COMMISSION

COMMISSION DECISION

of 5 February 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) 198)

(Only the Danish, German, Greek, Spanish, French, Italian, Dutch, Portuguese, Swedish and English texts are authentic)

(2001/137/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,

Having regard to Council Regulation (EC) No 1258/1999 of 17 May 1999 on the financing of the common agricultural policy [3], and in particular Article 7(4) thereof,

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

Whereas:

(1) Article 5(2)(c) of Regulation (EEC) No 729/70 and Article 7(4) of Regulation (EC) No 1258/1999 stipulate 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) Those Articles of Regulations (EEC) No 729/70 and (EC) No 1258/1999 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 [4], as last amended by Regulation (EC) No 2245/1999 [5], 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 [6], as amended by Decision 2000/649/EC [7].

(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.

[1] OJ L 94, 28.4.1970, p. 13.
[2] OJ L 125, 8.6.1995, p. 1.
[3] OJ L 160, 26.6.1999, p. 103.
[4] OJ L 158, 8.7.1995, p. 6.
[5] OJ L 273, 23.10.1999, p. 5.
[6] OJ L 182, 16.7.1994, p. 45.
[7] OJ L 272, 25.10.2000, p. 41.

(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 at the date of this Decision 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.

Article 2

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

Done at Brussels, 5 February 2001.

For the Commission

Franz FISCHLER

Member of the Commission

ANNEX

TOTAL CORRECTIONS IN NATIONAL CURRENCY

Member State	Sector	Budget heading	Grounds	Expenditure to be excluded from financing	Deductions already made	Financial consequences of this Decision	Financial year
D	Arable crops	1040-60	Shortcomings in onsite checks required under Regulation (EEC) No 388/92 — Hessen	– 1 005 106,00	0,00	– 1 005 106,00	1998
D	Arable crops	1040-60	Shortcomings in onsite checks required under Regulation (EEC) No 388/92 — Hessen	– 1 015 929,00	0,00	– 1 015 929,00	1999
D	Remainder to be exported	2100	Shortcomings in system of checks — proof of arrival Monitoring firm	– 40 779 479,31	0,00	– 40 779 479,31	1996
D	Financial audit	Miscellaneous	Reimbursement correction certification of accounts — Bremen Senator	0,00	– 175 918,00	175 918,00	1999
			Total	**– 42 800 514,31**	**– 175 918,00**	**– 42 624 596,31**	
DK	Financial audit	Miscellaneous	Failure to observe payment deadlines	– 227 619,31	– 227 619,31	0,00	1999
			Total	**– 227 619,31**	**– 227 619,31**	**0,00**	
E	Arable crops	1040	Shortcomings concerning areas taken into account	– 201 858 648,00	0,00	– 201 858 648,00	1997
E	Arable crops	1052	Unsatisfactory monitoring arrangements for rape — Seville	– 820 827 563,00	0,00	– 820 827 563,00	1997
E	Arable crops	105X	Exceptional set-aside arrangements not imposed	– 18 856 213 434,00	0,00	– 18 856 213 434,00	1996
E	Arable crops	1060	Exceptional set-aside arrangements not imposed	– 8 967 561 775,00	0,00	– 8 967 561 775,00	1996
E	Oilseeds	1210	Shortcomings in system of olive oil production aid	– 3 758 518 330,00	0,00	– 3 758 518 330,00	1997
E	Oilseeds	1210	Shortcomings in system of olive oil production aid	– 8 067 597 841,00	0,00	– 8 067 597 841,00	1998
E	Oilseeds	1220	Shortcomings in system of olive oil production aid	– 832 182 856,00	0,00	– 832 182 856,00	1996
E	Oilseeds	1220	Reimbursement of olive oil consumption aid to two cooperatives	0,00	– 493 101 188,00	493 101 188,00	1992

Member State	Sector	Budget heading	Grounds	Expenditure to be excluded from financing	Deductions already made	Financial consequences of this Decision	Financial year
E	Oilseeds	1300	Deduction of baling wire	– 26 520 008,00	0,00	– 26 520 008,00	1998-2000
E	Milk and milk products	2071	Additional levy (deliveries) and interest for late payment	– 10 144 618 332,00	– 6 891 231 284,00	–3 253 387 048,00	1996
E	Livestock premiums	2220	Advances not followed by balances or recoveries	– 42 620 000,00	0,00	– 42 620 000,00	1996
E	Arable crops	Miscellaneous	Unsatisfactory monitoring arrangements — Andalusia	– 585 106 511,00	0,00	– 585 106 511,00	1997
E	Arable crops	Miscellaneous	Unsatisfactory monitoring arrangements — Andalusia	– 2 083 760 193,00	0,00	– 2 083 760 193,00	1998
E	Financial audit	Miscellaneous	Failure to observe payment deadlines	– 698 354 800,00	– 718 317 392,00	– 19 962 592,00	1999
			Total	**– 55 085 740 291,00**	**– 8 102 649 864,00**	**– 46 983 090 427,00**	
F	Arable crops	1040-60	Shortcomings in onsite checks required under Regulation (EEC) No 388/92	– 66 823 936,00	0,00	– 66 823 936,00	1998
F	Arable crops	1040-60	Shortcomings in onsite checks required under Regulation (EEC) No 388/92	– 92 251 241,00	0,00	– 92 251 241,00	1999
F	Milk and milk products	2071	Additional levy (deliveries) and interest for late payment	– 1 080 722,94	0,00	– 1 080 722,94	1996
			Total	**– 160 155 899,94**	**0,00**	**– 160 155 899,94**	
UK	Financial audit	Miscellaneous	Failure to observe payment deadlines	– 292 150,86	– 387 915,82	95 764,96	1999
			Total	**– 292 150,86**	**– 387 915,82**	**95 764,96**	
EL	Milk and milk products	2071	Additional levy (deliveries) and interest for late payment	– 103 197 096,00	– 10 604 124,00	– 92 592 972,00	1996
EL	Financial audit	Miscellaneous	Failure to observe payment deadlines	– 47 100 862,00	– 47 100 862,00	0,00	1999
			Total	**– 150 297 958,00**	**– 57 704 986,00**	**– 92 592 972,00**	

Member State	Sector	Budget heading	Grounds	Expenditure to be excluded from financing	Deductions already made	Financial consequences of this Decision	Financial year
IRL	Livestock premiums	2220	Advances not followed by balances or recoveries	– 20 286,59	0,00	– 20 286,59	1996-1997
IRL	Financial audit	Miscellaneous	Failure to observe payment deadlines	– 1 137 038,69	– 1 137 038,69	0,00	1999
			Total	**– 1 157 325,58**	**– 1 137 038,69**	**– 20 286,59**	
I	Oilseeds	1300	Deduction of baling wire	– 322 766 528,00	0,00	– 322 766 528,00	1998-2000
I	Public storage	162X	Erroneous use of exchange rate	– 1 228 000 000,00	0,00	– 1 228 000 000,00	1997
I	Public storage	162X	Correction of alcohol stocks declared	– 2 872 056 805,00	0,00	– 2 872 056 805,00	1997
I	Public storage	162X	Failure to comply with Regulation (EC) No 2148/1996	– 4 495 914 433,00	0,00	– 4 495 914 433,00	1998
I	Public storage	162X	Failure to comply with Regulation (EC) No 2148/1996	– 6 404 598 146,00	0,00	– 6 404 598 146,00	1999
I	Livestock premiums	212X	Unsatisfactory monitoring arrangements — Suckler cow	– 10 638 562 000,00	0,00	– 10 638 562 000,00	1997
I	Livestock premiums	212X	Unsatisfactory monitoring arrangements — Suckler cow	– 1 886 222 000,00	0,00	– 1 886 222 000,00	1998
I	Livestock premiums	212X	Unsatisfactory monitoring arrangements — Special premium for bovine animals	– 2 328 467 000,00	0,00	– 2 328 467 000,00	1996
I	Livestock premiums	212X	Unsatisfactory monitoring arrangements — Special premium for bovine animals	– 2 848 655 000,00	0,00	– 2 848 655 000,00	1997
I	Livestock premiums	212X	Unsatisfactory monitoring arrangements — Special premium for bovine animals	– 1 854 304 000,00	0,00	– 1 854 304 000,00	1998
			Total	**– 34 879 545 912,00**	**0,00**	**– 34 879 545 912,00**	
NL	Financial audit	Miscellaneous	Failure to observe payment deadlines	– 61 005,05	– 61 005,05	0,00	1999
			Total	**– 61 005,05**	**– 61 005,05**	**0,00**	
P	Financial audit	Miscellaneous	Failure to observe payment deadlines	– 345 897 788,00	– 345 897 788,00	0,00	1999
			Total	**– 345 897 788,00**	**– 345 897 788,00**	**0,00**	
S	Arable crops	1040-60	Unsatisfactory monitoring arrangements	– 2 811 038,00	0,00	– 2 811 038,00	1998
			Total	**– 2 811 038,00**	**– 0,00**	**– 2 811 038,00**	

TOTAL CORRECTIONS IN EURO

Member State	Sector	Budget heading	Grounds	Expenditure to be excluded from financing	Deductions already made	Financial consequences of this decision	Financial year
D	Arable crops	1040-60	Shortcomings in onsite checks required under Regulation (EEC) No 3887/92 — Hessen	– 513 902,54	0,00	– 513 902,54	1998
D	Arable crops	1040-60	Shortcomings in onsite checks required under Regulation (EEC) No 3887/92 — Hessen	– 519 436,25	0,00	– 519 436,25	1999
D	Remaining to be exported	2100	Shortcomings in system of checks — proof of arrival Monitoring firm	– 20 850 216,69	0,00	– 20 850 216,69	1996
D	Financial audit	Miscellaneous	Reimbursement correction certification of accounts — Bremen Senator	0,00	– 89 945,45	89 945,45	1999
			Total	**– 21 883 555,48**	**– 89 945,45**	**– 21 793 610,03**	
DK	Financial audit	Miscellaneous	Failure to observe payment deadlines	– 30 549,65	– 30 549,65	0,00	1999
			Total	**– 30 549,65**	**– 30 549,65**	**0,00**	
E	Arable crops	1040	Shortcomings in relation to areas taken into account	– 1 213 194,91	0,00	– 1 213 194,91	1997
E	Arable crops	1052	Unsatisfactory monitoring arrangements for rape — Seville	– 4 933 273,01	0,00	– 4 933 273,01	1997
E	Arable crops	105X	Exceptional set-aside arrangements not imposed	– 113 328 125,17	0,00	– 113 328 125,17	1996
E	Arable crops	1060	Exceptional set-aside arrangements not imposed	– 53 896 131,74	0,00	– 53 896 131,74	1996
E	Oilseed crops	1210	Shortcomings in system of olive oil production aid	– 22 589 150,11	0,00	– 22 589 150,11	1997
E	Oilseed crops	1210	Shortcomings in system of olive oil production aid	– 48 487 239,56	0,00	– 48 487 239,56	1998
E	Oilseed crops	1220	Shortcomings in system of checks on olive oil consumption aid	– 5 001 519,70	0,00	– 5 001 519,70	1996
E	Oilseed crops	1220	Reimbursement of olive oil consumption aid to two cooperatives	0,00	– 2 963 597,83	2 963 597,83	1992
E	Oilseed crops	1300	Deduction for baling wire	– 159 388,46	0,00	– 159 388,46	1998-2000
E	Milk and milk products	2071	Additional levy (deliveries) and interest for late payment	– 60 970 384,12	– 41 417 134,16	– 19 553 249,96	1996
E	Livestock premiums	2220	Advances not followed by balances or recoveries	– 256 151,36	0,00	– 256 151,36	1996

Member State	Sector	Budget heading	Grounds	Expenditure to be excluded from financing	Deductions already made	Financial consequences of this decision	Financial year
E	Arable crops	Miscellaneous	Unsatisfactory monitoring arrangements — Andalusia	– 3 516 560,95	0,00	– 3 516 560,95	1997
E	Arable crops	Miscellaneous	Unsatisfactory monitoring arrangements — Andalusia	– 12 523 650,99	0,00	– 12 523 650,99	1998
E	Financial audit	Miscellaneous	Failure to observe payment deadlines	– 4 197 196,88	– 4 317 174,47	119 977,59	1999
			Total	**– 331 071 966,94**	**– 48 697 906,46**	**– 282 374 060,48**	
F	Arable crops	1040-60	Shortcomings in on-site checks required under Regulation (EEC) No 3887/92	– 10 187 243,37	0,00	– 10 187 243,37	1998
F	Arable crops	1040-60	Shortcomings in on-site checks required under Regulation (EEC) No 3887/92	– 14 063 611,03	0,00	– 14 063 611,03	1999
F	Milk and milk products	2071	Additional levy (deliveries) and interest for late payment	– 164 755,15	0,00	– 164 755,15	1996
			Total	**– 24 415 609,55**	**0,00**	**– 24 415 609,55**	
UK	Financial audit	Miscellaneous	Failure to observe payment deadline	– 485 865,39	– 645 128,59	159 263,20	1999
			Total	**– 485 865,39**	**– 645 128,59**	**159 263,20**	
EL	Milk and milk products	2071	Additional levy (deliveries) and interest for late payment	– 303 610,17	– 31 197,78	– 272 412,39	1996
EL	Financial audit	Miscellaneous	Failure to observe payment deadlines	– 138 572,70	– 138 572,70	0,00	1999
			Total	**– 442 182,87**	**– 169 770,48**	**– 272 412,39**	
IRL	Livestock premiums	2220	Advances not followed by balances or recoveries	– 25 758,66	0,00	– 25 758,66	1996-1997
IRL	Financial audit	Miscellaneous	Failure to observe payment deadlines	– 1 443 741,32	– 1 443 741,32	0,00	1999
			Total	**– 1 469 499,98**	**– 1 443 741,32**	**– 25 758,66**	
I	Oilseed crops	1300	Deduction of baling wire	– 166 695,00	0,00	– 166 695,00	1998-2000
I	Public storage	1622	Erroroneous use of exchange rate	– 634 209,07	0,00	– 634 209,07	1997
I	Public storage	162X	Correction of alcohol stocks declared	– 1 483 293,55	0,00	– 1 483 293,55	1997

Member State	Sector	Budget heading	Grounds	Expenditure to be excluded from financing	Deductions already made	Financial consequences of this decision	Financial year
I	Public storage	162X	Failure to comply with Regulation (EC) No 2148/1996	– 2 321 946,03	0,00	– 2 321 946,03	1998
I	Public storage	162X	Failure to comply with Regulation (EC) No 2148/96	– 3 307 698,90	0,00	– 3 307 698,90	1999
I	Livestock premiums	212X	Unsatisfactory monitoring arrangements — Suckler cows	– 5 494 358,74	0,00	– 5 494 358,74	1997
I	Livestock premiums	212X	Unsatisfactory monitoring arrangements — Suckler cows	– 974 152,37	0,00	– 974 152,37	1998
I	Livestock premiums	212X	Unsatisfactory monitoring arrangements — Special premium for bovine animals	– 1 202 552,85	0,00	– 1 202 552,85	1996
I	Livestock premiums	212X	Unsatisfactory monitoring arrangements — Special premium for bovine animals	– 1 471 207,53	0,00	– 1 471 207,53	1997
I	Livestock premiums	212X	Unsatisfactory monitoring arrangements — Special premium for bovine animals	– 957 668,09	0,00	– 957 668,09	1998
			Total	**– 18 013 782,12**	**0,00**	**– 18 013 782,12**	
NL	Financial audit	Miscellaneous	Failure to observe payment deadlines	– 27 682,88	– 27 682,88	0,00	1999
			Total	**– 27 682,88**	**– 27 682,88**	**0,00**	
P	Financial audit	Miscellaneous	Failure to observe payment deadlines	– 1 725 330,89	– 1 725 330,89	0,00	1999
			Total	**– 1 725 330,89**	**– 1 725 330,89**	**0,00**	
S	Arable crops	1040-60	Unsatisfactory monitoring arrangements	– 329 130,53	0,00	– 329 130,53	1998
			Total	**– 329 130,53**	**0,00**	**– 329 130,53**	
			Grand total	**– 399 895 156,28**	**– 52 830 055,72**	**– 347 065 100,56**	