



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 17.02.2000
COM(2000) 90 final

Proposal for a

COUNCIL DECISION

**on the total amount of Community aid for the eradication of classical swine fever in the
Netherlands in 1997**

(presented by the Commission)

EXPLANATORY MEMORANDUM

Article 3 of Council Decision 90/424/EEC on expenditure in the veterinary field provides for Community financial assistance to eradicate certain animal diseases, including Classical swine fever (CSF).

In response to the outbreaks of CSF in the Netherlands (NL) in 1997 the Commission adopted two Decisions providing partial financial aid for the disease's eradication (Decisions 98/25/EC and 1999/18/EC). These two Decisions include a provisional financial correction of 25%, pending a final decision on the total amount eligible.

Due to the very large size of the epidemic and the related costs, the Commission services undertook five missions to specifically audit veterinary expenditure in this context. It was repeatedly found that the administration and technical implementation of the prevention measures fell short of the conditions required for a Community contribution under Article 3 of Decision 90/424/EEC.

Because of these irregularities, the Commission decided that the 25% financial correction already applied to the two initial Decisions had to be confirmed in respect of all eligible expenditure incurred to compensate the farmers.

NL also submitted for Community assistance some types of expenditure not covered by Decision 90/424/EEC, incurred in particular for the slaughter of healthy pigs or for administration (salaries, rents, security, computers, etc.).

However, the Commission deemed that, in accordance with the attitude adopted towards other Member States during earlier epidemics, the expenditure not expressly covered by the legislation could not be reimbursed, because there is no legal basis for doing so.

Therefore, the total amount reimbursable amounts to € 109.9 million (amount claimed: € 199 million), of which € 74.4 million has already been paid out, in accordance with the two Decisions mentioned above.

A draft Commission Decision on the amount still to be paid to NL out of the 2000 budget (€ 35.5 million) was submitted to the Standing Veterinary Committee on 6-8 December 1999.

Three Member States (UK, DK, SW) voted in favour of the draft Decision, the NL voted against, LUX was absent and the remaining Member States abstained. In view of this result the Commission has to submit the proposal to the Council.

The CSF epidemic of 1997 has also been subject of the attention of the Court of Auditors, which carried out a series of audits in NL. In November 1998 the Court sent a Sector Letter to NL, expressing several observations and criticisms on the technical and administrative management of the epidemic by Dutch authorities and the corresponding expenditure. In addition, the Court has more recently produced a special report on CSF epidemic of 1997, which will be published in February 2000, confirming these criticisms.

The remarks and the conclusions of the Court of Auditors corroborate the findings and the position of the Commission.

Proposal for a

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on the total amount of Community aid for the eradication of classical swine fever in the Netherlands in 1997

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Decision 90/424/EEC of 26 June 1990 on expenditure in the veterinary field¹, as last amended by Commission Decision 94/370/EC², and in particular Article 3(3) and (5) thereof,

Having regard the proposal of the Commission,

Whereas:

- (1) Outbreaks of classical swine fever occurred in the Netherlands in 1997. The appearance of the disease represents a serious danger to the Community pig herd. With a view to the speedy eradication of the disease the Community is able to contribute to expenditure incurred by the Member State.
- (2) On 22 June 1998 the Netherlands presented an application for reimbursement of all the expenditure incurred in the country in 1997. This application was replaced by a new application lodged on 2 June 1999.
- (3) The Commission adopted Decisions 98/25/EC³ and 1999/18/EC⁴ on Community financial aid towards the eradication of classical swine fever in the Netherlands. These Decisions provided for the payment of two initial advances amounting to € 74 429 868.
- (4) The total amount of Community aid must now be fixed.
- (5) The Commission has checked to see whether all Community veterinary rules have been observed and all the conditions for Community financial assistance have been met.
- (6) As a result of these checks, not all of the expenditure submitted could be accepted as eligible. This position was confirmed in a report by the Court of Auditors.

¹ OJ L 224, 18.8.1990, p. 19.

² OJ L 36, 8.2.1994, p. 15.

³ OJ L 8, 14.1.1998, p. 28.

⁴ OJ L 6, 12.1.1999, p. 18.

- (7) The Commission's initial comments were officially notified to the Netherlands authorities on 13 January 1998.
- (8) Further comments and the method for calculating the eligible expenditure were officially notified to the Netherlands authorities on 5 May and 29 October 1999.
- (9) The Standing Veterinary Committee has not given a favourable opinion.

HAS ADOPTED THIS DECISION:

Article 1

The total amount of Community financial aid for the eradication of classical swine fever in 1997 in the Netherlands is hereby fixed at € 109 937 795.

Article 2

The balance of € 35 507 928 shall be paid as appropriations become available.

Article 3

This Decision is addressed to the Kingdom of the Netherlands.

Done at Brussels,

*For the Council
The President*

FINANCIAL STATEMENT					
				DATE:	
1. BUDGET HEADING: BI-332				APPROPRIATIONS: EUR 41m	
2. TITLE: Proposal for a Council Decision on the total amount of Community aid for the eradication of classical swine fever in the Netherlands in 1997					
3. LEGAL BASIS: Article 3 of Decision 90/424/EEC					
4. AIMS OF PROJECT: Payment of the balance of eligible expenditure					
5. FINANCIAL IMPLICATIONS		PERIOD OF 12 MONTHS (million euros)	CURRENT FINANCIAL YEAR [n] (million euros)	FOLLOWING FINANCIAL YEAR [n+1] (million euros)	
5.0	EXPENDITURE				
-	CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION)	0	35.5		0
-	NATIONAL ADMINISTRATION	0	0		0
-	OTHER	0	0		0
5.1	REVENUE				
-	OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)	0	0		0
-	NATIONAL	0	0		0
		[n+2]	[n+3]	[n+4]	[n+5]
5.0.1	ESTIMATED EXPENDITURE	0	0	0	0
5.1.1	ESTIMATED REVENUE	0	0	0	0
5.2 METHOD OF CALCULATION: Request for reimbursement less ineligible expenditure					
6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?				YES	
6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?				NO	
6.2 IS A SUPPLEMENTARY BUDGET NECESSARY				NO	
6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY?				NO	
OBSERVATIONS:					