8.8.72 Official Journal of the European Communities No L 180/1

REGULATION (EEC) No 1703/72 OF THE COUNCIL

of 3 August 1972

amending Regulation (EEC) No 2052/69 on the Community financing of expenditure arising from the implementation of the Food Aid Convention of 1967, and laying down rules for the Community financing of expenditure arising from the implementation of the Food Aid Convention of 1971

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 43 and 209 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas, on account of the Decision of 21 April 1970[1] on the replacement of financial contributions from Member States by the Communities' own resources, on account of certain special measures of food aid taken by the Community and on account of administrative delays in the financing of expenditure under the Food Aid Convention of 1967, various provisions of Council Regulation (EEC) No 2052/69[2] of 17 October 1969 on the Community financing of expenditure arising from the implementation of the Food Aid Convention should be amended;

Whereas, since the above Regulation covers only the financing of expenditure under the Food Aid Convention of 1967, provision should be made for the financing of expenditure under the 1971 Convention in the light of the commitments entered into by the Community and the experience gained by the Community in the field of food aid;

Whereas a method of financing by means of advances to the value of the goods, based on that employed by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund, should be introduced in order to facilitate Community food aid measures; whereas special provisions are also needed to cover agreements concluded with the organizations responsible for administering the aid,

HAS ADOPTED THIS REGULATION:

TITLE I

Amendment of Regulation (EEC) No 2052/69

Article 1

The following paragraph shall be added to Article 3 of Regulation (EEC) No 2052/69:

'However, expenditure relating to measures taken on or after 1 January 1971 shall be covered by Articles 4 and 5 of Council Regulation (EEC) No 729/70[3] of 21 April 1970 on the financing of the Common Agricultural Policy.'

Article 2

The following shall be substituted for Article 4 of Regulation (EEC) No 2052/69:

'1. Expenditure not covered by Article 1 and relating to Community transactions arising from the implementation of the Food Aid Convention shall be financed by the Community and, pursuant to the Decisions taken by the Community institutions, shall include:

(a) the value of the goods delivered fob, less the expenditure covered by Article 1;

(b) in certain cases, as an exception, the expenditure covering all or part of the forwarding costs from the Community port to the port of destination, if the Community, following a unanimous Decision of the Council, gives an undertaking to that effect at the time of concluding the delivery contract.

2. However:

(a) as regards the food aid measure in favour of the Republic of Rwanda under the 1970/71 Annual Programme, the forwarding costs

[1] OJ No L 91, 28.4.1970, p. 19.
[2] OJ No L 263, 21.10.1969, p. 6.
[3] OJ No L 94, 28.4.1970, p. 13.

between the unloading port and the place of destination shall also be financed by the Community. If appropriate, the Commission shall either, on the basis of the supporting documents submitted to it, refund such costs to the organization which has carried out the transaction, or pay a lump-sum contribution;

(b) as regards the measures by way of the World Food Programme to be taken under the 1970/71 Annual Programme, forwarding costs from the cif stage and distribution costs shall also the financed by the Community. Such costs and the forwarding costs between the fob and cif stages shall be covered by a lump sum contribution to be paid by the Commission.

3. As regards measures in favour of the International Committee of the Red Cross, the Commission shall pay for the forwarding costs from the Community port to the port of destination, on the basis of supporting documents, where the Agreement concluded with the Community so provides.

4. Rules for the application of paragraph 1 of this Article shall, as necessary, be adopted in accordance with the procedure laid down in Article 26 of Regulation No 120/67/EEC.'

Article 3

The following paragraph shall be added to Article 5 of Regulation (EEC) No 2052/69:

'These provisions shall apply only in respect of expenditure arising under the 1968/69 Annual Programme.'

Article 4

The following shall be substituted for Article 6 of Regulation (EEC) No 2052/69:

'After completion of each annual programme of Community measures, Member States shall forward a statement of their expenditure to the Commission. That statement shall show for each Community measure:

- the expenditure effected under Article 4 (1) (a), broken down into quantities drawn from intervention stocks and quantities bought on the market, and
- where appropriate, the expenditure effected under Article 4 (1) (b).

The Commission shall, after consulting the Fund Committee and on the basis of the statements referred to in the preceding paragraph, determine the Community aid for all Community measures under each annual programme.'

Article 5

The following shall be substituted for Article 7 (1) of Regulation (EEC) No 2052/69:

'With a view to settlement of the expenditure referred to in Article 4 (1) the Commission shall, for the 1968/69 Annual Programme, open, in the name of each Member State an account which shall be:

- credited with the amounts to be repaid to that Member State pursuant to the Decision relating to that programme taken in accordance with the second paragraph of Article 6;
- debited with the contribution from that State, calculated in accordance with Article 5, towards the total amount of the expenditure referred to in Article 4 (1) for that programme.'

TITLE II

Community financing of expenditure relating to the 1971 Convention

Section 1. Financing of fob refunds

Article 6

1. For measures taken under the Food Aid Convention of 1971 for which products procured in the Community were used, the Guarantee Section of the Fund shall finance that part of the expenditure which corresponds to the refund on exports to third countries, less costs incurred beyond the fob stage. Rules for the application of this paragraph shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

2. The following shall apply *mutatis mutandis:*

(a) Articles 4 and 5 of Regulation (EEC) No 729/70;

(b) the general rules and the detailed rules of application for export refunds, laid down for cereals in Article 16 of Regulation No 120/67/EEC and for rice in Article 17 of Regulation No 359/67/EEC.

Section 2. Determining the value of goods

Article 7

The price at which the intervention agency hands over goods in implementation of the Food Aid Convention of 1971, shall be the intervention price for the month in which the goods are removed, at the marketing centre where they are located.

If the goods are located elsewhere than at the marketing centre, the price shall be adjusted in accordance with the provisions fixing the price at which the intervention agency must buy in the goods and adopted pursuant to Article 7 (4) of Regulation No 120/67/EEC or, as the case may be, Article 5 (4) of Regulation No 359/67/EEC.

Section 3. Financing of gifts under Community measures

Article 8

1. For measures under the Food Aid Convention of 1971 taken pursuant to the Decisions adopted by the Institutions of the Community, in addition to any expenditure referred to in Article 6:

(a) The Community shall provide finance to the value, at the fob or equivalent stage, of the cereals or the rice, whether in the natural state or processed, less the expenditure covered by Article 6 or, where the goods are procured on the world market, to the value obtained by adding to the purchase price any necessary expenditure relating thereto.

(b) By way of exception, the following further expenditure may be wholly or partly financed by the Community if the Council, acting unanimously on a proposal from the Commission, so decides:

- forwarding costs to the frontier of the country of destination and, if necessary, to the destination itself;
- distribution costs, where the goods are distributed through an international agency.

2. Rules for the application of paragraph 1 shall, as necessary, be adopted in accordance with the procedure laid down in Article 26 of Regulation No 120/67/EEC or 359/67/EEC, as the case may be.

Article 9

1. Without prejudice to Article 10, the Member States shall designate the authorities and agencies empowered by them to effect the expenditure referred to in Article 8. They shall, unless they have already done so, without delay inform the Commission of the regulations governing such authorities and agencies and of their administrative and accounting procedures and shall annually supply it with any report or part thereof, dealing with such expenditure drawn up by them or by the competent auditing or supervisory authorities.

2. The Member States shall periodically forward to the Commission the following documents in respect of the authorities and agencies mentioned above:

(a) statements of account and provisional estimates of financial requirements;

(b) annual accounts together with the supporting documents necessary for audit purposes.

3. On the basis of the documents referred to in paragraph 2, the Commission shall, after consulting the Fund Committee, periodically determine the advances needed to cover the expenditure referred to in Article 8 and shall, before the end of the succeeding year, audit the accounts of the authorities and agencies.

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

Article 10

1. The Commission shall effect the expenditure referred to in Article 8 (1) (b) in cases where an agreement concluded by the Community provides, in respect of that expenditure, for repayment on the basis of supporting documents or for the payment of a lump-sum contribution either to the intermediary agency, or, where exceptional circumstances so justify and a Decision taken by the Council in accordance with Article 8 (1) (b) so provides, to the beneficiary country. The Commission may make advances for such expenditure.

2. Where goods are bought on the world market, the method of financing shall, as necessary, be determined in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

TITLE III

Final provisions

Article 11

Articles 8 and 9 of Regulation (EEC) No 729/70 shall apply *mutatis mutandis* to the expenditure referred to in Regulation (EEC) No 2052/69 and in this Regulation.

Article 12

This Regulation shall enter into force on the third 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, 3 August 1972.

For the Council

The President

T. WESTERTERP