

COMMISSION DECISION

of 3 October 2007

excluding from Community financing certain expenditure incurred by the Member States under the Guarantee Section of the European Agricultural Guidance and Guarantee Fund (EAGGF)

(notified under document number C(2007) 4477)

(only the Spanish, Danish, German, Greek, English, French, Italian, Dutch, Portuguese and Swedish texts are authentic)

(2007/647/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy ⁽¹⁾, and in particular Article 5(2)(c) thereof,

Having regard to Council Regulation (EC) No 1258/1999 of 17 May 1999 on the financing of the common agricultural policy ⁽²⁾, and in particular Article 7(4) thereof,

Having consulted the Committee on the Agricultural Funds,

Whereas:

(1) Under Article 5 of Regulation (EEC) No 729/70, Article 7 of Regulation (EC) No 1258/1999, and Article 8(1) and (2) of Commission Regulation (EC) No 1663/95 of 7 July 1995 laying down detailed rules for the application of Regulation (EEC) No 729/70 regarding the procedure for the clearance of the accounts of the EAGGF Guarantee Section ⁽³⁾, the Commission is to carry out the necessary verifications, communicate to the Member States the results of these verifications, take note of the comments of the Member States, initiate a bilateral discussion so that an agreement may be reached with the Member States in question, and formally communicate its conclusions to them.

(2) The Member States have had an opportunity to request the launch of a conciliation procedure. That opportunity has been used in some cases and the report issued on the outcome has been examined by the Commission.

(3) Under Articles 2 and 3 of Regulation (EEC) No 729/70 and Article 2 of Regulation (EC) No 1258/1999, only refunds on exports to third countries and intervention to stabilise agricultural markets, granted and undertaken respectively according to Community rules within the framework of the common organisation of the agricultural markets, may be financed.

(4) In the light of the verifications carried out, the outcome of the bilateral discussions and the conciliation procedures, part of the expenditure declared by the Member States does not fulfil these requirements and cannot, therefore, be financed under the EAGGF Guarantee Section.

(5) The amounts that are not recognised as being chargeable to the EAGGF Guarantee Section should be indicated. Those amounts do not relate to expenditure incurred more than 24 months before the Commission's written notification of the results of the verifications to the Member States.

(6) As regards the cases covered by this Decision, the assessment of the amounts to be excluded on grounds of non-compliance with Community rules was notified by the Commission to the Member States in a summary report on the subject.

(7) This Decision is without prejudice to any financial conclusions that the Commission may draw from the judgments of the Court of Justice in cases pending on 30 April 2007 and relating to its content,

HAS ADOPTED THIS DECISION:

Article 1

The expenditure itemised in the Annex hereto that has been incurred by the Member States' accredited paying agencies and declared under the EAGGF Guarantee Section shall be excluded from Community financing because it does not comply with Community rules.

⁽¹⁾ OJ L 94, 28.4.1970, p. 13. Regulation as last amended by Regulation (EC) No 1287/95 (OJ L 125, 8.6.1995, p. 1).

⁽²⁾ OJ L 160, 26.6.1999, p. 103.

⁽³⁾ OJ L 158, 8.7.1995, p. 6. Regulation as last amended by Regulation (EC) No 465/2005 (OJ L 77, 23.3.2005, p. 6).

Article 2

This Decision is addressed to the Kingdom of Belgium, the Kingdom of Denmark, the Federal Republic of Germany, the Hellenic Republic, the Kingdom of Spain, the French Republic, Ireland, the Italian Republic, the Kingdom of the Netherlands, the Portuguese Republic, the Kingdom of Sweden and the United Kingdom of Great Britain and Northern Ireland.

Done at Brussels, 3 October 2007.

For the Commission

Mariann FISCHER BOEL

Member of the Commission

ANNEX

Total corrections — Budget item 6 701

MS	Measure	FY	Reason	Type	%	Currency	Amount	Deductions already made	Financial impact
BE	Financial audit — Late payments	2005	Failure to meet payment deadlines	one-off		EUR	- 45 406,30	- 45 406,30	0,00
	Total BE					EUR	- 45 406,30	- 45 406,30	0,00
DE	Exceptional market measures	2001	Weaknesses in documentation and physical on-the-spot supervisions	flat-rate	5 %	EUR	- 1 182 038,83	0,00	- 1 182 038,83
DE	Exceptional market measures	2002	Weaknesses in documentation and physical on-the-spot supervisions	flat-rate	5 %	EUR	- 284 869,30	0,00	- 284 869,30
DE	Direct Payments	2005	Poor follow-up of evident overclaims identified following GIS establishment	one-off		EUR	- 32 236,96	0,00	- 32 236,96
	Total DE					EUR	- 1 499 145,09	0,00	- 1 499 145,09
DK	Clearance of accounts	2005	Financial clearance	one-off		DKK	- 96 741,70	- 23 951,90	- 72 789,80
DK	Financial audit — Overshooting	2005	Overshooting of financial ceilings	one-off		EUR	- 125 996,55	- 125 996,55	0,00
	Total DK					DKK	- 96 741,70	- 23 951,90	- 72 789,80
	Total DK					EUR	- 125 996,55	- 125 996,55	0,00
ES	Milk quota	1997	Milk deliveries underdeclared	one-off		EUR	- 1 350 020,32	0,00	- 1 350 020,32
ES	Arable Crops	2004	The sanctions and exclusion due to intentional non-compliance foreseen for in Article 33 of Commission Regulation (EC) No 2419/2001 are not applied	flat-rate	2 %	EUR	- 276 716,91	0,00	- 276 716,91
ES	Arable Crops	2005	The sanctions and exclusion due to intentional non-compliance foreseen for in Article 33 of Regulation (EC) No 2419/2001 are not applied	flat-rate	2 %	EUR	- 274 130,08	0,00	- 274 130,08

MS	Measure	FY	Reason	Type	%	Currency	Amount	Deductions already made	Financial impact
ES	Fruit and Veg's — Citrus Processing	1998	Reimbursement following partial annulment of Decision 2004/136/EC by the judgement of the Court of Justice in case T-220/04	one-off		EUR	532 684,56	0,00	532 684,56
ES	Fruit and Veg's — Citrus Processing	1999	Reimbursement following partial annulment of Decision 2004/136/EC by the judgement of the Court of Justice in case T-220/04	one-off		EUR	435 837,70	0,00	435 837,70
ES	Fruit and Veg's — Citrus Processing	2000	Reimbursement following partial annulment of Commission Decision 2004/136/EC by the judgement of the Court of Justice in case T-220/04	one-off		EUR	11 032,22	0,00	11 032,22
ES	Meat Premiums — Bovines	2002	Systematic late controls on the spot	flat-rate	5 %	EUR	- 30 407,71	0,00	- 30 407,71
ES	Meat Premiums — Bovines	2003	Systematic late controls on the spot	flat-rate	5 %	EUR	- 159 064,73	0,00	- 159 064,73
ES	Meat Premiums — Bovines	2004	Systematic late controls on the spot	flat-rate	5 %	EUR	- 232 483,16	0,00	- 232 483,16
ES	Public Storage of butter	2002	Undue financing costs	one-off		EUR	- 141 002,61	0,00	- 141 002,61
ES	Public Storage of butter	2003	Undue financing costs	one-off		EUR	- 67 250,22	0,00	- 67 250,22
	Total ES					EUR	- 1 551 521,26	0,00	- 1 551 521,26
FR	Financial audit — Late payments	2005	Failure to meet payment deadlines	one-off		EUR	- 696 062,71	- 934 532,21	238 469,50
FR	Financial audit — Overshooting	2005	Overshooting of financial ceilings	one-off		EUR	- 501,92	- 501,92	0,00
FR	Fruit and Veg's — Producer organisations	2003	Non-respect of recognition criteria	one-off		EUR	- 24 478 123,67	0,00	- 24 478 123,67
FR	Fruit and Veg's — Producer organisations	2004	Non-respect of recognition criteria	one-off		EUR	- 25 243 299,77	0,00	- 25 243 299,77

MS	Measure	FY	Reason	Type	%	Currency	Amount	Deductions already made	Financial impact
FR	Meat Premiums — Bovines	2003	Weaknesses regarding controls of animals only identified by tattoos	flat-rate	2 %	EUR	- 168 812,00	0,00	- 168 812,00
FR	Meat Premiums — Bovines	2004	Weaknesses regarding controls of animals only identified by tattoos	flat-rate	2 %	EUR	- 115 584,00	0,00	- 115 584,00
FR	Meat Premiums — Bovines	2005	Weaknesses regarding controls of animals only identified by tattoos	flat-rate	2 %	EUR	- 65 764,00	0,00	- 65 764,00
	Total FR					EUR	- 50 768 148,07	- 935 034,13	- 49 833 113,94
GB	Financial audit — Overshooting	2005	Overshooting of financial ceilings	one-off		EUR	- 795 921,45	0,00	- 795 921,45
	Total GB					EUR	- 795 921,45	0,00	- 795 921,45
IT	Dried Fodder	2002	Non-adequate control of the enterprises transforming the fodder	flat-rate	5 %	EUR	- 1 828 877,58	0,00	- 1 828 877,58
IT	Dried Fodder	2003	Non-adequate control of the enterprises transforming the fodder	flat-rate	2 %	EUR	- 44 421,46	0,00	- 44 421,46
IT	Dried Fodder	2003	Non-adequate control of the enterprises transforming the fodder	flat-rate	5 %	EUR	- 2 399 395,34	0,00	- 2 399 395,34
IT	Dried Fodder	2004	Weaknesses regarding controls of operators of the network	flat-rate	2 %	EUR	- 512 153,03	0,00	- 512 153,03
IT	Dried Fodder	2004	Weaknesses regarding controls of operators of the network	flat-rate	5 %	EUR	- 9 132,02	0,00	- 9 132,02
IT	Dried Fodder	2004	Non-adequate control of the enterprises transforming the fodder	flat-rate	5 %	EUR	- 645 442,92	0,00	- 645 442,92
IT	Dried Fodder	2005	Weaknesses regarding controls of operators of the network	flat-rate	2 %	EUR	- 774 140,65	0,00	- 774 140,65
IT	Dried Fodder	2005	Weaknesses regarding controls of operators of the network	flat-rate	5 %	EUR	- 1 552,69	0,00	- 1 552,69

MS	Measure	FY	Reason	Type	%	Currency	Amount	Deductions already made	Financial impact
IT	Meat Premiums — Bovines	2003	Systematic late controls on the spot	flat-rate	5 %	EUR	- 456 327,00	0,00	- 456 327,00
IT	Meat Premiums — Bovines	2004	Systematic late controls on the spot	flat-rate	5 %	EUR	- 295 911,00	0,00	- 295 911,00
IT	Olive Oil — Production aid	2001	Shortcomings in controls of the mills, weaknesses in respect of the olive trees and the yield	flat-rate	5 %	EUR	- 40 284 269,55	0,00	- 40 284 269,55
IT	Olive Oil — Production aid	2002	Shortcomings in controls of the mills, weaknesses in respect of the olive trees and the yield	flat-rate	5 %	EUR	- 34 743 757,29	0,00	- 34 743 757,29
IT	Olive Oil — Production aid	2003	Shortcomings in controls of the mills, weaknesses in respect of the olive trees and the yield	flat-rate	5 %	EUR	- 113 946,89	0,00	- 113 946,89
IT	Olive Oil — Production aid	2004	Shortcomings in controls of the mills, weaknesses in respect of the olive trees and the yield	flat-rate	5 %	EUR	- 1 289 091,84	0,00	- 1 289 091,84
	Total IT					EUR	- 83 398 419,26	0,00	- 83 398 419,26
NL	Financial audit — Late payments	2005	Failure to meet payment deadlines	one-off		EUR	- 206 100,68	- 206 100,68	0,00
NL	Financial audit — Overshooting	2005	Overshooting of financial ceilings	one-off		EUR	- 60 859,36	- 60 859,36	0,00
	Total NL					EUR	- 266 960,04	- 266 960,04	0,00
PT	Wine — Restructuring	2001	Weaknesses in key on-the-spot controls and in determination of the eligible areas	flat-rate	2 %	EUR	- 77 342,02	0,00	- 77 342,02
PT	Wine — Restructuring	2002	Weaknesses in key on-the-spot controls and in determination of the eligible areas	flat-rate	2 %	EUR	- 649 828,57	0,00	- 649 828,57

MS	Measure	FY	Reason	Type	%	Currency	Amount	Deductions already made	Financial impact
PT	Wine — Restructuring	2003	Weaknesses in key on-the-spot controls and in determination of the eligible areas	flat-rate	2 %	EUR	- 673 890,89	0,00	- 673 890,89
PT	Wine — Restructuring	2004	Weaknesses in key on-the-spot controls and in determination of the eligible areas	flat-rate	2 %	EUR	- 565 733,93	0,00	- 565 733,93
	Total PT					EUR	- 1 966 795,41	0,00	- 1 966 795,41
SE	Arable Crops	2004	The level of on-the-spot (Rapid Field Visits) checks carried out under the minimum rate required	flat-rate	5 %	SEK	- 12 198 084,10	0,00	- 12 198 084,10
SE	Direct Payments	2005	The level of on-the-spot (Rapid Field Visits) checks carried out under the minimum rate required	flat-rate	5 %	SEK	- 12 640 336,05	0,00	- 12 640 336,05
SE	Direct Payments	2005	Low quality of the remote sensing checks	flat-rate	2 %	SEK	- 9 280 142,64	0,00	- 9 280 142,64
	Total SE					SEK	- 34 118 562,79	0,00	- 34 118 562,79

Total corrections — Budget item 05 07 01 07

MS	Measure	FY	Reason	Type	%	Currency	Amount	Deductions already made	Financial impact
GR	Financial audit — Overshooting	2005	Overshooting of financial ceilings	one-off		EUR	0,00	- 348 181,42	348 181,42
	Total GR					EUR	0,00	- 348 181,42	348 181,42
IE	Financial audit — Late payments	2005	Failure to meet payment deadlines	one-off		EUR	- 1 064 668,75	- 3 495 598,23	2 430 929,48
	Total IE					EUR	- 1 064 668,75	- 3 495 598,23	2 430 929,48