

COMMISSION DECISION

of 11 July 2001

excluding from Community financing certain expenditure incurred by the Member States under the Guarantee Section of the European Agricultural Guidance and Guarantee Fund (EAGGF)*(notified under document number C(2001) 1795)***(Only the Dutch, English, French, German, Greek, Italian, Portuguese and Spanish texts are authentic)**

(2001/557/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy ⁽¹⁾, as last amended by Regulation (EC) No 1287/95 ⁽²⁾, and in particular Article 5(2)(c) thereof,

After consulting the Committee for the European Agricultural Guidance and Guarantee Fund,

Whereas:

- (1) Article 5(2)(c) of Regulation (EEC) No 729/70 stipulates that the Commission is to exclude expenditure from Community financing where it finds that it has not been incurred in accordance with the Community rules.
- (2) This Article of Regulation (EEC) No 729/70 and Article 8(1) and (2) of Commission Regulation (EC) No 1663/95 of 7 July 1995 laying down detailed rules for the application of Council Regulation (EEC) No 729/70 regarding the procedure for the clearance of the accounts of the EAGGF Guarantee Section ⁽³⁾, as last amended by Regulation (EC) No 2245/1999 ⁽⁴⁾, provide that the Commission is to carry out the necessary checks, forward its findings to the Member States, consider any comments from the latter, enter into bilateral discussions to reach an agreement with the Member States concerned and formally communicate its conclusions to them, referring to Commission Decision 94/442/EC of 1 July 1994 setting up a conciliation procedure in the context of the clearance of the accounts of the European Agricultural Guidance and Guarantee Fund (EAGGF) Guarantee Section ⁽⁵⁾, as amended by Decision 2000/649/EC ⁽⁶⁾.
- (3) The Member States have had the opportunity to request that a conciliation procedure be initiated. That procedure has been applied in some cases and the reports issued on the outcome have been considered by the Commission.

(4) Articles 2 and 3 of Regulation (EEC) No 729/70 and Article 2 of Regulation (EC) No 1258/1999 provide that refunds on exports to non-member countries and intervention intended to stabilise the agricultural markets may be financed only where they are, respectively, granted and undertaken in accordance with the Community rules governing the common organisation of the agricultural markets.

(5) The findings of checks performed, the results of bilateral discussions and the outcome of the conciliation procedures have shown that some expenditure declared by the Member States does not meet those conditions and cannot therefore be financed under the EAGGF Guarantee Section.

(6) The Annex to this Decision sets out the amounts that are not recognised as being chargeable to the EAGGF Guarantee Section. Those amounts do not relate to expenditure incurred more than 24 months before the Commission's written notification of the results of the checks to the Member States.

(7) As regards the cases covered by this Decision, the assessment of the amounts to be excluded on grounds of non-compliance with the Community rules was notified by the Commission to the Member States in a summary report on the subject.

(8) This Decision is without prejudice to any financial conclusions that the Commission may draw from the judgments of the Court of Justice in cases pending on 31 March 2001 and relating to the subject thereof,

HAS ADOPTED THIS DECISION:

Article 1

The expenditure itemised in the Annex that has been incurred by the Member States' accredited paying agencies and declared under the EAGGF Guarantee Section is hereby excluded from Community financing because it does not comply with the Community rules.

⁽¹⁾ OJ L 94, 28.4.1970, p. 13.⁽²⁾ OJ L 125, 8.6.1995, p. 1.⁽³⁾ OJ L 158, 8.7.1995, p. 6.⁽⁴⁾ OJ L 273, 23.10.1999, p. 5.⁽⁵⁾ OJ L 182, 16.7.1994, p. 45.⁽⁶⁾ OJ L 272, 25.10.2000, p. 41.

Article 2

This Decision is addressed to the Kingdom of Belgium, the Federal Republic of Germany, the Hellenic Republic, the Kingdom of Spain, the French Republic, Ireland, the Italian Republic, the Portuguese Republic and the United Kingdom of Great Britain and Northern Ireland.

Done at Brussels, 11 July 2001.

For the Commission

Franz FISCHLER

Member of the Commission

ANNEX

TOTAL CORRECTIONS

Sector	Member State	Budget post	Reason	Expenditure to be excluded from financing (national currency)	Already deducted (national currency)	Financial consequences of this Decision (national currency)	Financial year
Livestock premiums	BE	Various	Bovine premiums — indadequate control	- 22 583 914,00	0,00	- 22 583 914,00	1998-1999
Livestock premiums	BE	Various	Bovine premiums — indadequate control	- 66 649 000,00	0,00	- 66 649 000,00	1998-1999
Livestock premiums	BE	2190	Ineligible late payments	- 1 132 500,00	- 1 132 500,00	0,00	1998-1999
	BE Total			- 90 365 414,00	- 1 132 500,00	- 89 232 914,00	
Milk and milk products	DE	2062	Judgment of the Court C-245/97	608 583,40	0,00	608 583,40	1993
Livestock premiums	DE	2120	Deficient control system and inadequate control over eligibility	- 5 337 992,00	0,00	- 5 337 992,00	1996-1997
Livestock premiums	DE	2125	Deficient control system and inadequate control over eligibility	- 1 028 704,00	0,00	- 1 028 704,00	1996-1997
	DE Total			- 5 758 112,60	0,00	- 5 758 112,60	
Livestock premiums	ES	Various	Unsatisfactory control system	- 874 279 258,00	0,00	- 874 279 258,00	1996-1997
Livestock premiums	ES	Various	Unsatisfactory control system	- 1 842 669 000,00	0,00	- 1 842 669 000,00	1997-1999
Livestock premiums	ES	Various	Unsatisfactory control system	- 846 866 000,00	0,00	- 846 866 000,00	1997-1999
Livestock premiums	ES	2125	Extensification premium — lack of control in Catalonia	- 168 440 000,00	0,00	- 168 440 000,00	1997-1999
Livestock premiums	ES	2133	System not in conformity with the rules	- 185 046 088,00	0,00	- 185 046 088,00	1997
Public storage	ES	3150	Expenditure relating to free supply of agricultural produce to the Russian Federation	- 3 169 653,00	0,00	- 3 169 653,00	1999
	ES Total			- 3 920 469 999,00	0,00	- 3 920 469 999,00	

Sector	Member State	Budget post	Reason	Expenditure to be excluded from financing (national currency)	Already deducted (national currency)	Financial consequences of this Decision (national currency)	Financial year
Agri-environment	FR	5011	Unsatisfactory application of administration and control system in Cantal	- 55 638,00	0,00	- 55 638,00	1997-1998
Livestock premiums	FR	Various	Bovine premiums — inadequate control	- 4 907 000,00	0,00	- 4 907 000,00	1999
Livestock premiums	FR	2124	Deficient control system	- 1 766 463,00	0,00	- 1 766 463,00	1998-1999
Livestock premiums	FR	2128	Deficient control system	- 1 214 329,00	0,00	- 1 214 329,00	1998-1999
Livestock premiums	FR	2190	Ineligible late payments	- 224 645,72	- 224 645,72	0,00	1998-1999
Arable crops	FR	Various	Anomalies detected concerning 'small producers' of arable crops	- 26 149 995,00	0,00	- 26 149 995,00	1998-1999
Arable crops	FR	1040	Incorrect yield used to calculate aid	- 3 694 272,00	0,00	- 3 694 272,00	1998
Arable crops	FR	1040	Incorrect yield used to calculate aid	- 4 301 361,00	0,00	- 4 301 361,00	1999
Livestock premiums	FR	Various	Anomalies detected but not fully investigated	- 27 252 016,00	0,00	- 27 252 016,00	1998
Livestock premiums	FR	Various	Anomalies detected but not fully investigated	- 10 504 446,00	0,00	- 10 504 446,00	1999
Agri-environment	FR	5011	Anomalies detected but not fully investigated	- 1 953 560,00	0,00	- 1 953 560,00	1998
Agri-environment	FR	5011	Anomalies detected but not fully investigated	- 637 293,00	0,00	- 637 293,00	1999
Financial audit	FR	Various	Failure to meet payment deadlines	- 20 077 950,04	- 22 098 248,40	2 020 298,36	1999
Financial audit	FR	3201-001	Replanting of sugar cane	- 1 182 200,00	0,00	- 1 182 200,00	1999
	FR Total			- 103 921 168,76	- 22 322 894,12	- 81 598 274,64	

Sector	Member State	Budget post	Reason	Expenditure to be excluded from financing (national currency)	Already deducted (national currency)	Financial consequences of this Decision (national currency)	Financial year
Livestock premiums	GB	2190	Ineligible late payments	- 345 623,49	- 345 623,49	0,00	1998-1999
Livestock premiums	GB	2190	Ineligible late payments	- 74 773,18	- 74 773,18	0,00	1998-1999
Oils and fats	GB	1400	ECJ Case 148/99 — United Kingdom flax and hemp	8 966 470,00	0,00	8 966 470,00	1996-1997
	GB Total			8 546 073,33	- 420 396,67	8 966 470,00	
Livestock premiums	GR	2220	Unsatisfactory control system	- 9 421 033 000,00	- 4 702 269 261,00	- 4 718 763 739,00	1996-1999
Livestock premiums	GR	2221	Unsatisfactory control system	- 2 442 900 000,00	- 1 587 554 332,00	- 855 345 668,00	1996-1999
Oils and fats	GR	1210	Weaknesses in the control system	- 17 308 535 972,00	- 8 535 172 442,00	- 8 773 363 530,00	1997-1998
Oils and fats	GR	1410	Inadequate on-the-spot controls — DAS 1996 and 1997	- 4 163 259 550,00	- 3 683 367 261,00	- 479 892 289,00	1996-1997
Fruits and vegetables	GR	1513	Production aid for dried grapes	- 3 144 838 970,00	0,00	- 3 144 838 970,00	1997-1999
Financial audit	GR	Various	Respect of the accreditation criteria	0,00	- 3 777 502 522,00	3 777 502 522,00	1999
	GR Total			- 36 480 567 492,00	- 22 285 865 818,00	- 14 194 701 674,00	
Livestock premiums	IE	2190	Ineligible late payments	- 45 871,14	- 45 871,14	0,00	1998-1999
Livestock premiums	IE	2190	Ineligible late payments	- 10 831,71	- 10 831,71	0,00	1998-1999
	IE Total			- 56 702,85	- 56 702,85	0,00	
Financial audit	IT	Various	Failure to meet payment deadlines	- 8 707 876 239,25	- 8 707 876 239,25	0,00	1999
	IT Total			- 8 707 876 239,25	- 8 707 876 239,25	0,00	
Public storage	PT	2011	Technical costs — meat	- 4 839 243,00	0,00	- 4 839 243,00	1999
Public storage	PT	2012	Financing costs — meat	- 2 238 402,00	0,00	- 2 238 402,00	1999
Public storage	PT	2013	Other costs — meat	- 78 733 025,00	0,00	- 78 733 025,00	1999
	PT Total			- 85 810 670,00	0,00	- 85 810 670,00	

TOTAL CORRECTIONS IN EURO

Sector	Member State	Budget Post	Reason	Expenditure to be excluded from financing (euro)	Already deducted (euro)	Financial consequences of this Decision (euro)	Financial year
Livestock premiums	BE	Various	Bovine premiums — inadequate control	- 559 839,22	0,00	- 559 839,22	1998-1999
Livestock premiums	BE	Various	Bovine premiums — inadequate control	- 1 652 181,46	0,00	- 1 652 181,46	1998-1999
Livestock premiums	BE	2190	Ineligible late payments	- 28 073,87	- 28 073,87	0,00	1998-1999
	BE Total			- 2 240 094,55	- 28 073,87	- 2 212 020,67	
Milk and Milk products	DE	2062	Judgment of the Court C-245/97	310 501,73	0,00	310 501,73	1993
Livestock premiums	DE	2120	Deficient control system and inadequate control over eligibility	- 2 723 465,31	0,00	- 2 723 465,31	1996-1997
Livestock premiums	DE	2125	Deficient control system and inadequate control over eligibility	- 524 848,98	0,00	- 524 848,98	1996-1997
	DE Total			- 2 937 812,55	0,00	- 2 937 812,55	
Livestock premiums	ES	Various	Unsatisfactory control system	- 5 254 524,17	0,00	- 5 254 524,17	1996-1997
Livestock premiums	ES	Various	Unsatisfactory control system	- 11 074 663,73	0,00	- 11 074 663,73	1997-1999
Livestock premiums	ES	Various	Unsatisfactory control system	- 5 089 767,17	0,00	- 5 089 767,17	1997-1999
Livestock premiums	ES	2125	Extensification premium — lack of control in Catalonia	- 1 012 344,79	0,00	- 1 012 344,79	1997-1999

Sector	Member State	Budget Post	Reason	Expenditure to be excluded from financing (euro)	Already deducted (euro)	Financial consequences of this Decision (euro)	Financial year
Livestock premiums	ES	2133	System not in conformity with the rules	- 1 112 149,39	0,00	- 1 112 149,39	1997
Public Storage	ES	3150	Expenditure relating to free supply of agricultural produce to the Russian Federation	- 19 050,00	0,00	- 19 050,00	1999
	ES Total			- 23 562 499,24	0,00	- 23 562 499,24	
Agri-environment	FR	5011	Unsatisfactory application of administration and control system in Cantal	- 8 481,40	0,00	- 8 481,40	1997-1998
Livestock premiums	FR	Various	Bovine premiums — inadequate control	- 748 018,29	0,00	- 748 018,29	1999
Livestock premiums	FR	2124	Deficient control system	- 269 277,90	0,00	- 269 277,90	1998-1999
Livestock premiums	FR	2128	Deficient control system	- 185 111,13	0,00	- 185 111,13	1998-1999
Livestock premiums	FR	2190	Ineligible late payments	- 34 244,77	- 34 244,77	0,00	1998-1999
Arable crops	FR	Various	Anomalies detected concerning 'small producers' of arable crops	- 3 986 279,73	0,00	- 3 986 279,73	1998-1999
Arable crops	FR	1040	Incorrect yield used to calculate aid	- 563 151,22	0,00	- 563 151,22	1998
Arable crops	FR	1040	Incorrect yield used to calculate aid	- 655 695,27	0,00	- 655 695,27	1999
Livestock premiums	FR	Various	Anomalies detected but not fully investigated	- 4 154 270,73	0,00	- 4 154 270,73	1998
Livestock premiums	FR	Various	Anomalies detected but not fully investigated	- 1 601 287,50	0,00	- 1 601 287,50	1999
Agri-environment	FR	5011	Anomalies detected but not fully investigated	- 297 798,78	0,00	- 297 798,78	1998

Sector	Member State	Budget Post	Reason	Expenditure to be excluded from financing (euro)	Already deducted (euro)	Financial consequences of this Decision (euro)	Financial year
Agri-environment	FR	5011	Anomalies detected but not fully investigated	- 97 148,32	0,00	- 97 148,32	1999
Financial audit	FR	Various	Failure to meet payment deadlines	- 3 060 663,12	- 3 368 635,43	307 972,31	1999
Financial audit	FR	3201-001	Replanting of sugar cane	- 180 213,41	0,00	- 180 213,41	1999
	FR Total			- 15 841 641,58	- 3 402 880,20	- 12 438 761,38	
Livestock premiums	GB	2190	Ineligible late payments	- 555 218,46	- 555 218,46	0,00	1998-1999
Livestock premiums	GB	2190	Ineligible late payments	- 120 117,56	- 120 117,56	0,00	1998-1999
Oils and Fats	GB	1400	ECJ Case 148/99 — United Kingdom flax and hemp	14 403 967,87	0,00	14 403 967,87	1996-1997
	GB Total			13 728 631,86	- 675 336,02	14 403 967,87	
Livestock premiums	GR	2220	Unsatisfactory control system	- 27 647 932,50	- 13 799 763,06	- 13 848 169,45	1996-1999
Livestock premiums	GR	2221	Unsatisfactory control system	- 7 169 185,62	- 4 659 000,24	- 2 510 185,38	1996-1999
Oils and fats	GR	1210	Weaknesses in the control system	- 50 795 410,04	- 25 048 194,99	- 25 747 215,06	1997-1998
Oils and fats	GR	1410	Inadequate on-the-spot controls — DAS 1996 and 1997	- 12 217 929,71	- 10 809 588,44	- 1 408 341,27	1996-1997
Fruits and vegetables	GR	1213	Production aid for dried grapes	- 9 229 167,92	0,00	- 9 229 167,92	1997-1999
Financial audit	GR	Various	Respect of the accreditation criteria	0,00	- 11 085 847,46	11 085 847,46	1999
	GR Total			- 107 059 625,80	- 65 402 394,18	- 41 657 231,62	

Sector	Member State	Budget Post	Reason	Expenditure to be excluded from financing (euro)	Already deducted (euro)	Financial consequences of this Decision (euro)	Financial year
Livestock premiums	IE	2190	Ineligible late payments	- 58 064,73	- 58 064,73	0,00	1998-1999
Livestock premiums	IE	2190	Ineligible late payments	- 13 711,03	- 13 711,03	0,00	1998-1999
	IE Total			- 71 775,76	- 71 775,76	0,00	
Financial audit	IT	Various	Failure to meet payment deadlines	- 4 497 242,76	- 4 497 242,76	0,00	1999
	IT Total			- 4 497 242,76	- 4 497 242,76	0,00	
Public storage	PT	2011	Technical costs — meat	- 24 138,28	0,00	- 24 138,28	1999
Public storage	PT	2012	Financing costs — meat	- 11 165,21	0,00	- 11 165,21	1999
Public storage	PT	2013	Other costs — meat	- 392 722,59	0,00	- 392 722,59	1999
	PT Total			- 428 026,09	0,00	- 428 026,09	
	Grand total			- 142 910 086,47	- 74 077 702,79	- 68 832 383,68	