	795 254	99%	1%	0%	0%	100%
FRANCE	3 319 911	71%	5%	15%	9%	100%
IRELAND	279 645	42%	1%	2%	55%	100%
ITALY	455 079	0%	0%	100%	0%	100%
NETHERLANDS	2 315 994	84%	0%	10%	6%	100%
PORTUGAL	454 465	49%	0%	1%	50%	100%
UNITED KINGDOM	172 875	0%	9%	91%	0%	100%
TOTAL	10 370 072	67%	2%	18%	12%	100%



Member State	1991			1992			1993			Total		% use 91-93
	A	B	%	A	B	%	A	B	%	A	B	
Belgium	466 600	210 629	45	799 500	182 947	23	1 137 400	189 497	17	2 403 500	583 073	24
Denmark	1 114 000	963 474	86	902 200	744 899	83	877 600	700 174	80	2 893 800	2 408 547	83
Germany	2 409 200	369 520	15	2 436 600	580 658	24	2 526 300	1 495 586	59	7 372 100	2 445 764	33
Greece	1 333 000	0	0	1 350 200	34 581	3	1 523 900	191 592	13	4 207 100	226 173	5
Spain	2 121 500	1 207 003	57	2 026 600	1 302 016	64	1 605 400	795 254	50	5 753 500	3 304 273	57
France	3 683 400	2 508 219	68	3 935 300	3 112 522	79	4 126 500	3 319 911	80	11 745 200	8 940 652	76
Ireland	726 400	67 437	9	569 800	173 290	30	541 700	279 645	52	1 837 900	520 372	28
Italy	3 047 800	97 431	3	2 988 800	515 874	17	3 360 000	455 079	14	9 396 600	1 068 384	11
Netherlands	2 799 200	1 887 869	67	2 058 300	2 058 300	100	1 749 100	2 315 994	132	6 606 600	6 262 163	95
Portugal	997 100	52 684	5	1 503 900	256 646	17	1 015 900	454 465	45	3 516 900	763 795	22
United Kingdom	1 521 600	0	0	1 428 600	383 205	27	1 536 200	172 875	11	4 486 400	556 080	12
Total	20 000 000	7 364 266	37	20 000 000	9 344 938	47	20 000 000	10 370 072	52	60 000 000	27 079 276	45

A = financing available
 B = amount used
 % = rate of utilization B:A as %

Proposal
for a Council Regulation on the implementation of
Member States' action programmes on control of EAGGF
Guarantee Section expenditure

THE COUNCIL OF THE EUROPEAN UNION,

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


Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Parliament²,

Whereas Article 8 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy³, as last amended by Regulation (EC) No 1287/95⁴ lays down that Member States are to take the measures necessary to satisfy themselves that transactions financed by the European Agricultural Guidance and Guarantee Fund (EAGGF) are actually carried out and are executed correctly, prevent and deal with irregularities and recover sums lost as a result of irregularities or negligence;

Whereas the part-financing introduced by Council Regulation (EEC) No 307/91 of 4 February 1991 on reinforcing the monitoring of certain expenditure chargeable to the Guarantee Section of the European Agricultural Guidance and Guarantee Fund⁵, as last amended by Regulation (EC) No 3235/94⁶, will lapse at the end of the 1995 financial year for the first twelve Member States and at the end of the 1997 financial year for the three new Member States;

¹ OJ No C.....
² OJ No
³ OJ NO L 94, 28.4.1970, p. 13.
⁴ OJ No L 125, 8.6.1995, p. 1.
⁵ OJ No L 37, 9.2.1991, p. 5.
⁶ OJ No L 338, 28.12.1994, p. 16.



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Whereas the Commission has sent a report to the Council on the implementation of Regulation (EEC) No 307/91 during the period 1991 to 1993, expressing the view that the Member States should continue to receive financial assistance for the monitoring of expenditure chargeable to the EAGGF Guarantee Section, in view of the Community financial interest at stake;

Whereas provision should be made, for a certain period and within the limit of the appropriations available, for Community financing for Member States' action programmes in the field of control of expenditure to amend or improve their monitoring structures or make them more effective;

Whereas the programmes must have a number of features enabling the Commission, with full knowledge of the facts, to evaluate the measures proposed by the Member States;

Whereas the programmes may be of a multiannual nature; whereas, it is appropriate that henceforth information relating to the annual instalments to be presented by Member States each year should be specified;

Whereas provision should be made for consultation of the Fund Committee on the annual instalments which may qualify for Community financing;

Whereas it should be specified that the Commission is to set the rate of the Community financial contribution and the maximum amount of that contribution for each annual instalment;

Whereas systems of control and direct electronic information exchange between the Member States and the Commission covering the control of certain expenditure should be maintained and developed;

Whereas it should be laid down that the financing provided for in this Regulation cannot be combined with other Community financing;

Whereas detailed rules for the conversion of amounts expressed in ecus and in national currency should be laid down,



HAS ADOPTED THIS REGULATION:


Article 1


1. The Community shall contribute towards the costs incurred by Member States on implementing action programmes to improve the structures of inspection services or their effectiveness.
2. The action programmes referred to in paragraph 1 may relate to the creation or reorganization of inspection services dealing totally or partially with control of EAGGF Guarantee Section expenditure.
3. The measures provided for in such programmes may include the redeployment or recruitment of inspectors and their assignments, the purchase or hire of equipment and facilities required for the performance of controls, the organisation of training and briefing or any other appropriate means of reinforcing the effectiveness of controls.

Article 2


1. Member States shall submit the action programmes they wish to receive Community financing to the Commission not later than 1 July of the calendar year preceding the start of their implementation. Programmes presented after 1 July cannot be considered.


However, for programmes relating to the first year of application of this Regulation, the time limit for submission of action programmes shall be the end of the second month following the date of entry into force of the implementing Regulation.



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2. Programmes may be multiannual and must include the following information:
 - description and analysis of the situation at the outset as regards inspectors and equipment;
 - objectives of the planned action;
 - schedule for implementation of measures;
 - detailed description of the work for which financing is requested;
 - estimate of costs of each type of action and in the case of multiannual programmes, annual financial estimates;
 - cost/benefit analysis of the measure.
 3. The Commission shall examine the programmes presented by the Member States. It may request additional information it deems necessary for assessing the programmes.

Article 3

1. Member States having presented action programmes in accordance with Article 2 shall communicate to the Commission at a date to be specified by the Commission the information about the annual instalment which is to be implemented for the following year, and in particular:
 - a) a description of the work planned and a detailed estimate of costs;
 - b) an annual application for financing and, where appropriate, an application for an advance on the Community financial contribution;
 - c) from the second year of execution of the action programme, a preliminary assessment of the schemes implemented during the preceding year and, where appropriate, a proposal to amend the initial programme.
 2. The annual instalment of the action programme shall be implemented between 1 January and 31 December of each year.
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Article 4

1. The Community financial contribution shall be granted per calendar year, for a period of five consecutive years, starting with 1996.


It shall be granted within the limit of the annual appropriations authorized by the budget authority in the light of the financial perspective.

2. After consulting the Fund Committee referred to in Article 11 of Council Regulation (EEC) No 729/70, the Commission shall, for each annual instalment, set the rate of the Community financial contribution and the maximum amount of such contribution having regard to the appropriations available and on the basis of the information supplied by the Member State.

Having regard to the interest represented by the measures provided for in the annual instalment and any difficulties faced by the Member State in financing it, the Commission may decide that the instalment in question or part thereof shall be charged entirely to the Community budget.

Acceptance of financing of an annual instalment by the Commission shall not prejudice the decision on a financial contribution to subsequent annual instalments, Community financing be reassessed each year as regard both the rate and the amount, in the light of the results achieved by previous annual instalments.

3. The Commission may have work undertaken for the maintenance and development of systems of control and direct electronic information exchange between the Member States and itself.





Article 5

Expenditure incurred which is eligible for Community financing under other Regulations and in particular:

- Council Regulation (EC) No 165/94 of 24 January 1994 concerning the co-financing by the Community of remote sensing checks and amending Regulation (EEC) No 3508/92 establishing an integrated administration and control system for certain Community aid schemes⁷

and, as regards the three new Member States:


- Council Regulation (EEC) No 4045/89 of 21 December 1989 on scrutiny by Member States of transactions forming part of the system of financing by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund and repealing Directive 77/435/EEC ⁸
- Council Regulation (EEC) No 307/91 of 4 February 1991 on reinforcing the monitoring of certain expenditure chargeable to the Guarantee Section of the European Agricultural Guidance and Guarantee Fund⁹
- Council Regulation (EEC) No 3508/92 of 27 November 1992 establishing an integrated administration and control system for certain Community aid schemes¹⁰, shall not be eligible under this Regulation.

⁷ OJ No L 24, 29.1.1994, p. 6.

⁸ OJ No L 388, 30.12.1989, p. 18. Regulation amended by Regulation (EC) No 3094/94 (OJ No L 328, 20.12.1994, p. 1).

⁹ OJ No L 37, 9.2.1991, p. 5.

¹⁰ OJ No L 355, 5.12.1992, p. 1.





Article 6

Detailed rules for the application of this Regulation shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 7

After the fifth year, the Commission shall report to the Council on the results of the implementation of this Regulation.

Article 8

Amounts expressed in ecus and in national currency shall be converted using the exchange rate in force on the first working day of the calendar year during which the annual programme concerned begins, as published in the "C" series of the Official Journal of the European Communities.

Article 9

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

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

Done at Brussels,

For the Council





FINANCIAL STATEMENT					
1. BUDGET HEADING: BI - 360		APPROPRIATIONS: ECU 44 million			
2. TITLE: Council Regulation (EC) on the implementation of Member States' action programmes on control of EAGGF Guarantee Section expenditure					
3. LEGAL BASIS: Article 43 of the EC Treaty					
4. AIMS: to finance expenditure incurred by Member States on implementing action programmes to improve the structure of inspection services or their effectiveness					
5. FINANCIAL IMPLICATIONS:	PERIOD OF 12 MONTHS (ECU million)	CURRENT FINANCIAL YEAR (95) (ECU million)	FOLLOWING FINANCIAL YEAR (96) (ECU million)		
5.0. EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION) - NATIONAL AUTHORITIES - OTHER		none	ECU 15 million		
5.1. REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL					
	1997	1998	1999	2000	
5.0.1. ESTIMATED EXPENDITURE	ECU 15 million	ECU 15 million	ECU 15 million	ECU 15 million	
5.1.1. ESTIMATED REVENUE					
5.2. METHOD OF CALCULATION: Maximum authorized as EAGGF Guarantee contribution					
6.0. CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?					YES/NO
6.1. CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?					YES/NO
6.2. WILL A SUPPLEMENTARY BUDGET BE NECESSARY?					YES/NO
6.3. WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY?					YES/NO
OBSERVATIONS The 1996 PDB takes account of this expenditure. THE MEASURE INCLUDES EXPENDITURE ON WORK TO MAINTAIN AND DEVELOP SYSTEMS OF CONTROL AND DIRECT ELECTRONIC INFORMATION EXCHANGE BETWEEN THE MEMBER STATES AND THE COMMISSION. ESTIMATED EXPENDITURE: ECU 300 000 X 5 YEARS = ECU 1.5 MILLION. THIS EXPENDITURE IS INCLUDED IN POINTS 5.0 AND 5.0.1.					



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