Basic information

1997/2064(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
EAGGF: measures relating to German reunification. Special report 4/97 Court of Auditors **Subject** 3.10.13 European Agricultural Guidance and Guarantee Fund, EAGGF and EAGF 8.40.05 Court of Auditors	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	GARRIGA POLLEDO Salvador (PPE)	01/07/1997

Committee for opinion	Rapporteur for opinion	Appointed
AGRI Agriculture and Rural Development		

Council of the European Union

Key events

Date	Event	Reference	Summary
13/05/1997	Non-legislative basic document published	RCC0004/1997	Summary
18/07/1997	Committee referral announced in Parliament		
23/04/1998	Vote in committee		Summary
23/04/1998	Committee report tabled for plenary	A4-0144/1998	
15/05/1998	Debate in Parliament		
15/05/1998	End of procedure in Parliament		
01/06/1998	Final act published in Official Journal		

Technical information

Procedure reference	1997/2064(COS)
Procedure type	COS - Procedure on a strategy paper (historic)

Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	CONT/4/08815

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A4-0144/1998 OJ C 152 18.05.1998, p. 0005	23/04/1998	
Text adopted by Parliament, single reading		T4-0306/1998 OJ C 167 01.06.1998, p. 0291-0308	15/05/1998	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Non-legislative basic document	RCC0004/1997	13/05/1997	Summary

EAGGF: measures relating to German reunification. Special report 4/97 Court of Auditors

1997/2064(COS) - 13/05/1997 - Non-legislative basic document

OBJECTIVE: this special report by the Court of Auditors concerns double compensation granted in the agricultural sector during the unification of Germany (1991-92). CONTENT: when Germany reunified, some 2 million cows entered the Community, a large proportion of which (some 666,000 animals) were suffering from viral diseases (mainly enzootic bovine leucosis). The Community took a number of measures to deal with the problem of this surplus and eradicate this disease, mainly in the form of compensation payments for the slaughter of diseased animals in the new Länder. The main purpose of this report is to evaluate the practical impact of these measures and highlight the serious omissions by the European Commission when this aid was granted. It illustrates in particular that export refunds were granted on products illegally, since they had already benefitted, directly or indirectly, from other EU subsidies. The Commission considered that bovines affected by leucosis (and hence marked for slaughter) should not find their way on to the Community market but that they could be disposed of to the former trading partners of the Länder, supported by an export refund, financed by the EC (the Commission services did not consider that the meat from these animals was unfit for consumption). As a result, certain products received two forms of aid: slaughter premiums for infected animals and export refunds. In all, this double compensation cost the Community some ECU 58.5 million in 1992 (refunds + eradication programme). At the same time, the report points out that similar problems arose in the dairy sector. A special scheme of premiums for definitive cessation of milk production had been introduced in order to cover loss of income under the quota system (viz. ECU 83 million in 1991/92). However, this scheme was applied to cows marked for slaughter, for which compensation had already been paid. The Court was in no doubt that the Commission services were aware of the risk of double compensation. Moreover, subsequent audits carried out by the Court showed that, apart from overcompensation by the Community, national aid was also granted with the Commission's consent. For example, the Court quotes the case of a cow with an estimated intrinsic value of ECU 681 on which ECU 1081 was paid in various forms of aid, of which ECU 798 came from the Community budget. The Court also identifies other irregularities (e.g. false slaughter lists, inadequate checks, sums paid for animals slaughtered before 1 October 1991) which resulted in futile and unnecessary claims on the Community budget. Finally, the Court remarks that a not insignificant number of heads of cattle was exported to the former USSR. These exports were illegal because contractual specifications which predated reunification stipulated that bovines from contaminated holdings could not be imported in the USSR. These cattle obtained the same export refunds as any other good quality cattle, despite the fact that the beef was mediocre.

EAGGF: measures relating to German reunification. Special report 4/97 Court of Auditors

1997/2064(COS) - 15/05/1998 - Text adopted by Parliament, single reading

In adopting the report by Mr Salvador GARRIGA POLLEDO (EPP, E) concerning the audit of certain aspects of German reunification measures Parliament regretted that the Court of Auditors' special report had been concluded with considerable delay. However it appreciated the Community's contribution to the integration of the new Länder in the structures of the common agricultural policy occurring under exception circumstances (absence of a transitional period, retrospective implementation of certain measures in the dairy sector). It noted in particular that this integration of the former GDR into the CAP had been achieved without substantial supplementary expenditure to the Community budget. It regretted, however, the Commission's delays in checking the programmes co-financed by the Community (eradication of enzootic bovine leucosis, in particular) and called for the recovery of certain sums unduly paid.