COMMISSION REGULATION (EC) No 1978/2006

of 22 December 2006

Amending Regulation (EC) No 448/2001 of as regards reporting on cancellation proceedings and on the re-use of the funds cancelled

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds [1], and in particular Article 53(2) thereof,

After consulting the Committee set up pursuant to Article 147 of the Treaty,

After consulting the Committee on Agricultural Structures and Rural Development,

After consulting the Committee on Structures for Fisheries and Aquaculture,

Whereas:

(1) Article 2(3) and Article 3(2) of Commission Regulation (EC) No 448/2001 of 2 March 2001 laying down detailed rules for the implementation of Council Regulation (EC) No 1260/1999 as regards the procedure for making financial corrections to assistance granted under the Structural Funds [2] require the Member States to report to the Commission on cancellation proceedings, the steps already taken or required to adjust the management and control systems, and to inform it about the re-use of the funds cancelled and the amendments of the financial plan for the assistance.

(2) Experience gained during the implementation of Regulation (EC) No 448/2001 has shown that there is a need to clarify and simplify those requirements.

(3) In particular, the information to be provided to the Commission should be limited to the total amounts of public funding, by measure, withdrawn from the programme concerned as a result of the cancellation of all or part of the Community contribution to operations, and to information about the actual re-use of funds released following the withdrawal of such funding. Information on adjustments to management and control systems is supplied by Member States in the annual reports required by Article 13 of Commission Regulation (EC) No 438/2001 of 2 March 2001 laying down detailed rules for the implementation of Council Regulation (EC) No 1260/1999 as regards the management and control systems for assistance granted under the Structural Funds [3].

(4) Regulation (EC) No 448/2001 should therefore be amended accordingly.

(5) The measures provided for in this Regulation are in accordance with the opinion of the Committee for the Development and Conversion of Regions,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 448/2001 is amended as follows:

1. In Article 2, paragraph 3 is replaced by the following:

'3. Without prejudice to the information required on recoveries under Article 8 of Commission Regulation (EC) No 438/2001 (*), Member States shall send to the Commission, as an Annex to the last quarterly report of each year supplied under Commission Regulation (EC) No 1681/94 (**), a statement identifying, by measure, the total amounts of public funding withdrawn, following cancellation of all or part of the Community contribution to operations, from statements of expenditure submitted during the preceding year for the programme concerned.

(*) OJ L 63, 3.3.2001, p. 21.
(**) OJ L 178, 12.7.1994, p. 43.'

2. In Article 3(2), the second sentence is replaced by the following:

'Member States shall inform the Commission in the report referred to in Article 2(3) of the way in which Community funds released following the withdrawal of funding from the programme have been re-used.'

[1] OJ L 161, 26.6.1999, p. 1. Regulation as last amended by Regulation (EC) No 173/2005 (OJ L 29, 2.2.2005, p. 3) and replaced by Regulation (EC) No 1083/2006 (OJ L 210, 31.7.2006, p. 25) as of 1 January 2007.
[2] OJ L 64, 6.3.2001, p. 13.
[3] OJ L 63, 3.3.2001, p. 21. Regulation as amended by Regulation (EC) No 2355/2002 (OJ L 351, 28.12.2002, p. 42).

Article 2

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Union*.

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

Done at Brussels, 22 December 2006.

For the Commission
Danuta HÜBNER
Member of the Commission