COMMISSION REGULATION (EEC) No 2937/79

of 20 December 1979

continuing the measures referred to in Regulation (EEC) No 1993/78 on the development of the use and consumption of milk products of Community origin outside the Community

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), as last amended by Regulation (EEC) No 1271/79 (2), and in particular Article 4 thereof,

Whereas measures carried out pursuant to Commission Regulation (EEC) No 1993/78 of 18 August 1978 concerning measures to develop the use and consumption of milk products of Community origin outside the Community through technical and/or commercial assistance (3), as last amended by Regulation (EEC) No 2342/78 (4), have proved an effective means of expanding the markets in milk products outside the Community ; whereas they should therefore be continued in the medium term ;

Whereas the organizations or undertakings possessing the necessary qualifications and experience should therefore be invited again to propose detailed programmes which these organizations would themselves carry out ;

Whereas, as regards the other arrangements, the major portion of the provisions of Regulation (EEC) No 1993/78 may be repeated ;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Milk and Milk Products,

HAS ADOPTED THIS REGULATION :

Article 1

1. Under the terms of this Regulation, encouragement shall be given to measures to develop and improve the use and consumption of milk and milk products of Community origin outside the Community through technical and/or commercial assistance in order to promote Community trade with the third countries concerned.

2. The measures referred to in paragraph 1 may only relate to :

(a) technical assistance concerning the improvement in third countries of marketing conditions, consumer information and publicity in favour of milk products of Community origin, irrespective of the form taken by the commercial operation ;

(b) additional generic sales promotion and advertising for Community dairy products.

3. The measures referred to in paragraph 1 may in no case concern the direct or indirect financing of investments (supplies of plant, deliveries of goods, remuneration of staff, etc.) upon the establishment of new factories or plants, or upon the extension or renovation of existing factories or plants used for the manufacture or processing of milk products in a third country.

However, if proof is furnished that such investments are made at the instigation of the authorities or of those concerned in the third country, the provision of the necessary know-how for this purpose may be regarded as a measure within the meaning of paragraph 1.

4. Measures liable to prejudice existing Community trade in milk products with the country concerned shall not be taken into consideration.

5. The measures referred to in the previous paragraphs shall be eligible only if they are begun after 31 March 1980 ; they shall be completed not later than 31 March 1982.

Article 2

1. Measures referred to in Article 1 (1) shall be proposed and carried out by organizations or undertakings which :

(a) have the necessary qualifications and experience for carrying out the proposed measures ;

(b) give suitable guarantees :

— safeguarding the interests of existing Community trade with the third country or countries concerned, and

— to the effect that they will not make direct or indirect financial investments within the

(1) OJ No L 131, 26. 5. 1977, p. 6.
(2) OJ No L 161, 29. 6. 1979, p. 11.
(3) OJ No L 230, 22. 8. 1978, p. 8.
(4) OJ No L 282, 7. 10. 1978, p. 12.

meaning of the first subparagraph of Article 1 (3).

2. Community financing shall be limited to :

(a) 75 % of expenditure incurred by the measures under Article 1 (2) (a) ;

(b) 60 % of expenditure incurred by the measures under Article 1 (2) (b) if proposals emanate from one or two Member States and 80 % if organizations or undertakings from more than two Member States are involved in the measures.

Article 3

1. The parties specified in Article 2 (1) 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).

2. The proposals shall reach the intervention agency concerned before 1 April 1980.

3. 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.*

4. Within 10 working days following expiry of the time limit laid down in paragraph 2, the intervention agency shall transmit to the Commission the proposals received and any supplementary documents.

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

Article 4

1. Proposals shall state :

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

(b) all 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 carrying out 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 7 (1) (a) or (b)).

2. Proposals shall be valid only where :

(a) they are submitted by a party fulfilling the conditions laid down in Article 2 (1) ;

(b) they are accompanied by an undertaking to comply with the provisions of this Regulation and the list of terms and conditions referred to in Article 6.

Article 5

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 in respect of 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 its proposal.

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

Article 6

1. On acceptance of a proposal in accordance with Article 5, a list of terms 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 terms and conditions shall form an integral part of the contract referred to in Article 5 (1) and shall :

(a) include the details specified in Article 4 (1) or make references to them ; and

(b) supplement these details, where necessary, by additional conditions arising from the application of the second subparagraph of Article 5 (1).

3. The Commission shall forward a copy of the contract and of the list of terms and conditions to the intervention agency responsible for ensuring compliance with the agreed conditions.

Article 7

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

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

(b) 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 terms 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 release of securities and payments of the balance by the intervention agency shall be subject to :

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

(b) the transmission to the Commission and to the intervention agency of the report referred to in Article 8 (1) and verification of the details contained in this report by the intervention agency and by the competent Commission department ; and

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

4. To the extent that the conditions set out in paragraph 3 are not fulfilled, securities shall be forfeited. In this event, the amount in question shall be deducted from expenditure declared to the European Agricultural Guidance and Guarantee Fund, Guarantee Section, and more particularly from that arising out of the measures referred to in Article 4 of Regulation (EEC) No 1079/77.

Article 8

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, within three months after completion of the measure in question, and in any case before 1 July 1982, a report on the utilization of the Community funds allocated and on the results of the measure.

2. The results of the work provided for in this Regulation may be published only with the express authorization of the Commission.

Article 9

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, 20 December 1979.

For the Commission

Finn GUNDELACH

Vice-President