COMMISSION REGULATION (EEC) No 723/78

of 10 April 1978

concerning promotional, publicity and market research measures within the Community in respect of milk and milk products

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1079/77 of 17 May 1977 on a co-responsibility levy and on measures for expanding the markets in milk and milk products [1], and in particular Article 4 thereof,

Whereas measures have been taken under Article 4 of Regulation (EEC) No 1079/77 to expand the markets for milk products ; whereas in the annual programme of such measures communicated to the Council under Article 4 (3) thereof, the Commission, after consultation with the Advisory Committee for Milk and Milk Products, outlined its intention to adopt *inter alia* measures designed to expand the market for milk and milk products within the Community by means of promotional, publicity and market research measures ; whereas detailed rules for the application of these measures should therefore be laid down ;

Whereas, for the proposed publicity and promotional campaigns, it appears appropriate to invite the organizations representing the dairy sector of one or more Member States or of the Community to propose detailed programmes ; whereas it is necessary to lay down criteria for such programmes ; whereas in particular the promotional measures must not replace similar existing measures, but, where appropriate, widen them ;

Whereas Community financing should be limited to a proportion of the additional expenditure incurred by these campaigns ; whereas Community funds must be allocated equitably taking account, in particular of the relationship between the population, production and consumption of milk and milk products in each Member State and in the Community as a whole ;

Whereas in the case of research into new markets and products it appears appropriate to invite research institutes, organizations and undertakings possessing the necessary qualifications and experience to submit detailed proposals ; whereas there should be only partial Community financing of expenditure incurred by such research work ;

Whereas detailed rules should be laid down concerning the duration of the measures and the payment of Community funds to those whose proposals are accepted ; whereas, in addition, the Commission should be kept informed of the results of the measures provided for in this Regulation ; whereas these measures should be considered as forming part of intervention pursuant to Article 5 (1) of Regulation (EEC) No 1079/77 ; whereas the intervention agencies should be made responsible for supervising the execution of successful proposals and for making the relevant payments ;

Whereas the Management Committee for Milk and Milk Products has not delivered an opinion within the time limit set by its chairman,

HAS ADOPTED THIS REGULATION :

Article 1

1. There shall be undertaken, under the conditions laid down in this Regulation :

(a) publicity and promotional measures in favour of the human consumption of milk and milk products in the Community ; the drawing up of relevant publications, the collection of existing publications and the dissemination of the publications concerned throughout the whole Community shall *inter alia* be considered as such measures ;

(b) research work designed to expand Community markets for milk and milk products ; the search for new or improved products and the scientific examination of the nutritional aspect of the consumption of milk and its constituents shall *inter alia* be considered as such work.

2. The measures referred to in paragraph 1 shall be completed by 31 March 1979, without prejudice to the second subparagraph of Article 5 (2). However, in exceptional cases, a longer period may be granted in accordance with Article 6 (1) to guarantee the greatest degree of effectiveness to the measure in question.

[1] OJ No L 131, 26. 5. 1977, p. 6.

Article 2

1. Publicity and promotional measures referred to in Article 1 (1) (a) shall :

(a) be proposed and carried out by organizations representing the dairy sector in one or more Member States or in the Community ;

(b) be limited to the territory of the Member State or Member States whose dairy sector is represented by the organization concerned ; however, in exceptional cases, in the light of the proposals received, a decision may be taken to waive this condition in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68 ;

(c) — make use of the publicity aids best suited to ensure maximum effectiveness for the measure undertaken,

— take account of the particular conditions obtaining with regard to the marketing and consumption of milk and milk products in the various regions of the Community,

— be collective and not brand orientated,

— promote Community milk products without reference to their country or region of manufacture ; however, this condtion shall not apply to products the manufacture whereof is limited to a specified area,

— not replace similar measures, but, where appropriate, widen them.

2. Community financing shall be limited to 90 % of expenditure incurred by a measure within the meaning of paragraph 1 if the organization in question has not previously financed such measures during the period 1 January 1975 to 31 December 1977.

In the case of the widening of a measure in existence before the last-mentioned date, Community financing shall be limited to 90 % of the amount in excess of the total average annual expenditure of the same kind by the organization in question during the period 1 January 1975 to 31 December 1977, irrespective of any change in the legal form of the said organization.

3. Community contributions to expenditure incurred by the measures provided for in this Article shall be allocated equitably between Member States, taking account in particular of their population, production and consumption of milk and milk products.

Article 3

1. The research work referred to in Article 1 (1) (b) shall be proposed and carried out by research institutes, organizations or undertakings which :

(a) have the necessary qualifications and experience ;

(b) give suitable guarantees to ensure the satisfactory completion of the work.

2. Community financing shall be limited to 90 % of expenditure incurred by the work referred to in paragraph 1.

Article 4

1. The parties specified in Articles 2 (1) (a) and 3 (1) (a) respectively shall be invited to transmit to the competent authority appointed by their Member State, hereinafter called 'the intervention agency', detailed proposals concerning the measures referred to in Article 1 (1).

Where the proposed measures are undertaken, wholly or in part, within the territory of a Member State other than that in which the organization in question has its head office, the said organization shall transmit a copy of its proposal to the intervention agency of that other Member State.

2. The proposals shall reach the intervention agency concerned :

(a) before 1 May 1978 in the case of the publicity and promotional activities referred to in Article 2 ;

(b) before 1 July 1978 in the case of the research work referred to in Article 3.

3. However, a proposal concerning a promotional and publicity measure may be introduced if it indicates that it will be completed before 1 July 1978 so as to comply with the conditions laid down in Article 5. In the event of non-compliance by the said date, the proposal shall be considered null and void.

4. The intervention agencies shall specify the other rules for submission of proposals in a notice which shall be published in the *Official Journal of the European Communities.*

5. Within five working days of the expiry of the time limits laid down in paragraphs 2 and 3, the intervention agency shall transmit the proposals received to the Commission, and where appropriate, any supporting documents.

The intervention agency may add its comments, if any to the documents in question.

Article 5

1. The complete proposal shall state :

(a) the name and address of the party concerned ;

(b) any details concerning the measures proposed, indicating the time required for completion, the expected results and any third parties which may be involved ;

(c) the price asked for these measures, expressed in the currency of the Member State on whose territory the party concerned is established, giving an itemized breakdown of this amount and showing the corresponding financing plan ;

(d) the desired form of payment of the Community contribution (Article 8 (1) (a), (b) or (c)).

2. The details referred to in paragraph 1 (b) and (c) shall only concern measures to be completed by the date referred to in Article 1 (2).

However, a proposed measure may form part of a group of measures, provided that the final date for the completion of these measures does not normally exceed 31 March 1980. In this case, the proposal shall also include, by way of information, the details referred to in paragraph 1 (b) and (c) in respect of the group of measures.

3. A proposal shall only be valid where :

(a) it is submitted by a party fulfilling the conditions laid down in Article 2 (1) (a) and 3 (1) (a) respectively ;

(b) it is accompanied by an undertaking to observe the provisions of this Regulation and those contained in the list of clauses and conditions referred to in Article 7.

Article 6

1. After examination of the proposals by the Management Committee for Milk and Milk Products pursuant to Article 31 of Regulation (EEC) No 804/68, the Commission shall conclude contracts for the measures referred to in Article 1 (1) with those parties whose proposals have been accepted.

Prior to the conclusion of a contract, the party concerned may be requested to supply additional information and/or details concerning his proposal.

2. The intervention agency shall inform each party concerned as soon as possible of the decision taken in respect of his proposal.

Article 7

1. On acceptance of a proposal in accordance with Article 6, a list of clauses and conditions shall be drawn up by the Commission in at least three copies and signed by the party concerned.

2. The list of the clauses and conditions shall form an integral part of the contract referred to in Article 6 (1) and shall :

(a) include the details referred to in Article 5 (1) or make reference to them ;

(b) supplement these details, where necessary, by additional conditions by the application of the second subparagraph of Article 6 (1).

3. The Commission shall send a copy of the contract and of the list of clauses and conditions to the intervention agency responsible for ensuring the observance of the agreed conditions.

Article 8

1. The intervention agency concerned shall pay to the party in question, in accordance with the choice given in its proposal :

(a) either, within six weeks of the date of signature of the contract and the list of clauses and conditions, a single payment on account amounting to 60 % of the agreed Community contribution ;

(b) or, at two-monthly intervals, four equal instalments each amounting to 20 % of the agreed Community contribution, the first such instalment being paid within six weeks of the date of signature of the contract and the list of clauses and conditions ;

(c) or, within six weeks of the date of signature of the contract and the list of clauses and conditions, a single payment on account amounting to 80 % of the agreed Community contribution ; however, this form of payment may only be required for measures which will be fully completed within a maximum of two months of the date of signature of the contracts and the list of clauses and conditions.

2. The payment of each instalment shall be subject to the lodging with the intervention agency of a security equal to the amount of the instalment, plus 10 %.

3. The securities shall only be released and the balance paid by the intervention agency on :

(a) the confirmation by the intervention agency that the party concerned has fulfilled his obligations as laid down in the list of clauses and conditions ;

(b) the transmission to the Commission and to the intervention agency of the report referred to in Article 9 (1) and on verification of the details contained in this report by the intervention agency ; and

(c) proof being furnished that the party concerned has spent his own contribution for the purposes laid down.

4. To the extent that the conditions set out in paragraph 3 are not fulfilled, the securities shall be forfeited. In this event, the amount in question shall be deducted from EAGGF Guarantee Section expendi-

ture and more particularly from that arising out of the measures referred to in Article 4 of Regulation (EEC) No 1079/77.

Article 9

1. Each party responsible for one of the measures referred to in Article 1 (1) shall submit to the Commission and to the intervention agency concerned, before 1 June 1979, a detailed report on the utilization of the Community funds allocated and on the results of the measure in question.

2. In the case of research work into new markets and products, the results may only be published with the express authorization of the Commission.

Article 10

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, 10 April 1978.

For the Commission

Finn GUNDELACH

Vice-President