Common agricultural policy CAP: financing

2002/0125(CNS) - 11/06/2002 - Legislative proposal

PURPOSE : In relation to the common agricultural policy, to extend the clearance period during which financial recoveries can be performed. CONTENT : Under Council Regulation 1258/99/EC on the financing of the common agricultural policy, a decision to refuse financing may not involve expenditure referred to in Article 2 of that Regulation effected prior to 24 months preceding the Commission's written communication of the results of those checks to the Member State. As regards expenditure for a measure referred to in Article 3 of that Regulation, a refusal to finance may not involve expenditure in respect of which the final payment was effected prior to 24 months preceding the Commission's written communication of the results. In the light of experience, the application of this restriction poses a problem in terms of protecting the EU's financial interests, as it places the Commission in the unsatisfactory position of being unable to recover money that has been spent improperly, thus representing a financial loss to the Community budget. It is therefore proposed to extend to 36 months the maximum period between the start of application of financial corrections and the date of communication of the result of the checks referred to in Article 7(4) of Regulation 1258/99/EC to the Member State.