Common Agricultural Policy (CAP): financing by the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD)

2004/0164(CNS) - 21/06/2006 - Implementing legislative act

ACT: Commission Regulation 883/2006/EC laying down detailed rules for the application of Council Regulation 1290/2005/EC as regards the keeping of accounts by the paying agencies, declarations of expenditure and revenue and the conditions for reimbursing expenditure under the EAGF and EAFRD.

CONTENT: the purpose of this Regulation is to lay down certain specific requirements and rules on:

- the shared management of expenditure and revenue;
- the keeping of accounts, the declarations of expenditure and revenue by the paying agencies; and
- the reimbursement of expenditure by the Commission,

under both the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD):

The Regulation requires each paying agency to keep a set of accounts covering only the expenditure and revenue of:

- refunds for the exportation of agricultural products to third countries; intervention measures to regulate agricultural markets; direct payments to farmers under the CAP and the promotion of measures for agricultural products (Article 3.1)
- the Community's financial contribution to rural development programmes in support of the EAFRD (Article 4); and
- the sums set out in Article 34.

EAGF Accounts:

Detailed provisions and deadlines are put in place regarding: the collection of information by the Member States; the communication of that information by the Member States to the Commission; the general rules on the declaration of expenditure and on assigned revenue; special rules on declarations of expenditure relating to public storage; the applicable exchange rate for drawing up declarations of expenditure; the payment decisions by the Commission; the reduction of payments by the Commission; the keeping of accounts on and collecting assigned to revenue; making funds available to the Member States; and lastly, the amounts deemed to be assigned revenue.

EAFRD Accounts:

The provisions and deadlines set for the EAFRD fund includes: rural development programme accounts; the forecast of funding of requirements; the financing plan for rural development programmes; the declarations of expenditure; and lastly, the calculation of the amount to be paid.

The electronic exchange of information and documents is a common provision applying to both of the Funds. Transitional measures and final provisions are foreseen as are requirements relating to expenditure on rural development under the EAGGF between 16 October and 31 December 2006 (Article 20).

In adopting this implementing Regulation, a number of related legal instruments will be repealed. They are:

- Regulation 296/96/EC

- Decision C/2004/1723

However, Article 3 (6a) (a)of Regulation 296/96/EC and Decision 2004/1723 will apply until 15 October 2006.

ENTRY INTO FORCE: 30 June 2006. It will apply from 16 October 2006 in the case of revenue and expenditure effected by the Member States under the EAGF and EAFRD in respect of the 2007 and following financial years. However, Article 20 (Expenditure on rural development under the EAGGF between 16 October 2006 and 31 December 2006), will apply from the date of entry into force of this Regulation.