COMMISSION REGULATION (EEC) No 663/88

of 11 March 1988

continuing the measures referred to in Regulations (EEC) No 723/78 and (EEC) No 1024/78 on market research measures within and outside 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], as last amended by Regulation (EEC) No 1894/85 [2], and in particular Article 4 thereof,

Whereas the market research measures within and outside the Community, first carried out pursuant to Commission Regulation (EEC) No 723/78 [3] and (EEC) No 1024/78 [4], and most recently continued by Commission Regulation (EEC) No 1150/86 [5], have proved an effective means of expanding the markets in milk products within and outside the Community; whereas they should therefore be continued in the medium term;

Whereas the research institutes, organizations and private undertakings in the Community possessing the necessary qualifications and experience should be invited again to propose detailed research programmes which these organizations would themselves carry out;

Whereas the research institutes, organizations and private undertakings who will be responsible for the measures must satisfy certain requirements; whereas the activities of such operators must not be liable to clash with the aim pursued in promoting the disposal of milk products for direct consumption; whereas it is therefore essential that operators whose activities also cover the production, distribution or sales promotion of products which imitate milk and milk products should be barred from the implementation of the measures;

Whereas, as regards the other arrangements, the provisions of the earlier Regulation, amended in the light of relevant experience, 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 conditions laid down in this Regulation, encouragement shall be given to research work designed to expand the markets for Community milk and milk products inside and outside the Community.

Such work shall include the following:

(a) research into new or improved products;

(b) where a special case is made, research aimed at improving the marketing of dairy products in the Community;

(c) the search for new markets or the possibility of extending existing markets outside the Community. Research work, destined to countries which had been already subject to enquiries under Regulation (EEC) No 1024/78, may be considered only in especially justified cases;

(d) scientific examination of the nutritional aspects of the consumption of milk and its constituents;

(e) in particularly justified cases, the evaluation and dissemination of the results obtained by research work.

Work intended to continue measures carried out or being carried out under Commission Regulations (EEC) No 282/84 [6] and (EEC) No 1150/86 cannot be considered except if the results obtained justify their continuation and/or until the complementary aspects are examined.

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

3. The measures referred to in paragraph 1 shall be eligible for financing only if they have begun after 31 March 1988 and shall be completed within two years of signature of the contract referred to in Article 5 (3), in any event before 1 December 1990. In exceptional cases, however, a longer period may be agreed in accordance with Article 5 (2) to ensure maximum effectiveness of the measure concerned.

4. The time limit fixed in paragraph 3 shall not prevent subsequent agreement to an extension of that time limit where the party to a contract before the fixed expiry date, makes the appropriate application to the competent authority and proves that, due to exceptional circumstances beyond his control, he is unable to meet the deadline originally stipulated. The time limit must not be extended by more than six months.

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[1] OJ No L 131, 26. 5. 1977, p. 6.
[2] OJ No L 182, 3. 7. 1987, p. 32.
[3] OJ No L 98, 11. 4. 1978, p. 5.
[4] OJ No L 334, 18. 12. 1979, p. 13.
[5] OJ No L 105, 22. 4. 1986, p. 8.
[6] OJ No L 32, 3. 2. 1984, p. 25.

Article 2

1. The research work referred to in Article 1 shall be proposed and carried out by research institutes, organizations or undertakings situated within the Community and which :

(a) have the necessary qualifications and experience ;

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

Proposals put forward by research institutes, organizations or undertakings whose activities are exclusively or in part concerned with the production, distribution or sales promotion of products which imitate milk and milk products shall not be taken into consideration.

2. Community financing shall be limited to 75 % of expenditure incurred in respect of the work referred to in Article 1 (1).

In exceptional cases the Community's financial contribution may be raised to 90%, if the work is of interest to the entire Community and directly involves at least four Member States.

3. The financing of general expenses incurred for the measures referred to in Article 1 (1) shall be limited to 2 % of the total approved cost.

Article 3

1. The parties referred to in Article 2 (1) shall be invited to transmit before 1 June 1988 to the competent authority appointed by their Member State, hereinafter called 'the competent authority', detailed proposals concerning the measures referred to in Article 1 (1).

If this deadline is not met, the proposal shall be regarded as null and void.

2. Further details for submission of proposals shall be as set out in the notice from the competent authorities published in *Official Journal of the European Communities* No C 312 of 6 December 1986, page 7.

Article 4

1. Complete proposals shall include :

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

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

(c) the price net of tax asked for carrying out these research 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 in accordance with Article 7 (1) (a) or (b) ;

(e) the most recent report available on the party's activities unless this is already in the possession of the competent authorities.

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.

Article 5

1. Before 1 August 1988 the competent authorities shall :

(a) examine all proposals submitted and any supporting documents to check that they are in the right form and contain the information required. They shall ensure that the proposals comply with the provisions of Article 4 and shall ask applicants for further details if necessary ;

(b) compile a list of all the proposals received and send it to the Commission together with copies of each proposal and a reasoned opinion indicating whether or not the proposal conforms with the Regulation.

2. After consulting the groups concerned and following examination of the proposals by the Management Committee for Milk and Milk Products in accordance with Article 31 of Council Regulation (EEC) No 804/68 [1], the Commission shall establish before 1 October 1988 a list of the proposals selected for financing.

3. The competent authorities shall conclude before 1 December 1988 contracts with those parties whose proposals have been selected in at least three copies and signed by the interested party and competent competent authority.

The competent authorities shall for this purpose use the standard form of contracts to be provided by the Commission.

4. The competent authorities shall inform each applicant as soon as possible of the decison taken in respect of his proposal.

Article 6

1. The contract referred to in Article 5 (3) shall :

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

(b) supplement those details, where necessary by additonal conditions resulting from the application of Article 5 (1).

2. The competent authority shall forward a copy of the contract to the Commission without delay.

3. The competent authority shall ensure compliance with the agreed conditions in particular by means of on-the-spot checks within the Community.

[1] OJ No L 148, 28. 6. 1968, p. 13.

Article 7

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

(a) 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 ; or

(b) at four-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.

However, while a contract is being performed, the intervention agency may :

— defer payment of an instalment either wholly or in part where it finds, in particular during the checks referred to in Article 6 (3), irregularities in carrying out the measures concerned or a substantial interval between the due date for payment of the instalment and the date when the party concerned will actually incur the forecast expenditure,

— in exceptional cases, advance payment of an instalment either wholly or in part with the Commission's prior agreement where the party concerned shows that he must incur a substantial part of the expenditure at a date found to be significantly earlier than that laid down for payment of the Community contribution towards the said expenditure.

2. The payment of each instalment shall be conditional upon the competent authority of a security equal to the amount of the instalment, plus 10 %.

Where a contract is concluded with a public institution, the lodging of security referred to in the previous sentence and in paragraph 3 (b) may be dispensed with, provided that there exists in some other form a guarantee equivalent to that referred to in paragraph 4, in the event of failure to comply with the conditions set out in paragraph 3.

3. The release of securities and payment of the balance shall be conditional upon :

(a) confirmation by the competent authority that the party concerned has fulfilled its obligations as laid down in the contract ;

(b) transmission to the Commission and to the competent authority of the report referred to in Article 8 (1), and verification of the details contained in this report by the intervention agency. However, on reasoned request by the party concerned, the remainder can be released after the measure has been completed, and after submission of the report referred to in Article 8, and on condition that securities equal to the total amount of the Community contribution plus 10 % have been lodged ; and

(c) the competent authority finding that the party concerned, or any third party named in the contract, have spent their 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 forfeit. In this event, the amount in question shall be deducted from the expenditure of the Guarantee Section of the European Agricultural Guidance and Guarantee Fund, 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 the research referred to in Article 1 (1) shall submit to the competent authority, within four months of the final date fixed in the contract for completion of the measures, a detailed report on the utilization of the Community funds allocated and on the foreseeable results of the measures in question, in particular concerning the evolution of the sales of milk and milk products.

2. The competent authority shall send a final certificate and a copy of the final report to the Commission for all completed contracts.

3. The results may only be published 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, 11 March 1988.

For the Commission

Frans ANDRIESSEN

Vice-President