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*(Acts whose publication is obligatory)*

# COMMISSION REGULATION (EEC) No 1685/78

## of 11 July 1978

## laying down detailed rules for the implementation of the decision by the Guidance Section of the EAGGF to grant aid for projects designed to improve the conditions under which agricultural products are processed and marketed

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 355/77 of 15 February 1977 on common measures to improve the conditions under which agricultural products are processed and marketed (1), and in particular Article 19 (5) thereof,

Whereas supporting documents in respect of projects eligible for assistance from the EAGGF are forwarded, in some cases via the Member States concerned, by a department or agency designated by that Member State; whereas, with a view to ensuring an effective check on the execution of these projects, provision should be made to define the role of that department or agency and the nature of the supporting documents to be drawn up in compliance with the laws or regulations of the Member State concerned or with the measures laid down by the said department or agency, and also the checking arrangements to be made by each Member State; whereas the Commission needs to be informed that projects are being carried out under the conditions and within the time limits laid down;

Whereas the documentation to be forwarded by the intermediary authority so that the Commission may ascertain that all the conditions are fulfilled for payment of the aid, or a proportion thereof, should be specified; whereas that documentation must include full information, presented in a uniform manner, in order to facilitate examination and uniform treatment of payment applications;

Whereas, if the documents duly provided by the department or agency appear inadequate or incomplete for the purpose of checking the financial or other conditions to which the projects are subject, the Commission should be able to request the intermediary authority to submit additional documents;

Whereas there should be provision, in connection with inspection visits, for cooperation between the Commission and the Member State concerned, so that the visit may achieve its intended purpose;

Whereas the procedure for suspending, reducing or terminating EAGGF aid should not be initiated without the Member State concerned first having been asked for its views and the beneficiaries having been given the opportunity to submit their comments;

Whereas, since EAGGF aid is paid to the beneficiary through an agency designated by the Member State, it is necessary to define the documents which that agency is to forward to the Commission;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the EAGGF Committee,

HAS ADOPTED THIS REGULATION:

### I. Role of the department or agency responsible for forwarding supporting documents

*Article 1*

1. The department or agency responsible for forwarding supporting documents within the meaning of Article 19 (2) of Regulation (EEC) No 355/77 shall send to the

(1) OJ No L 51, 23. 2. 1977, p. 1.

Commission, either on a global basis within two months following the entry into force of this Regulation, or for each separate project within two months of notification of the relevant decision according an aid, a descriptive list of the supporting documents it intends to require. Any amendment to such list shall be communicated to the Commission within two months of its adoption.

'Supporting documents' means any document drawn up in accordance either with the laws or regulations of the Member State concerned or with the measures adopted by the abovementioned department or agency and establishing that the financial or other conditions imposed for the project in question have been fulfilled.

The descriptive list mentioned above shall contain:

— the name of each supporting document, together with a reference to the regulations or measures on the basis of which it is to be drawn up,

— a brief description of the contents of each document.

2. Within the time limit laid down in paragraph 1 the department or agency shall also send to the Commission a detailed description of the checking arrangements at its disposal on the basis of which it makes out the certificate referred to in Article 3.

3. The Commission may request Member States to add to the descriptive list other documents which it considers necessary for checking the eligibility for payment of the expenditure claimed in applications; it may to the same end request the Member States to strengthen their checking arrangements.

*Article 2*

On the expiry of two years from the date of notification of the decision granting aid, the department or agency shall forward to the Commission a document describing the progress made on uncompleted projects. Where, contrary to the information contained in the application for aid and the decision to grant it, the work has not begun at the end of this period of two years, the department or agency shall give reasons and, where necessary, shall submit to the Commission guarantees, provided by the beneficiaries, establishing that the project will be carried out in the near future.

*Article 3*

On completion of a project, or in the course of its implementation if the Commission decision makes provision for payment in instalments pursuant to Article 17 (1) of Regulation (EEC) No 355/77, the department or agency shall forward to the Commission a request for payment showing that the conditions for payment have been fulfilled.

Applications for payment shall consist of a certificate and a list of the supporting documents; the latter shall be submitted in duplicate in the form shown in the Annexes (models 1 to 5) to this Regulation.

*Article 4*

To enable an effective check to be made on the execution of a project, the department or agency shall submit to the Commission, on request and within a time limit which the latter may fix, any supporting document within the meaning of Article 1 or a certified copy thereof, or any other document which shows that the financial or other conditions laid down for a project have been fulfilled.

*Article 5*

If the Commission considers it necessary to make an inspection visit, it shall give prior notice thereof to the Member State it intends to visit and shall invite that Member State to participate in the inspection; the Member States shall take all necessary steps to promote the efficacy of such inspection visits.

*Article 6*

Before initiating any procedure for suspending, reducing or terminating aid from the EAGGF in accordance with Articles 19 (2) and 20 (2) of Regulation (EEC) No 355/77, the Commission shall:

— invite the Member State on whose territory the project was to be carried out to express its views on the matter,

— consult the department or agency responsible for transmitting supporting documents,

— ask the beneficiary to provide, through the department or agency, an explanation for his non-compliance with the conditions laid down.

## II. Role of the agency responsible for payment

*Article 7*

1. When the Commission is satisfied that the financial or other conditions laid down for the project have been fulfilled, it shall pay the aid from the EAGGF, or the appropriate portion thereof if payment is by instalments, in favour the beneficiary in accordance with Article 19 (1) of Council Regulation (EEC) No 355/77.

2. The agency shall immediately pay over the aid to the beneficiary and shall provide evidence to the Commission that this has been done within 15 days of payment.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 11 July 1978.

*For the Commission*

*The President*

Roy JENKINS

MODEL 1

## CERTIFICATE FOR THE PAYMENT OF AN INSTALMENT OF AID

PROJECT No ..... Title .....

BENEFICIARY: (Name and address)

The .....(1), being the department responsible for forwarding the supporting documents in accordance with the provisions of Article 19 (2) of Regulation (EEC) No 355/77 on common measures to improve the conditions under which agricultural products are processed and marketed,

HEREBY CERTIFIES THAT:

1. The supporting documents referred to in the descriptive list forwarded to the Commission pursuant to Article 1 of Regulation (EEC) No 1685/78 have been checked.

2. Work on the project was begun on ..... on the site planned.

3. The work was in progress on .....; at that date the total cost was ....., of which ..... had been actually disbursed by the beneficiary/beneficiaries.

4. The above expenditure was financed as shown in the Annex to this certificate.

5. The total cost stated above is allocated among the various items of work as shown in the list of supporting documents attached to this application for payment (2).

6. According to the declaration made by ....., the work done is in conformity with that described in the Commission decision to grant aid (with the exception of the item(s) concerning ....., as to which an explanation is given in the Annex to the list of supporting documents).

7. The amount of recoverable VAT included in the expenditure claimed is .....

8. The shares of the cost borne by the beneficiary and by the Member State are consistent with the provisions of Article 17 (2) of Regulation (EEC) No 355/77, or will be at the latest when work is completed.

9. The supporting documents are held by .....

10. By letter dated ....., the beneficiary has replied as regards the special conditions laid down in Article 1 (3) of the decision to grant aid.

Done at .....
.....

*For the intermediary authority*

.....
(signature)

(1) Name of the intermediary authority.
(2) Where the aid is allocated among several sub-projects, a separate list of supporting documents should be drawn up for each sub-project.

MODEL 2

## CERTIFICATE FOR THE PAYMENT OF THE BALANCE OR THE WHOLE OF AN AID

PROJECT No ..... Title .....

BENEFICIARY: (Name and address)

The ..... (1), being the department responsible for forwarding the supporting documents in accordance with the provisions of Article 19 (2) of Regulation (EEC) No 355/77 on common measures to improve the conditions under which agricultural products are processed and marketed,

HEREBY CERTIFIES THAT:

1. The supporting documents referred to in the descriptive list forwarded to the Commission pursuant to Article 1 of Regulation (EEC) No1685/78 have been checked.
2. Work on the project was begun on ..... on the site planned.
3. The work was completed on ..... The actual cost amounts to ....., of which ..... has been paid by the beneficiary/beneficiaries.
4. The above expenditure was financed as shown in the Annex to this certificate.
5. The total cost stated above is allocated among the various items of work as shown in the list of supporting documents attached to this application for payment; a table comparing the areas and capacities planned with those actually achieved is attached as Annex 2 to the list (2).
6. An inspection by ..... showed that the work completed is in conformity with that described in the Commission decision to grant aid (with the exception of the items concerning ....., as to which an explanation is given in Annex 1 to the detailed list of documentary evidence).
7. The amount of recoverable VAT included in the expenditure claimed is .....
8. The shares of the cost borne by the beneficiary and by the Member State are consistent with the provisions of Article 17 (2) of Regulation (EEC) No 355/77.
9. The supporting documents are held by .....
10. In a letter dated ....., the beneficiary has replied as regards the special conditions laid down in Article 1 (3) of the decision to grant aid (3).

Done at .....
.....

*For the intermediary authority*

.....
(signature)

(1) Name of the intermediary authority.
(2) Where the aid is allocated among several sub-projects, a separate list of supporting documents and table of comparison should be drawn up for each sub-project.
(3) This point concerns only requests for payment of the whole of the aid.

MODEL 3

**ANNEX TO THE CERTIFICATE ON THE FINANCING OF EXPENDITURE INCURRED**

FINANCING OF EXPENDITURE INCURRED UP TO .....

PROJECT No ..... Title .....

1. **Share of cost borne by the beneficiary**
   - — own capital .....
   - — services in kind (1) .....
   - — loans (2) .....

2. **Share of cost borne by the Member State**
   - — capital grant .....
   - — reduced interest loans (3) [.....]
     (duration .....; rate .....)
   - — other aid .....

3. **Other contributions**
   - — .....
   - — .....

4. Total .....

Date .....

.....
(signature)

(1) Indicate the method of calculation.
(2) Indicate below the origin, amount, rate of interest, total term and conditions for repayment of each loan, giving details of the rate and duration of any interest rate subsidies.
(3) Amount already included under 1.

MODEL 4

## LIST OF SUPPORTING DOCUMENTS

(between ..... and .....)

| Work | Cost as per estimate | Supporting documents(1) | | | | | Payments made | | |
|---|---|---|---|---|---|---|---|---|---|
| | | No | Date (2) | Issued by | Subject of expenditure | Amount | Method of payment | Date (3) | Amount paid |
| I. Purchase of land | | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| | | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| | | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| | | Total expenditure covered by this application | | | | ..... | | | ..... |
| | | of which VAT | | | | ..... | | | ..... |
| | | Expenditure already declared | | | | ..... | | | ..... |
| | | of which VAT | | | | ..... | | | ..... |
| | | Total expenditure on..... | | | | ..... | | | ..... |
| | | of which VAT | | | | ..... | | | ..... |
| II. Roadworks and land clearance | | | | | | | | | |
| III. Construction | | | | | | | | | |
| IV. Installations and equipment | | | | | | | | | |
| V. Other investments | | | | | | | | | |
| VI. Fees and overheads | | | | | | | | | |
| Total I to VI | | | | | | | | | |

Date .....

.....
(signature)

*Explanatory notes*

(1) All documents relating to the project financed should be shown, including those referring to ineligible expenditure if it corresponds to an integral part of the project.

(2) When expenditure has been entered in the accounts and/or paid *before* the application for aid is submitted to the Commission, a reason should be given. If payment was made in anticipation of the start of the works accounted for under headings II and III, the nature and amount of this work should be stated. If the payments relate to actions within headings IV and V the dates of ordering, delivery and installation should be submitted.

(3) The date to be shown is that of the actual payment and not the date on which a debt falls due, for example in the case of payment by instalments.

MODEL 5

## ANNEX 1 TO THE LIST OF SUPPORTING DOCUMENTS
## EXPLANATION OF DIFFERENCE BETWEEN WORK PLANNED AND WORK EXECUTED

| Work planned | | Work executed | | Reason for changes |
|---|---|---|---|---|
| Brief description | Cost | Brief description | Cost | |
| | | | | |

MODEL 5

## ANNEX 2 TO THE LIST OF SUPPORTING DOCUMENTS

## COMPARAISON OF AREAS AND CAPACITIES PLANNED AND ACTUALLY ACHIEVED

(To be attached only for payment of the balance or the total amount of aid)

| A. BULDING WORKS | Area and/or capacity indicated in aid application | Area and/or capacity achieved (1) |
|---|---|---|
| **1. Roadworks and land clearance** | | |
| **2. Building** | | |
| – reception and dispatch | | |
| – processing and packaging | | |
| – refrigeration | | |
| – storage | | |
| – services | | |
| – housing | | |
| – other buildings | | |

| B. INSTALLATIONS | Forecast as indicated in aid application | | | Actual | | |
|---|---|---|---|---|---|---|
| | Capacity | Cost | Unit cost | Capacity | Cost | Unit cost |
| – processing | | | | | | |
| – packaging | | | | | | |
| – freezing/chilling | | | | | | |
| – internal transport | | | | | | |
| – external transport | | | | | | |
| – services | | | | | | |
| – protection of the environment | | | | | | |
| – other installations | | | | | | |

(1) The units of measurement to be used must be the same as those employed in the estimate which accompanied the aid application.