COMMISSION DECISION

of 24 September 2003

concerning a Community financial contribution for the eradication of ovine catarrhal fever in Italy in 2001 and 2002

(notified under document number C(2003) 3326)

(Only the Italian text is authentic)

(2003/677/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Decision 90/424/EEC of 26 June 1990 on expenditure in the veterinary field [1], as last amended by Regulation (EC) No 806/2003 [2], and in particular Article 3(3) and Article 5(3) thereof,

Whereas:

(1) Outbreaks of ovine catarrhal fever occurred in Italy in 2001 and 2002, representing a serious danger to the Community livestock population.

(2) With a view to helping to eradicate the disease as rapidly as possible, the Community may contribute financially to eligible expenditure borne by the Member State, as provided for in Decision 90/424/EEC.

(3) Pursuant to Article 3(2) of Council Regulation (EC) No 1258/1999 of 17 May 1999 on the financing of the common agricultural policy [3], veterinary and plant health measures undertaken in accordance with Community rules shall be financed under the 'Guarantee' section of the European Agricultural Guidance and Guarantee Fund. The auditing of these measures comes under Articles 8 and 9 of the said Regulation.

(4) The payment of the financial contribution from the Community must be subject to the condition that the actions planned have been efficiently carried out and that the authorities supply all the necessary information within the time limits laid down.

(5) On 17 July 2002, Italy presented an application for the reimbursement of its costs for eradicating the disease. According to the information available, around 170 000 sheep and goats were slaughtered.

(6) Pending checks by the Commission, it is now necessary to set the amount of an advance on the Community financial assistance. This advance must be 50 % of the Community contribution based on an estimate of the cost of compensation for livestock and reimbursement of other costs.

(7) The terms 'swift and adequate compensation of the livestock farmers' used in Article 3 of Decision 90/424/EEC, 'reasonable payments' and 'justified payments' and the categories of eligible expenditure under 'other costs' associated with the compulsory slaughter must all be defined.

(8) The measures provided for in this Decision are in accordance with the opinion of the Standing Committee on the Food Chain and Animal Health,

HAS ADOPTED THIS DECISION:

Article 1

Granting of Community financial assistance to Italy

In order to eradicate ovine catarrhal fever in 2001 and 2002, Italy is eligible for a Community financial contribution equal to 50 % of the expenses incurred for:

(a) the swift and adequate compensation of the livestock farmers forced to cull their animals as part of the measures to combat the outbreaks of ovine catarrhal fever that occurred in 2001 and 2002, pursuant to the seventh indent of Article 3(2) of Decision 90/424/EEC and this decision;

(b) the destruction of the contaminated animals and disinsectisation, under the conditions provided for in the first, second and third indents of Article 3(2) of Decision 90/424/EEC and this decision.

Article 2

Definitions

The following definitions apply to this decision:

(a) 'swift and adequate compensation': payment, within 90 days of the slaughter of the animals, of compensation corresponding to the market value of the animals immediately before they became infected or were slaughtered or destroyed;

[1] OJ L 224, 18.8.1990, p. 19.
[2] OJ L 122, 16.5.2003, p. 1.
[3] OJ L 160, 26.6.1999, p. 103.

(b) 'reasonable payments': payments made for the purchase of equipment or services at proportionate prices compared to the market prices that applied before the outbreak;

(c) 'justified payments': payments made for the purchase of equipment or services in accordance with Article 3(2) of Decision 90/424/EEC, where their nature and direct link to the compulsory slaughter of animals on holdings have been demonstrated.

Article 3

Payment arrangements

1. Subject to the results of the checks referred to in Article 6 below, an advance of EUR 4 000 000 shall be paid, as part of the Community financial contribution mentioned in Article 1, on the basis of supporting documents submitted by Italy relating to the swift and adequate compensation of owners for the compulsory slaughter, the destruction of the animals and, if necessary, the products used for the disinsectisation of the holdings.

2. Once the inspections referred to in Article 6 have been carried out, the Commission shall decide on the balance in accordance with the procedure provided for in Article 41 of Decision 90/424/EEC.

Article 4

Eligible expenditure covered by the Community contribution

1. The non-compliance of the Italian authorities with the payment deadline referred to in Article 2(a) has led to a reduction in the eligible amounts, in accordance with the rules below:

— 25 % reduction for payments made between 91 and 105 days after slaughter of the animals,

— 50 % reduction for payments made between 106 and 120 days after slaughter of the animals,

— 75 % reduction for payments made between 121 and 135 days after slaughter of the animals,

— 100 % reduction for payments made later than 136 days after slaughter of the animals.

However, the Commission will apply a different scale and/or lower reduction rates (or a zero reduction rate) if specific management conditions can be demonstrated for certain measures or if Italy provides a well-grounded justification for the delay.

2. The Community financial contribution referred to in Article 1(b) relates only to justified and reasonable payments for the eligible expenditure mentioned in Annex I.

3. It does not include:

(a) value added tax;

(b) officials' wages;

(c) the use of public equipment, except consumables.

Article 5

Payment conditions and supporting documents

1. The Community financial contribution referred to in Article 1 is paid on the basis of the following documents:

(a) an application submitted in accordance with Annexes II and III, within the deadline in paragraph 2;

(b) the supporting documents in Article 3(1), including an epidemiological report on each holding where animals have been culled and destroyed, as well as a financial report;

(c) the results of any *in situ* Commission inspections, as referred to in Article 6.

The documents referred to in (b) above must be made available for the Commission's *in situ* audits.

2. The application referred to in paragraph 1(a) must be provided in computerised form in accordance with Annexes II and III within 30 calendar days of the date of notification of this Decision. If this time limit is not observed, the financial contribution from the Community shall be reduced by 25 % for every month of delay.

Article 6

Commission *in situ* inspections

The Commission, in collaboration with the competent Italian authorities, may conduct *in situ* inspections relating to the implementation of the measures in Article 1 and the associated costs.

Article 7

Addressee

This Decision is addressed to the Italian Republic.

Done at Brussels, 24 September 2003.

For the Commission

David BYRNE

Member of the Commission

ANNEX I

Eligible expenditure, as referred to in Article 4(2)

1. Costs associated with slaughtering the animals:
   (a) wages and remuneration for workers specifically employed to slaughter the animals;
   (b) consumables and equipment used specifically for the slaughtering.
2. Costs associated with destroying the animals:
   (a) rendering: staff specifically employed, transport of carcases to the rendering plant, processing of the carcases in the rendering plant and destruction of the meals;
   (b) burial: staff specifically employed, equipment expressly hired to transport and bury the carcases and products used for disinfecting the holding;
   (c) incineration: staff specifically employed, fuel or other equipment used, equipment expressly hired to transport the carcases and products used for disinfecting the holding.
3. Costs associated with the disinsectisation of the holdings:
   (a) products used for the disinsectisation;
   (b) wages and remuneration for staff specifically employed.

ANNEX II

Application for a contribution towards compensation for the cost of animals compulsorily slaughtered

Outbreak No	Contact with outbreak No	Holding ID No	Farmer		Location of holding	Date of slaughter	Destruction method		Weight at moment of destruction	No of animals per category							Amount paid per category							Other costs paid to farmer (not including VAT)	Total compensation (not including VAT)	Date of payment
										Sheep			Goats			Others	Sheep			Goats			Others			
			Surname	First name			Rendering space	Other (please specify)		Ewes	Rams	Lambs	Goats	Billy goats	Kids		Ewes	Rams	Lambs	Goats	Billy goats	Kids				

ANNEX III

Application for a contribution towards compensation for other eligible costs associated with the compulsory slaughter

'Other costs' for holding No . . . (not including compensation for the value of the animals)	
Category	Amount (not including VAT)
Slaughter	
Destruction (transport and processing)	
Disinsectisation (wages and products)	
Total	