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(Acts whose publication is obligatory)

REGULATION (EEC) No 2681/74 OF THE COUNCIL

of 21 October 1974

on Community financing of expenditure incurred in respect of the supply of agricultural products as food aid

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 43 and 209 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament⁽¹⁾;

Whereas the Community grants food aid to developing or disaster-stricken countries and guarantees the financing thereof;

Whereas under present rules this expenditure is financed in various ways depending on the products and the conditions, being either totally chargeable to Title 9 (Chapter on 'Food-aid expenditure') of the General Budget of the European Communities or to the Guarantee Section of the European Agricultural Guidance and Guarantee Fund, or partially to each;

Whereas this situation makes it impossible to obtain a clear picture of the cost of the common market policy in the sectors concerned or of the cost of the food-aid policy; whereas, moreover, it complicates the management of appropriations, since expenditure has to be charged either to the Guarantee Section of the EAGGF or to Title 9 (Chapter on 'Food-aid expenditure') of the Budget, or partially to each;

Whereas the terms of Community financing of expenditure incurred in supplying agricultural products as food aid should be harmonized in the various sectors and the present rules therefore amended;

Whereas the Community should finance the value of the goods and the expenditure incurred in the various stages of implementation for which the Community is responsible by virtue of the provisions governing the said supplies, with the exception of any administrative expenditure effected by Member States;

Whereas expenditure corresponding to refunds should be charged to the Guarantee Section of the EAGGF and other expenditure should be entered under Title 9;

Whereas, in order to facilitate the implementation of Community food-aid measures, it is desirable to institute a system of advance payments for expenditure under Title 9 of the Budget, modelled on that established for the EAGGF;

Whereas provision should be made for implementing rules to be laid down, should they prove necessary,

HAS ADOPTED THIS REGULATION:

Article 1

Community financing shall be provided for all expenditure, other than administrative expenditure, incurred in respect of the supply of agricultural products by the Community as food aid pursuant to Council Regulations or in fulfilment of obligations arising from conventions and agreements concluded by the Council, which devolves on the Community by virtue of the provisions governing the said supplies.

This system shall apply to the expenditure referred to in the preceding paragraph, effected by Member States as from 1 January 1975.

Article 2

1. That portion of expenditure which corresponds to the export refunds fixed in this connection in accordance with Community rules shall be charged to the Guarantee Section of the EAGGF.

2. The expenditure referred to in Article 1, apart from the refunds mentioned in paragraph 1, shall be

⁽¹⁾ OJ No C 23, 8. 3. 1974, p. 62.

entered under Title 9 (Chapter on 'Food-aid expenditure').

Article 3

1. The Member States shall designate the departments and bodies empowered to make payments in respect of the expenditure referred to in this Regulation. Should this not already have been done, they shall inform the Commission as soon as possible of the status of such departments and bodies and of the administrative and accounting rules under which they operate, and shall annually forward any report or part of a report concerning such expenditure drawn up by them or by the relevant supervisory authorities.

2. In respect of this expenditure the Commission shall, after consulting the Committee referred to in Article 11 of Regulation (EEC) No 729/70 (1),

— grant advances to the Member States concerned, periodically and at their request;

— audit the accounts of the Member States on the basis of supporting documents forwarded by them.

Article 4

The provisions of Articles 8 and 9 of Regulation (EEC) No 729/70 shall be applicable to the expenditure referred to in this Regulation.

Article 5

Rules for the implementation of this Regulation shall be adopted, as necessary, in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 6

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 Luxembourg, 21 October 1974.

For the Council

The President

Ch. BONNET

(1) OJ No L 94, 28. 4. 1970, p. 13.