

COMMISSION

COMMISSION DECISION

of 14 May 2001

conferring management of aid on implementing agencies for pre-accession measures in agriculture and rural development in the Republic of Bulgaria in the pre-accession period

(notified under document number C(2001) 1428)

(2001/380/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1266/1999 of 21 June 1999 on coordinating aid to the applicant countries in the framework of the pre-accession strategy and amending Regulation (EEC) No 3906/89⁽¹⁾, and in particular Article 12(2) thereof,

Having regard to Commission Regulation (EC) No 2222/2000 of 7 June 2000 laying down financial rules for the application of Council Regulation (EC) No 1268/1999 on Community support for pre-accession measures for agriculture and rural development in the applicant countries of central and eastern Europe in the pre-accession period⁽²⁾, and in particular Article 3(2) thereof,

Whereas:

- (1) In accordance with Article 4(5) of Council Regulation (EC) No 1268/1999 of 21 June 1999 on Community support for pre-accession measures for agriculture and rural development in the applicant countries of central and eastern Europe in the pre-accession period⁽³⁾, a Programme for Agriculture and Rural Development was approved by Commission Decision C(2000)3058 final on 20 October 2000 for the Republic of Bulgaria.
- (2) The Government of the Republic of Bulgaria and the Commission, acting on behalf of the European Community, have signed on 18 December 2000 the Multiannual Financing Agreement laying down the technical, legal and administrative framework for the execution of the Sapard Programme.
- (3) Regulation (EC) No 1266/1999 provides that the *ex-ante* approval requirement referred to in Article 12(1) of Regulation (EC) No 1266/1999 may be waived on the basis of a case-by-case analysis of national and sectorial

programme/project management capacity, financial control procedures and structures regarding public finance. Regulation (EC) No 2222/2000 provides for detailed rules for the carrying out of said analysis.

- (4) The Competent authority of the Republic of Bulgaria has appointed, on the one hand, the State Agriculture Fund for the implementation of measures 'Investments in agricultural holdings', 'Improving the processing and marketing of agricultural and fishery products' and 'Development and diversification of economic activities, provision for multiple activities and alternative income' as defined in the Programme for Agriculture and Rural Development that was approved by Decision C(2000)3058 final for the Republic of Bulgaria and, on the other, the Ministry of Finance, Directorate National Fund, for the financial functions it is due to perform in the framework of the implementation of the Sapard programme.

- (5) Pursuant to Regulation (EC) No 1266/1999 and Regulation (EC) No 2222/2000, the Commission has analysed the national and sectorial programme/project management capacity, financial control procedures and structures regarding public finance and has established that, for the implementation of the aforementioned measures, the Republic of Bulgaria complies with the provisions of Articles 4 to 6 and of the Annex to Regulation (EC) No 2222/2000, with the minimum conditions set out in the Annex to Regulation (EC) No 1266/1999. In particular, the State Agriculture Fund has implemented the following key accreditation criteria satisfactorily: written procedures, segregation of duties, pre-project and pre-payment checks, commitment and payment procedures, accounting procedures, computer systems security and internal audit; the Ministry of Finance, Directorate National Fund has implemented the following key accreditation criteria satisfactorily: audit trail, treasury management, receipt of funds, disbursement to the State Agriculture Fund, computer security and internal audit.

⁽¹⁾ OJ L 161, 26.6.1999, p. 68.

⁽²⁾ OJ L 253, 7.10.2000, p. 5.

⁽³⁾ OJ L 161, 26.6.1999, p. 87.

- (6) It is therefore appropriate to waive the *ex-ante* approval requirement referred to in Article 12(1) of Regulation (EC) No 1266/1999 and to confer on the State Agriculture Fund and on the Ministry of Finance, Directorate National Fund in the Republic of Bulgaria the management of aid on a decentralised basis.
- (7) However, since the verifications carried out by the Commission are based on an operational but not operating system and that it is therefore appropriate to confer the management of the Sapard Programme on the State Agriculture Fund and on the Ministry of Finance, Directorate National Fund on a provisional basis so that full conferral of management of the Sapard Programme is only envisaged after further verifications in order to ensure that the system operates satisfactorily have been carried out and after any recommendations the Commission may issue, with regard the conferral of management of aid on the State Agriculture Fund and on the Ministry of Finance, Directorate National Fund, have been implemented,

HAS DECIDED AS FOLLOWS:

Article 1

The requirement of *ex-ante* approval by the Commission of project selection and contracting by the Republic of Bulgaria is hereby waived.

Article 2

Management of the Sapard Programme is conferred on a provisional basis to the State Agriculture Fund, 55 Hristo Botev Boulevard, 1040 Sofia, Bulgaria for the implementation of the measures 'Investments in agricultural holding', 'Improving the processing and marketing of agricultural and fishery products' and 'Development of and diversification of economic activities, provision for multiple activities and alternative income', as defined in the Programme for Agriculture and Rural Development that was approved by Decision C(2000)3058 final and to the Ministry of Finance, Directorate National Fund, 102 Radkovski Street, 1040 Sofia, Bulgaria, for the financial functions it is due to perform in the framework of the implementation of the Sapard programme for the Republic of Bulgaria. Upon a request of the Competent authority, the Commission may decide to extend the conferral of management to other measures identified in the Programme for Agriculture and Rural Development, once it establishes that there is compliance with the relevant conditions.

Done at Brussels, 14 May 2001.

For the Commission

Franz FISCHLER

Member of the Commission