EAGGF Guarantee section: scrutiny by the Member States of financing transactions (amend. Regulation (EEC) No 4045/89)

2001/0264(CNS) - 13/11/2001 - Legislative proposal

PURPOSE : to amend Regulation 4045/89/EEC on scrutiny by Member States of transactions forming part of the system of financing by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund. CONTENT : over the years, but in particular during the modification process to redefine the rural development measures excluded (Regulation 2311/2000/EC), several Member States have raised the issue of the minimum number of scrutinies required by the legislation. For some (particularly Italy and Spain with some 600 scrutinies each) the minimum number poses problems in completing scrutinies in time and handicaps the development of new approaches and more in-depth examinations. The minimum number of scrutinies is determined as 50% of the number of undertakings receiving over EUR 100 000 in aid. This figure has not changed since 1994. Inflation percentages 1994-2001 are calculated at around 4% cumulating to some 35%. Setting the calculation parameter for the minimum number at EUR 150 000 avoids having to change the Regulation again within a few years. To have greater flexibility to allow, on a more regular basis, a reduction in the minimum number of scrutinies and to enhance the performance of joint actions the proposal to the Council includes an addition to Article 7 which would decrease the minimum number by a maximum of 25%. Furthermore, the reporting requirement in respect of mutual assistance requests (Article 7) is simplified (quarterly reporting on a summary basis). The Regulation does not require any financial involvement of the Community and the proposal thus without financial consequences.