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SIXTH FINANCIAL REPORT
on the
EUROPEAN AGRICULTURAL GUIDANCE
AND GUARANTEE FUND
YEAR 1976

COM(77) 591 final.

Introductory Note

Article 10 of Regulation (EEC) No 729/70 on the financing of the common agricultural policy provides that "before 1 July of each year, the Commission shall submit to the Council and to the European Parliament a financial report on the administration of the Fund, during the preceding financial year and, in particular, on the state of its resources and the nature of its expenditure and the conditions under which Community financing has been effected".

Accordingly the Commission has submitted five annual reports since 1971 when the definitive financial system came into effect. This report covers the 1976 financial year. The final version was adopted on 21 September 1977, after consultation with the EAGGF Committee on 16 September 1977.

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SUMMARY OF THE SIXTH FINANCIAL REPORT

Title I: The Guarantee Section

1. The EAGGF Guarantee Section is responsible for financing expenditure arising from the common policy on agricultural markets and prices, including expenditure resulting from currency fluctuations.

The year 1976 was marked by adjustments in certain financially important sectors. In the milk and milk products sector, in particular, increased expenditure in 1976 (over 2 milliard u.a.) compared with 1975 (1150 M u.a.) and the accumulation of stocks of skimmed milk powder led the Community to introduce short-term measures for the disposal of skimmed milk powder and to put forward a programme for the period 1977-80 with a view to the progressive achievement of a balance in this market. The rules governing the wine sector were substantially revised in order to bring the intervention measures (especially as regards distillation) more into line with market needs.

2. In the other sectors, there was a considerable increase in expenditure on fruit and vegetables (244.4 M u.a. in 1976 compared with 88.3 M u.a. in 1975) as the result of a heavy crop of apples and tomatoes, and in monetary compensatory amounts (505 compared with 406 M u.a.) arising from the downward movement of the pound and the lira. On the other hand, expenditure fell in the sugar, beef and veal and pigmeat sectors because of an improvement in the markets in these products.

Expenditure was also affected by the decision to increase agricultural prices for the 1976/77 marketing year by an average of 7.7%.

3. Total provisional expenditure in 1976 was, at 5 570 M u.a., higher than in 1975 (4 718.7 M u.a.). The original appropriations (5 160.3 M u.a.) were increased by 717.4 M u.a. in a supplementary budget adopted in September 1976. However, 265.3 M u.a. was still available at the end of the financial year because of delays in execution or in the payments for certain operations; 148.6 M u.a. were carried forward to 1977 and 116.7 M u.a. cancelled.

4. In spite of the efforts made there is still a considerable backlog in the clearance of accounts. Priority has been given to dealing with the periods preceding the definitive system (1967/68 - 70) and then to 1973, the first year after the entry of the new Member States. The work should be completed in 1977 or 1978.

Title II: The Guidance Section

5. The Guidance Section is concerned with financing the Community policy of improvement of agricultural structures. For this purpose it finances:

- a) common measures (Article 6 of Regulation No 729/70) and certain special measures which are intended, among other things, to improve the functioning of certain common market organizations and whose financial characteristics resemble those of common measures;
- b) individual projects for improving agricultural structures (Regulation No 17/64) through the granting of capital subsidies.

The available appropriations, 325 M u.a. per year, go in the first instance to the financing of common and special measures. The remainder is used to finance individual projects and in 1976 this still formed the bulk of the work of the Guidance Section.

6. Expenditure in 1976 on common measures, at 69.4 M u.a., was well up on 1975 (33.8 M u.a.). It went mainly on hill farming and farming in certain less-favoured areas (36 M u.a.), conversion in the beef and veal sector (15 M u.a.) and the modernization of farms (9.3 M u.a.). On the other hand, expenditure on special measures fell (6.2 M u.a. against 11.5 M u.a. in 1975).

7. For individual projects the Commission decided to grant aid in 1976 as follows:

- a) on 30 April 1976 in respect of the second instalment for 1975: a total of 692 projects obtained aid amounting to 212.6 M u.a. from the Fund in 1975.
- b) in respect of the two instalments for 1976 the Commission decided on 29 July and 30 December 1976 to grant a total of 264.2 M u.a. for 808 projects.

For the first time the Commission was able to take its decisions in due time and thus make good the lags in the granting of aid; this process necessitated all the greater effort on the part of the Commission staff in that the amounts granted were especially high.

8. With regard to payments for individual projects, the time lag after a decision is taken to grant aid is of necessity long, but varies according to Member State. The longest time lag is found in Italy, which is also the country with the largest number of projects which are not executed.

With the development of common measures, there is increased activity to provide Community financing for these measures.

Title III: Verifications and irregularities

9. The Guarantee Section was engaged mainly on the systematic verifications required in preparation for the clearance of the accounts for the periods 1967/68 - 70 and 1973. It also made various inspection visits. Selective controls were also carried out on problems specific to beef and veal and on refunds varying according to destination.

In the Guidance Section, inspection visits were made in respect of 10 individual projects. Other visits were made in respect of two special measures and one common measure in several Member States.

10. In 1976 there was improved co-operation between Member States in the campaign against irregularities. The effort undertaken in this field included the preparation by the EAGGF of a 'compendium of irregularities' distributed to the departments responsible in the Member States to alert them to fraudulent practices with which they might be confronted. The terms of reference of the Special Committee of Inquiry were extended; it devoted itself to the wine sector. The measures taken and the results obtained so far in this campaign were communicated to the Council and the European Parliament by the Commission on 31 December 1976.

Irregularities affecting the Guarantee Section in 1976 related mainly to the cereals and beef and veal sectors, and mainly to monetary compensatory amounts. A total of 5.6 M u.a., of which 1.7 M u.a. have so far been recovered, was involved in the 258 cases.

Irregularities affecting the Guidance Section related mainly to premiums for the non-marketing of milk and for the conversion of dairy herds. One hundred of the 337 cases reported for the years 1971 to 1976 are still pending and represent a total of 0.4 M u.a. still to be recovered.

Title IV: Financing of food aid

11. The system for the Community financing of expenditure arising from the supply of agricultural products as food aid, as laid down in Council Regulation No 2681/74, provides that all expenditure shall be entered under the chapter on food aid, with the exception of the portion corresponding to refunds, which continues to be financed by the EAGGF, Guarantee Section.

The monthly advances which were the subject of Commission decisions totalled 138.8 M u.a. in 1976, including 20.6 M u.a. carried forward from 1975. Of this total, 111.7 M u.a. were committed in 1976 and charged as expenditure, mainly for aid in the form of milk products from public stocks (64.8 M u.a.), cereals (44.6 M u.a.) and sugar (2.3 M u.a.). The percentage utilization of appropriations was 80% compared with 87% in 1975 due to the advances decided in December 1975 not giving rise to expenditure in the same month.

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T I T L E I

THE GUARANTEE SECTION

The Guarantee Section finances expenditure resulting from the common policy on markets and agricultural prices. According to Articles 2 and 3 of Regulation (EEC) No 729/70 it concerns refunds on exports to non-member countries (whereby Community agricultural products are disposed of on the world market) and intervention intended to stabilize agricultural markets.

1. DEVELOPMENTS IN THE FINANCING OF THE COMMON AGRICULTURAL MARKETS AND PRICES POLICY

1.1. Adjustment of market mechanisms involving new types of expenditure and price changes

1.1.1. New common market organizations

Common organizations of the markets in sheepmeat and in potatoes were proposed by the Commission in 1975 but have not yet been adopted by the Council.

Further, on 7 December 1976, the Commission forwarded to the Council a new proposal for the common organization of the market in ethyl alcohol of agricultural origin to replace the previous proposal of 1972. It takes into account, among others, the changed situation on the Community market in alcohol since enlargement of the Community.

1.1.2. Alterations in certain sectors

As in previous years, adjustments have been made to some sectors which have had financial repercussions, the most significant of which concern cereals, milk products, beef and veal and wine.

a) Cereals sector

On 17 May 1976, the Council adopted Regulation (EEC) No 1143/76⁽¹⁾ amending the common organization of the market in cereals. The main feature of the new system is the distinction in respect of common wheat between qualities suitable for breadmaking and those that are not.

For the latter, the intervention price is set at the same level as for feed grain (barley, maize). The intervention system thus corresponds better to the end use of the different qualities.

With respect to durum wheat, the system of production aid has been changed; henceforth the aid will be granted on an area-sown basis and will be differentiated by region.

The two measures improve the organization of the market in cereals. They will produce savings in expenditure, not yet quantifiable.

b) Milk and milk products sector

In view of the continuing high level of stocks of milk products in the Community, particularly skimmed milk powder, the Council adopted on 15 March 1976 a short-term ad hoc measure aimed at the rapid absorption of part of this stock.

It notably provides for the taking of measures for the disposal of skimmed milk powder with a view to an increased use in different animal feeds.

(1) OJ L 130, 19 May 1976, p. 1

Among the other measures taken^b to increase demand for milk products, there was increased EAGGF assistance for the grant of consumer subsidies for butter and the authorized level of such aid was raised. The use of skimmed milk powder for animal feed was encouraged by an increase in the aid granted.

To the same end, Regulation (EEC) No 1844/76⁽¹⁾ was adopted on 22 July 1976 amending Regulation (EEC) No 2306/70 on the financing of intervention expenditure in respect of the internal market. The purpose of the amendment was to expand exports of skimmed milk powder held in intervention by facilitating deferred payment by the purchaser through the interest costs arising from deferred payment being taken over by EAGGF. Deferred payment may be allowed on a case by case basis, on a decision by the Commission, for products sold before 1 January 1978. No use was made of this facility in 1976.

Notwithstanding the measures adopted in 1976 whose special purpose was to absorb surpluses, the Commission, looking to the future, proposed in July 1976 a programme for 1977 to 1980 for the progressive achievement of balance in the milk market (see 3.4, p. 30). On 26 April 1977 the Council adopted most of the programme which includes:

- introduction of a co-responsibility levy on producers, (Regulation (EEC) 1079/77)⁽²⁾;
- introduction of a system of premiums for the non-marketing of milk products and the conversion of dairy herds to beef production, financed as to 60% by the Guarantee Section, and as to 40% by the Guidance Section (Regulation (EEC) No 1078/77)⁽²⁾;
- the grant of subsidies for school milk (Regulation (EEC) 1080/77)⁽²⁾.

c) Beef and veal sector

The situation on the market made it necessary to continue the special measures, such as the calving premium and the premium for the slaughter of beef animals instituted in 1975⁽³⁾. In 1976, the protective clause continued to be applied to trade with non-member countries.

(1) OJ L 204, 30 July 1976, p. 1

(2) OJ L 131, 26 May 1977,

(3) See Fifth Financial Report, p. 3

The effects of the drought were severe in this sector and led to such massive slaughterings that measures were taken to increase temporarily the intervention buying-in of meat derived from dairy cows. By Regulation (EEC) No 1500/76⁽¹⁾ the Commission also provided for the grant of private storage aid at pre-set rates.

d) Wine sector

The basic regulation has been radically revised (amendments in Regulation (EEC) No 1160/76⁽²⁾), mainly to make intervention more complete and better suited to market needs.

Firstly, optional preventive distillation before the beginning of the wine-growing year has been introduced in the event of large quantities being under storage contract.

In addition, guarantees have been introduced through provision for the distillation of wine after prolonged private storage.

With respect to the present by-products deliveries system - the obligatory distillation of the by-products of wine-making - it has been provided that the present percentage of alcohol (10% maximum) may under certain conditions be increased by up to 6%.

In the medium term, an improved market control may be expected which, in the event of a big harvest, would be likely to result in a favourable financial effect.

1.1.3. Agricultural prices

The Council normally adopts the decisions on agricultural prices after adoption of the Budget and the impact of the decisions upon it begins to be felt as each sector's marketing year opens.

On 6 March 1976, in the framework of an overall agreement, the Council took decisions on prices for the 1976/77 marketing year, certain agri-monetary measures and a number of related measures. The price agreement represented an average increase of 7.7%.

(1) OJ L 167, 26 June 1976, p. 31

(2) OJ L 135, 24 May 1976, p. 1

As regards agri-monetary matters, adjustment of the representative rates made possible a minor dismantling of monetary compensatory amounts. The related measures mainly concerned the continuance of certain premiums in the beef and veal sector, and in the milk products sector a scheme for the incorporation of skimmed milk powder in animal feed, with the introduction of and an increase in the quantities of this product allocated to the food aid programme in 1976.

The total effect of these arrangements on the 1976 Budget was comparatively small. It was consistent with the statement made by the Commission at the time of their adoption that, subject to the usual economic uncertainties, and excluding the supplementary food aid programme, existing appropriations would cover them. As it turned out, economic developments in certain sectors (e.g. fruit and vegetables), but in particular the monetary situation, made a supplementary budget necessary.

1.2. Additions to the principal regulations governing the EAGGF Guarantee Section

1.2.1. The principal regulations

The following amendments to the principal regulations governing the EAGGF Guarantee Section were made without, however, substantially affecting the content.

a) Regulation (EEC) No 2824/72 laying down general rules for the financing of intervention

In 1976, two amendments were made to the above Regulation:

- on 25 March 1976, under Regulation (EEC) No 709/76⁽¹⁾ entry into force of the definitive rules for financing second category intervention - buying-in, storage and sale - was deferred to the end of 1977. In the meantime, transitional financial rules by sector, that provide for some standardization of cost components, remain in force.

(1) OJ L 84, 31 March 1976, p. 5

- on 23 November 1976, by Regulation (EEC) No 2917/76⁽¹⁾ which amends the Annex to Regulation (EEC) No 2824/72 listing the measures considered as intervention intended to stabilize agricultural markets. In view of the new measures adopted and the many amendments since 1972 to this Annex, it has become necessary to consolidate existing intervention measures in a single list.

b) Transfer of agricultural products between intervention agencies.

By analogy with the transfer of cereals in 1973 (see Financial Report 1973, 1.3.1) and in order to facilitate the supply to Italy of certain agricultural products, the Council in 1976 adopted regulations transferring 400 000 t of cereals, 10 000 t of skimmed milk powder, 10 000 t of butter and 40 000 t of beef.

Financially, the same Community solution was adopted as in 1973: transfer at zero cost.

This means that the issuing intervention agency enters the outgoing merchandise in the accounts as if it were a gift, while the receiving agency enters the goods to the EAGGF account either at the intervention price, if the product is still in stock on 31 December, or at the selling price if the product has been disposed of.

For transfers decided in 1976, intervention receipts thus transferred amount to 125 M u.a. mainly originating in Germany and France.

c) On 20 December 1976 Regulation (EEC) No 3180/76⁽²⁾, amending Regulations (EEC) Nos 786/69, 787/69, 788/69 and 2334/69 on the financing of intervention expenditure in, respectively, oils and fats, cereals and rice, meat and sugar, was adopted. Its purpose is to align from 1 January 1977 in these sectors the method of calculating interest on funds immobilized through intervention buying-in on the method applied in other sectors where interest (at present 8%) is calculated apart from storage costs proper.

(1) OJ L 333, 2 December 1976, p. 1

(2) OJ L 359, 30 December 1976, p. 11

d) On 21 December 1976 Regulation (EEC) No 3139/76⁽¹⁾ was adopted; this amends Regulation (EEC) No 2306/70 on the financing of intervention measures in the milk and milk products sector by providing that on 31 December 1976 skimmed milk powder held in intervention for one year would be written down by 30% compared with the intervention price. This measure was considered justified as the value of the product is in fact considerably less than the intervention price and appropriations available to cover the operation. The depreciation concerns 600 000 tonnes of skimmed milk powder. It entailed a supplementary expenditure of 156 M u.a. in the 1976 budget, thus reducing the potential debt of the Community.

1.2.2. Implementation procedures

In July 1976 the Commission adopted the standard amounts for the storage and processing of agricultural products bought in for intervention as fixed by the Commission Decision of 19 December 1974. This adjustment came into effect on 1 January 1976, account being taken of changes in costs. During 1976 these intervention measures were applied to: cereals, butter, skimmed milk powder, cheese, olive oil, rape seed, sugar, beef and veal and tobacco. Total expenditure by Member State is shown at the end of Annex G III.

1.3. Changes in expenditure in 1976

1.3.1. General

Expenditure by the Guarantee Section is by its nature unpredictable. Firstly, there are agricultural factors (production, internal and world prices) requiring the Community to take appropriate measures during a budgetary year which sometimes falsify budget assumptions (see also 1.3.2). But, as shown in detail in the Financial Report for 1975, certain non-agricultural factors tend to aggravate the uncertainty, namely:

(1) OJ L 354, 24 December 1976, p. 3

- a) monetary factors, which have a direct effect on monetary compensatory amounts, the latter being fully financed by the Community. Although alignment of the representative rates on the actual rates, by means of a Council Regulation, reduces the amounts, it increases the effect of the dual conversion rate (see p. 12) which is felt when it is charged to the budget;
- b) the time lag between operations and payments by the paying agencies; with the exception of Italy, this is usually one to two months and it represents over one milliard u.a.; needless to say, if payments are slightly speeded up, particularly in Italy, the effect on the use of appropriations is considerable;
- c) the fairly long interval between preparation of the budget estimates and implementation.

1.3.2. Comparison between initial 1976 Budget appropriations and payments

The attached table compares initial budget appropriations with actual expenditure by the end of the financial year, after adjustment of availabilities by Supplementary Budget No 2/76, appropriations brought forward from 1975 and transfers of appropriations. For comparison, payments in 1975 are also shown.

A. The agricultural sectors

A detailed examination of the different sectors call for several explanations:

- a) Cereals. Overall expenditure was 105 M u.a. less than the initial appropriations. This reduction is largely accounted for by the fact that, with respect to durum wheat, the acceleration of payments in Italy assumed in the budget and representing about 60 M u.a. did not occur. Further, the delay in carrying out the 1976 food aid programme meant that expenditure on refunds was 28 M u.a. less than estimated. In addition, because of the drought, the question of disposing of common wheat through its incorporation in animal feed did not arise, so that the appropriations of 26.6 M u.a. were not used. Other savings were made under the heading of public storage and carry-over payments.

Table I
COMPARISON BETWEEN THE INITIAL 1976 BUDGET AND PAYMENTS

M u.a. (1)

| Sectors | Appropriations 1976 | Payments in 1976 | | | | | Differences between appro- priations and payments 1976 | | Payments 1975 | |
|--|------------------------|------------------|------------|----------------|----------------------------------|----------------------------------|---|------------------|----------------|------------|
| | | Totals | % | Refunds | of which | | M u.a. | % | Totals | % |
| | | | | | 1st category intervention (2) | 2nd category intervention (3) | | | | |
| a | b | c | d | e | f | g | h | i | j | k |
| CEREALS | | | | | | | | | | |
| - EXCLUDING DURUM WHEAT | 535,6 | 495,5 | 8,9 | 380,9 | 60,9 | 53,7 | - 40,1 | - 7,5 | 490,1 | 10,4 |
| - DURUM WHEAT | 179,2 | 114,4 | 2,1 | - | 114,4 | - | - 64,8 | - 36,2 | 130,7 | 2,8 |
| RICE | 24,0 | 26,9 | 0,5 | 26,6 | 0,3 | - | + 2,9 | + 12,1 | 4,2 | - |
| MILK AND MILK PRODUCTS | 1.941,1 | 2.051,5 | 36,8 | 697,4 | 769,4 | 584,7 | + 110,4 | + 5,7 | 1.149,7 | 24,4 |
| OILS AND FATS | | | | | | | | | | |
| - OLIVE OIL | 339,8 | 212,6 | 3,9 | 0,2 | 199,8 | 12,6 | - 127,2 | - 37,4 | 200,4 | 4,2 |
| - OILSEEDS | 72,0 | 96,1 | 1,7 | 9,8 | 86,2 | 0,1 | + 24,1 | + 33,5 | 26,4 | 0,6 |
| SUGAR | 170,4 | 226,5 | 4,0 | 55,8 | 169,6 | 1,1 | + 56,1 | + 32,9 | 309,2 | 6,6 |
| DEEF AND VEAL | 679,4 | 643,2 | 11,5 | 135,7 | 244,0 | 263,5 | - 36,2 | - 5,3 | 980,6 | 20,8 |
| PIGMEAT | 69,0 | 28,0 | 0,5 | 22,2 | 5,8 | - | - 41,0 | - 59,4 | 53,7 | 1,1 |
| EGGS AND POULTRYMEAT | 24,0 | 13,1 | 0,2 | 13,1 | - | - | - 10,9 | - 45,4 | 6,4 | 0,2 |
| FRUIT AND VEGETABLES | 112,8 | 244,4 | 4,4 | 57,3 | 187,1 | - | + 131,6 | + 116,7 | 89,3 | 1,9 |
| WINE | 196,1 | 172,9 | 3,1 | 1,7 | 171,2 | - | - 23,2 | - 11,8 | 138,8 | 2,9 |
| TOBACCO | 203,3 | 229,9 | 4,1 | 2,6 | 224,8 | 2,5 | + 26,6 | + 13,1 | 228,5 | 4,8 |
| FISHERY PRODUCTS | 4,0 | 10,5 | 0,2 | 3,8 | 6,7 | - | + 6,5 | + 162,5 | 9,3 | 0,2 |
| FLAX AND HEMP | 16,6 | 19,3 | 0,3 | - | 19,3 | - | + 2,7 | + 16,3 | 13,9 | 0,3 |
| SEEDS | -22,1 | 22,7 | 0,4 | - | -22,7 | - | + 0,6 | + 2,7 | 23,8 | 0,5 |
| HOPS | 7,0 | 14,5 | 0,3 | - | 14,5 | - | + 7,5 | + 107,1 | 7,9 | 0,2 |
| SILKWORMS | 2,0 | 0,6 | - | - | 0,6 | - | - 1,4 | - 70,0 | 0,8 | - |
| DEHYDRATED FODDER | 14,2 | 15,2 | 0,3 | - | 15,2 | - | + 1,0 | + 7,0 | 11,1 | 0,3 |
| NON-ANNEX II PRODUCTS | 25,0 | 67,5 | 1,2 | 67,5 | - | - | + 42,5 | + 170,0 | 22,4 | 0,4 |
| COMPENSATORY 1) ACCESSION AMOUNTS 2) MONETARY | 262,0 260,7 | 359,9 504,8 | 6,5 9,1 | - 191,7 (5) | 359,9 313,0 | - | + 97,9 + 244,1 | + 37,4 + 93,6 | 415,0 406,3 | 8,8 8,6 |
| TOTAL | 5.160,3 | 5.570,0 | 100,0 | 1.666,1 | 2.985,4 | 918,2 | + 409,7 | + 7,9 | 4.720,5 | 100,0 |

¹Mua = million units of account

²Intervention for which unit amounts of expenditure are fixed by Community regulations.

³Intervention consisting of buying-in, storage and disposal, expenditure on which

is financed by EAGGF by means of annual accounts and is calculated at standard rates.

⁴Including production aid for soya

⁵MCAs extra-Community trade are regarded as refunds.

On the other hand, expenditure on export refunds was 53 M u.a. more than the initial appropriation, mainly because of the decline in prices on the world market. However, since the second half of 1976, the grant of refunds has been practically restricted to flour. In this way, while maintaining certain traditional trade flows, a substantial increase in expenditure was avoided.

- b) Expenditure was 110 M u.a. more than the initial appropriation (1 941 M u.a.) for the milk products sector as a whole. This was mainly due to the very large stocks and the measures taken to prevent stocks from increasing further.

World prices were unfavourable to exports and the level of refunds had to be raised at an extra cost of 79 M u.a. merely to keep quantities exported at their existing level. Expenditure on aid for skimmed milk powder used for animal feeding was 47 M u.a. above the initial appropriation due to aid being granted for 400 000 t of skimmed milk powder disposed of under the compulsory incorporation scheme.

Expenditure on public storage and on special measures for the disposal of this product was much as estimated. In this connection, it should be noted that, as a result of the compulsory incorporation scheme, special measures for the sale or prolonged storage of 400 000 t of powder were not needed. On the other hand, the 30% writing down of a certain quantity of powder cost an additional 156 M u.a. (see 1.2.1. d, p. 7).

Finally, there was a profit of about 16 M u.a. on the sale of long-keeping cheese held in intervention, due to the change in prices on the internal market.

- c) with respect to oils and fats, in particular olive oil, the payments lag continued in 1976 with the result that expenditure was 114 M u.a. less than the initial appropriation. On the other hand, the fall in world prices for oil seeds raised expenditure on aid by about 20 M u.a. compared with the initial estimate.
- d) with respect to sugar, the downtrend of world prices continued even more markedly in 1976, thereby raising expenditure on export refunds by 21 M u.a. above the estimate. Moreover, in 1976 there was a renewal of intervention buying. To enable the Member States concerned to make the last outstanding payments under the IM-EX system (import subsidy applied during the 1974-75 period of shortage - see previous report) there was further expenditure of 19 M u.a. under this heading in the 1976 budget.
- e) in the beef and veal sector expenditure in 1976 (643 M u.a.) was considerably less than in 1975 (980 M u.a.) and even slightly less than the initial estimate thanks to the improvement of the market and a reduction in expenditure on public storage.
- f) in the fruit and vegetables sector expenditure was 111 M u.a. up on the initial appropriation of 112 M u.a., mainly due to a heavy crop of apples and tomatoes which led to massive withdrawals of these products.

B. Accession compensatory amounts

The increase in expenditure compared with estimates (+ 98 M u.a.) seems due to two factors: an increase in intra-Community trade and an increase in the rates compared with those assumed in the budget because of the price increases decided in March 1976.

C. Monetary compensatory amounts (MCAs)

The difference between the estimates (260 M u.a.) and expenditure (505 M u.a.) is mainly accounted for by the fact that the actual level of MCAs during the financial year differed from the basic assumptions. The downward movement of the pound and the lira in particular caused a substantial increase in MCAs which was not followed by a change in agricultural rates despite the efforts of the Commission to diminish MCAs.

Table 1a: MCA Market Levels

| Currency | September 1975 (date of establishing the 1976 budget) | Maximum indicated rates | |
|----------|---|-------------------------|---------------------|
| | | First half 1976 | Second half 1976 |
| DM | + 10 | + 10 | + 7.5 |
| FB/FLUX | + 2 | + 2 | + 1.4 |
| FL | + 2 | + 2 | + 1.4 |
| FF | 0 | - 2.6 | - 17.5 |
| LIT | 0 | - 20.5 | - 21.9 |
| £ UK | - 8 | - 20.9 | - 45 |
| £ IRL | - 2.4 | - 16.8 | - 29.3 |

D. The effect of the dual conversion rate

Alignment of the representative rates (used for the conversion into national currencies of the agricultural monetary amounts expressed in units of account) on actual market rates increases the difference between representative rates and the budgetary rates (used when changing expenditure in national currencies against the budget expressed in u.a.) The financial effect of this difference (usually known as the effect of the dual conversion rate) is consequently augmented. This effect, which until 1976 was not charged as a separate item, but was distributed when different budget headings accounted for expenditure of 400 M u.a. in 1976. In the 1977 financial year, the effect will be charged separately in the budget.

However, in 1976, for certain expenditure connected with MCAs and aid for skimmed milk powder, the effect of the dual conversion rate was avoided by the exporting Member State whose currency did not give rise to this effect agreeing to pay the MCAs or the aid that an importing Member State would otherwise have paid. In this way there was a saving of 100 M u.a. on the dual rate effect in the 1976 budget.

This system, of course, alters the breakdown of expenditure between Member State. At the end of Annex G III the dual rate effect is eliminated from this breakdown.

For this reason table 1b, below, shows the corrections in the breakdown of Member State expenditure resulting from the application of this system.

Table 1b

M u.c.

| Member state | Breakdown of expenditure without corrections | Corrections | Corrected breakdown of expenditure |
|----------------|--|-------------|------------------------------------|
| Belgium | 337.2 | - 9.8 | 327.4 |
| Denmark | 432.4 | - 76.5 | 355.9 |
| Germany | 880.0 | - 29.8 | 850.2 |
| France | 1,408.8 | - 42.3 | 1,366.5 |
| Ireland | 225.1 | - 58.6 | 166.5 |
| Italy | 1,053.4 | + 56.5 | 1,109.9 |
| Luxembourg | 8.1 | - | 8.1 |
| Netherlands | 756.8 | - 60.7 | 696.1 |
| United Kingdom | 468.2 | + 221.2 | 689.4 |
| EEC Total | 5,570.0 | 0 | 5,570.0 |

1.3.3. Breakdown of expenditure by economic category

a) breakdown by economic category - The table at Annex G IV shows that:

- expenditure on refunds which amounted to 967.5 M u.a. in 1975 continued to grow in 1976 and amounted to 1 666.1 M u.a. as a result of the fall in world prices in several sectors, in particular cereals, milk and milk products, and sugar (see also 1.3.2, p. 8).

- intervention expenditure on market support mainly involved the payment of price subsidies (1 705.4 M u.a.) in 1976 compared with 1 933.2 M u.a. in 1975) and increased storage operations for milk products (617.8 M u.a. in 1976 compared with 196.1 M u.a. in 1975) and for sugar.

- as from the 1976 financial year, monetary compensatory amounts granted on trade with non-member countries (for the fraction in excess of levies) are no longer entered with refunds by sector, but separately (191.7 M u.a.).

b) changes in agricultural levies

The table below shows that receipts from levies in the sugar sector are up on previous years.

Table 2: Levies under the common agricultural policy⁽¹⁾

| Nature of agricultural levy | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|-----------------------------|------|------|------|------|------|-------|
| Import levies | 595 | 618 | 447 | 289 | 551 | 1,066 |
| Sugar production levy | 109 | 181 | 104 | 75 | 80 | 128 |
| Total | 704 | 799 | 551 | 364 | 631 | 1,194 |

The amounts for import levies include amounts collected in respect of accession and monetary compensatory amounts.

Receipts from levies in 1976 doubled compared with 1975 mainly due to changes in world market prices, but also to the drought in 1976 which led to an increase in agricultural imports.

c) comparison of overall cost with the Community's gross domestic product at market prices (GDP)

Since 1973, net expenditure by the EAGGF Guarantee Section has represented about 0.4% of Community GDP. The relative increase in expenditure in this sector remains roughly in line with the overall economic developments of the Community despite the "monetary factor" (see Annex G VI).

2. FINANCIAL ADMINISTRATION OF AGRICULTURAL MARKETS

2.1. General features of 1976

In the 1976 financial year appropriations under Titles 6 and 7 of the Budget, proved to be well short of requirements.

The shortfall was met by a supplementary budget of 717.37 M u.c. By the end of the financial year 5 676.2 M u.c. out of the total appropriations made available (5 835.27 M u.c.)⁽¹⁾, had been put at the disposal of Member States.

2.2. Cash position

Member States communicate to the Commission each month information prepared by the departments and agencies authorized to make payments concerning the cash position, the payments made in the previous month and estimated expenditure for the current and following two months.

On the basis of this information the Commission, after consultation with the EAGGF Committee, determines and pays out each month to the Member States the advances required by the paying departments and agencies until the end of the following month, i.e. the last month for which expenditure has been estimated.

If the funds made available to a Member State are likely to be exhausted before the date on which the next advance is due to be made, a special advance may be decided on.

(1) See under 2.2.3

The Member States allocate the funds received between the paying departments and inform the Commission thereof by weekly telex.

2.2.1. Advances to Member States (Annex G I)

Under Articles 4 and 5 of Regulation (EEC) No 729/70 and Regulation (EEC) No 2697/70 the Commission decided on 16 advances⁽¹⁾, three of which were special, in respect of the 1976 financial year. The reason for the latter was the under-estimation of expenditure to be paid out in March, October and December.

2.2.2. Funds available in the Member States during the financial year

Apart from the balance of 8.6 M u.a.⁽¹⁾ on 1 January, the Member States had at their disposal a total of 5 667.6 M u.a. of advances approved against the 1976 budget.

Total funds available were 5 676.2 M u.a., of which 5 570.0 M u.a. were used, leaving a balance of 106.2 M u.a.⁽²⁾ on 31 December 1976.

2.2.3. Percentage utilization of funds available

A comparison of expenditure in the 1976 financial year with the funds available to Member States for that year show that 98.1% of the funds made available were used (Table 3, Column h). A comparison of the funds available each month in Member States with the funds remaining after payment of expenditure (Table 4) reveals an average utilization of about 84%. The percentages for Denmark and Ireland are abnormally high due to the immediate use of part of the advances intended to cover the needs of the month following that of the receipt of funds. By this procedure recourse to applications for special advances was restricted.

The percentage for Ireland was further affected by the inclusion in the accounts of 19.9 M u.a. of expenditure from the 1974 financial year which had been provisionally covered out of national resources (see 2.4.22 c).

With respect to Italy, the rate is lower due to transfers at zero value of products held in intervention in other Member States.

(1) of which 2 were in December

(2) See Table 2 and explanatory note.

T A B L E 3

FUNDS AVAILABLE TO AND EXPENDITURE BY THE MEMBER STATES IN 1976

| Member States | Funds available on 1.1.76 | Corrections | Corrected on 1.1.76 | Advances for the financial year 1976 (Annex G I) | Total available for financial year 1976 | Expenditure between 1.1.76 and 31.12.76 | Available on 31.12.76 | Utilization of advances % |
|----------------|---------------------------|-------------|---------------------|--|---|---|-----------------------|---------------------------|
| | (a) | (b) | (c) = (a)+(b) | (d) | (e) = (c)+(d) | (f) | (g) | (h)=f/e. |
| BELGIUM | 1,8 | - | 1,8 | 335,5 | 337,3 | 337,1 | 0,2 | 99,9 |
| DENMARK | 0,4 | - | 0,4 | 432,6 | 433,- | 432,5 | 0,5 | 99,9 |
| GERMANY | 22,6 | - | 22,6 | 857,5 | 880,1 | 880,- | 0,1 | 100,- |
| FRANCE | 31,9 | (1) - 7,2 | 24,7 | 1.384,6 | 1.409,3 | 1.408,8 | 0,5 | 100,- |
| IRELAND | - 6,4 | (2) -19,9 | - 26,3 | 252,1 | 225,8 | 225,1 | 0,7 | 99,7 |
| ITALY | - 36,6 | (3) + 3,7 | - 32,9 | 1.186,1 | 1.153,2 | 1.053,4 | 99,8 | 91,3 |
| LUXEMBOURG | p.m. | - | p.m. | 8,2 | 8,2 | 8,1 | 0,1 | 98,8 |
| NETHERLANDS | 16,7 | - | 16,7 | 740,3 | 757,- | 756,8 | 0,2 | 100,- |
| UNITED KINGDOM | 1,6 | - | 1,6 | 470,7 | 472,3 | 468,2 | 4,1 | 99,1 |
| TOTALS | 32,- | -23,4 | 8,6 | 5.667,6 | 5.676,2 | 5.570,- | 106,2(4) | 98,1 |

(1) + 1,4 compensation for MCAs collected on non-Annex II products

- 8,6 charging of net losses for beef and veal in 1974 against 1975 appropriations brought forward

(2) -19,9 charging of net losses for beef and veal in 1974 against 1975 appropriations brought forward

(3) + 7,2 reduction of AIMA category 1 expenditure in 1975

- 0,6 charging of expenditure on publicity campaign for beef and veal in 1974 against 1975 appropriations brought forward

- 2,9 charging of net losses on tobacco in 1974 against 1975 appropriations brought forward

(4) This balance will be changed following corrections to be made to declared expenditure, particularly by Italy (AIMA)

TABLE 4
AVERAGE PERCENTAGE UTILIZATION OF COMMUNITY FUNDS
IN THE 1976 FINANCIAL YEAR

(in M u.a.)

| Member States | Average amount of Community funds available in the Member States for one month's expenditure (see Annex G II line C) | Average balance available after one month's expenditure (see Annex G II line E) | Average percentage utilization |
|----------------|--|---|-----------------------------------|
| | (a) | (b) | $(c) = \frac{a - b}{a} \cdot 100$ |
| BELGIUM | 28.6 | 0.5 | 98 % |
| DENMARK | 32.7 | - 3.3 | 110 % |
| GERMANY | 92.9 | 19.6 | 79 % |
| FRANCE | 149.6 | 32.2 | 78 % |
| IRELAND | 1.8 | - 17.- | - (1) |
| ITALY | 134.3 | 46.5 | 65 % |
| LUXEMBOURG | 0.74 | 0.07 | 91 % |
| NETHERLANDS | 64.- | 0.9 | 99 % |
| UNITED KINGDOM | 50.6 | 11.6 | 77 % |
| EEC | 555.3 | 91.1 | 84 % |

2.3. Appropriations

2.3.1. Initial appropriations

Initial appropriation estimated at 42.4 M u.a. because of the obligation to 'reimburse' to the Food Aid Chapter the transfer receiver from the 1975 financial year. The Council decided on the reimbursement transfer on 8 April 1976⁽²⁾.

2.3.2. Supplementary appropriations

The shortfall in initial appropriations was made good in the Second Supplementary and Amending Budget adopted on 16 September 1976⁽³⁾.

(1) The figures would give an anomalous rate of 1 044 % which affects coverage of certain expenditure from national financial resources (see 2.4.22 c). Otherwise the rate would have been 86.6%.

(2) See 2.3.2 of the Fifth Financial Report.

(3) OJ L 322 of 22.11.1976.

2.3.3. Summary of available appropriations

| | |
|---|---------------------------|
| Initial budget | 5,160,300,000 u.a. |
| Transfer to Chapter 92 (8.4.76) (Food aid) | - 42,400,000 u.a. |
| Supplementary and amending budget (22.11.76) | 717,370,000 u.a. |
| Total | <u>5,835,270,000 u.a.</u> |

2.3.4. Transfers of appropriations

In addition to the transfer to Chapter 92, development of expenditure in the financial year led the Commission to propose a three-stage transfer of appropriations between the chapters of Titles 6 and 7 of the Budget:

a) After the Commission had received the statements of expenditure up to 31 March 1976 and estimates for the following three months, it appeared that appropriations would be insufficient in certain sectors.

On a proposal from the Commission the Council, on 22 July 1976, decided on the transfers needed to meet expenditure in the following sectors: sugar (+ 12 M u.a.), fruit and vegetables (+ 15 M u.a.) and fisheries (+ 2 M u.a.).

In Table 5 these transfers are included in the amounts under Column c.

b) The second supplementary and amending budget included the transfers between chapters which are shown under column b in Table 5.

c) In the light of total expenditure incurred in 1976, a last series of transfers was decided on by the Council on 31 March 1977.

Apart from the transfer of 42.4 M u.a. to Food Aid, the transfers referred to in subparagraphs a) and c) above are shown in Column c of Table 5.

TABLE 5
Transfers of appropriations

1000 u.a.

| Ch. | SECTORS | Initial appropriations for 1976 | Transfers of appropriations | | Final Appropriations |
|-----|--------------------------------|---------------------------------|--|-----------|----------------------|
| | | | Amending and supplementary Budget no 2 | Others | |
| | | a | b | c | d |
| 60 | Cereals | 714.800 | - 23.000 | - 51.940 | 639.860 |
| 61 | Rice | 24.000 | + 6.000 | - 1.580 | 28.420 |
| 62 | Milk and milk prods. | 1.941.100 | + 41.370 | + 132.240 | 2.114.710 |
| 63 | Oils and fats | 411.300 | + 30.000 | - 130.700 | 310.600 |
| 64 | Sugar | 170.400 | + 88.000 | - 29.600 | 228.800 |
| 65 | Beef and veal | 679.400 | + 71.000 | - 103.000 | 647.400 |
| 66 | Pigmeat | 69.000 | - | - 25.320 | 43.680 |
| 67 | Eggs and poultry-meat | 24.000 | - 4.000 | - 6.500 | 13.500 |
| 68 | Fruit and vegetables | 112.800 | + 45.000 | + 89.000 | 246.800 |
| 69 | Wine | 196.100 | - 45.000 | + 23.000 | 174.100 |
| 70 | Tobacco | 203.300 | + 5.000 | + 23.000 | 231.300 |
| 71 | Fishery products | 4.000 | + 2.000 | + 5.000 | 11.000 |
| 72 | Alcohol | p.m. | - | - | p.m. |
| 73 | Other sectors | 62.400 | + 6.000 | + 6.000 | 74.400 |
| 74 | Non-Annex II products | 25.000 | + 15.000 | + 28.000 | 68.000 |
| 75 | Accession compensatory amounts | 262.000 | + 130.000 | - | 392.000 |
| 76 | MCAs in Intra-Community trade | 260.700 | + 350.000 | - | 610.700 |
| | TOTALS | 5.160.300 | + 717.370 | - 42.400 | 5.835.270 |
| 92 | Food aid | | | + 42.400 | |

2.4. Payments

2.4.1. Amounts paid

Expenditure declared by the Member States as having been paid up to 31 December 1976 and charged against the 1976 financial year by the Guarantee Section amounts to 5 570 018 335.45 u.a.

Of this total 918 179 873.23 u.a. (16.48%) represent net losses by intervention agencies and 4 651 838 462.22 u.a. (83.52%) export refunds and other intervention measures.

A detailed analysis of expenditure by sector is given in the first part of this report in Table 1 and Annex G III. The breakdown of expenditure by Member State is given in the table below.

Table 6
Breakdown of 1976 expenditure by Member State⁽¹⁾

M u.c.

| Member State | Refunds | Intervention | Totals | | % | |
|----------------|---------|--------------|---------|----------|-------|----------|
| | | | 1976 | 1975 (2) | 1976 | 1975 (2) |
| BELGIUM | 164.4 | 172.8 | 337.2 | 176.7 | 6.05 | 3.74 |
| DENMARK | 142.2 | 290.2 | 432.4 | 312.4 | 7.76 | 6.62 |
| GERMANY | 167.5 | 712.5 | 880.0 | 596.3 | 15.80 | 12.64 |
| FRANCE | 486.6 | 922.2 | 1 408.8 | 1 174.0 | 25.29 | 24.88 |
| IRELAND | 103.7 | 121.4 | 225.1 | 245.3 | 4.04 | 5.20 |
| ITALY | 115.9 | 937.5 | 1 053.4 | 921.7 | 18.91 | 19.53 |
| LUXEMBOURG | 2.5 | 5.6 | 8.1 | 5.4 | 0.15 | 0.12 |
| NETHERLANDS | 290.3 | 466.5 | 756.8 | 472.3 | 13.59 | 10.01 |
| UNITED KINGDOM | 193.1 | 275.1 | 468.2 | 814.6 | 8.41 | 17.26 |
| EEC TOTALS | 1 666.2 | 3 903.8 | 5 570.0 | 4 718.7 | 100.- | 100.- |

(1) Without taking into account corrections for the breakdown by Member State under the system 'Exporting Member State pays intra-MCA for the importing Member State' (see table 1b, page 13).

(2) Including corrections made to expenditure declared by France (-1.4 M u.a.) and Italy (-7.2 M u.a.).

2.4.2. Budget operations

After scrutiny of the statements of expenditure by Member States up to 31 December 1976 by the staff of the EAGGF Guarantee Section charged commitments and payments against the budget.

2.4.21 Commitments

Amounts committed globally

Periodically two types of commitment are made: global commitments for funds made available to Member States for payments and specific commitments by budget item based on payments by the paying departments. At the end of the financial year usually a balance of global commitments remains which is used to cover payments charged in respect of certain expenditure which could not be incurred in good time, this balance is released in respect of the current financial year and recommitted in the next financial year.

| | |
|---|----------------------------|
| - Amount available to Member States at the beginning of the 1976 financial year | 8 628 975.92 UA |
| - Advances to Member States for 1976 | 5 667 570 879.25 UA |
| Total global commitments | <u>5 676 199 855.17 UA</u> |
| Specific commitments by budget item | <u>5 570 018 335.45 UA</u> |
| Balance of global commitments: | 106 181 519.72 UA |
| of which: carried forward globally to the 1977 financial year ⁽¹⁾ | 56 181 519.72 UA |
| released | 50 000 000.- UA |

(1) Appropriations to be used to cover any payments arising pursuant to Regulation (EEC) No 1608/74 in the 1976 financial year.

2.4.22 Payments

a) 1976 Expenditure

| | |
|--|---------------------|
| Amount of expenditure committed by budget item | 5 570 018 335.45 UA |
| Amount of payments charged | 5 040 821 949.06 UA |
| The balance of | 529 196 386.39 UA |

was carried forward to the 1977 financial year (specific commitment) and will be used for the subsequent charging of expenditure notified by the Italian intervention agency AIMA which is subject to modification after receipt of data concerning payments actually made to beneficiaries.

b) Expenditure in 1975 and 1974

ba) against automatic carry forward of appropriations (Article 6(1) of the Financial Regulation)

| | |
|---|-------------------|
| Total appropriations carried forward | 299 232 312.21 UA |
| Payments charged in respect of corrected AIMA expenditure in 1975 | 291 950 191.78 UA |
| Appropriations unused and therefore lapsed | 7 282 120.43 UA |

bb) against appropriations automatically carried forward (Article 111 of the Financial Regulation)

| | |
|---|------------------|
| Total appropriations carried forward globally | 33 620 435.42 UA |
|---|------------------|

| | |
|---|------------------|
| - Expenditure correctly declared by two Member States for 1975 which could not be charged before 31 March 1976 | 916 787.09 UA |
| - Expenditure correctly declared by one Member State for 1974 which could not be included in the accounts for the 1974 financial year | 2 932 895.92 UA |
| - Expenditure in respect of 1974 charged against 1976 pursuant to the Commission Decision of 15 December 1976 | 28 423 896.91 UA |
| Total appropriations used | 32 273 579.92 UA |
| Appropriations unused and therefore lapsed | 1 346 855.50 UA |

c) Special Commission Decision of 15 December 1976

Expenditure of 28 423 896.91 u.a. was not declared by France and Ireland before the time limit (20 February 1975) and therefore could not be included in the accounts for the 1974 financial year.

It concerns net losses in the beef and veal sector calculated by means of annual accounts whose complexity, combined with the large numbers of warehouses involved, made precise assessment impossible.

The Commission Decision made it possible to include this expenditure in the accounts even though it had been declared after the time limits fixed in Regulation (EEC) No 1823/72, thereby avoiding the major repercussions on the cash position of the intervention agencies that would have been caused by postponement until the clearance of accounts.

2.5. Appropriations carried forward

2.5.1. Use of appropriations carried forward from 1975 to 1976

The appropriations automatically carried forward from 1975 to 1976 were used as follows:

| | |
|--|-------------------|
| Appropriations carried forward (specific commitment) | 299 232 312.21 UA |
| Appropriations carried forward globally | 33 620 435.42 UA |
| | <hr/> |
| | 332 852 747.63 UA |
| Payments charged | 324 223 771.70 UA |
| | <hr/> |
| Appropriations lapsed | 8 628 975.93 UA |

2.5.2. Carry-overs from 1976 to 1977

As mentioned in 2.4.21 and 2.4.22, automatic carry-overs amount to:

529 196 386.39 UA for payments charged (specific commitment)

56 181 519.72 UA for appropriations committed globally, a total of

585 377 906.11 UA

The Commission requested the budget authority to carry over 92 355 265.43 u.a. of the appropriations out of the 209 070 144.83 u.a. remaining unused on 31 December 1976. This carry-over is intended to cover in part the expenditure on refunds for deliveries connected with the implementation of pre-1977 Community food aid programmes.

The carry-overs requested by the Commission consist of all the unused appropriations on 31 December 1976 under the following items, in units of account:

| | |
|--|---------------|
| 6001 and 6002 - Cereals | 27 995 985.10 |
| 6101 and 6102 - Rice | 1 144 486.53 |
| 6201 and 6202 - Milk and milk products | 63 214 793.80 |

2.6. Summary of the implementation of the budget

Briefly, implementation of the budget for the 1976 financial year, titles 6 and 7 (EAGGF Guarantee Section) is as follows:

| | |
|--|---------------------|
| Available appropriations (see 2.2.3) | 5 835 270 000.- UA |
| Payments charged | 5 040 821 949.06 UA |
| | <hr/> |
| | 794 448 050.94 UA |
| Appropriations charged (specifically committed and automatically carried over to 1977) | 529 196 386.39 UA |
| | <hr/> |
| | 265 251 664.55 UA |
| Appropriations committed globally and automatically carried over to 1977 | 56 181 519.72 UA |
| | <hr/> |
| Unused appropriations | 209 070 144.83 UA |
| Unused appropriations whose carry-over to 1977 is requested | 92 355 265.43 UA |
| | <hr/> |
| Appropriations unused and therefore lapsed | 116 714 879.40 UA |

2.7. Clearance and closure of accounts

2.7.1. Characteristics

It is recalled that the payments charged by the Commission, as referred to in 2.4, are without prejudice to the annual clearance of accounts.

For this purpose, the Commission receives annual statements which are more detailed than the monthly statements. Scrutiny of these on the basis of the documents provided followed by inspection visits give rise, after a bilateral and then multi-lateral procedure in the EAGGF Committee, to Commission decisions for the clearance of the accounts. These decisions constitute recognition of the correctness of Community expenditure paid out by Member States, subject to subsequent appeal to the Court of Justice, or comments by the budgetary authorities at the time when the Commission's management is subjected to the annual discharge procedure.

As mentioned in the previous report, the final clearance of accounts is for various reasons subject to a considerable backlog which cannot be eliminated rapidly without largely abandoning the audit work proper.

In 1976, the Commission gave priority to the work on the clearance of the accounts for the periods prior to 1 January 1971, then to the work on the 1973 accounts.

2.7.2. Periods prior to 1 January 1971

The accounts relate to four periods - 1967/68, 1968/69, second half of 1969, 1970 - which gave rise to payments on account completed by payments based on provisional accounts. A number of inspection visits took place in the first half of 1976. In the autumn they were followed by a general report that was forwarded for comments to the six Member States concerned in December.

All these comments had been received by April 1977. The time is drawing near for the definitive closure of these accounts for which an ad hoc solution, taking the form of a special regulation, will probably be needed.

2.7.3. Accounts for the 1971 and 1972 financial years

The final decisions adopted by the Commission on 2 December 1975 gave rise to appeals to the Court of Justice of the European Communities in February 1976 by Germany, the Netherlands and France in respect of a total of 24.6 M u.a. of corrections not accepted by these three countries.

At the request of the German authorities the Commission agreed to the suspension of legal proceedings, this suspension being subsequently extended to the other two countries concerned, with a view to arriving at an arrangement as to principle and content in direct discussion with Commission Representatives. In the second half of 1976 several bilateral meetings took place which led to better mutual understanding and alignment of points of view, and in particular an undertaking by the Representatives of the Commission to further reinforce contacts prior to Commission decisions regarding the clearance of accounts. However, it was not possible to arrive at agreements which would render appeal to the Court of Justice unnecessary.

One of the main difficulties concerns the degree of responsibility of the Community and of the Member States respectively in the case of expenditure that is not in accordance with Community regulations.

2.7.4. Accounts for the 1973 financial year

Verification of the accounts for the 1973 financial year, which for the first time concerns the nine Member States, was actively pursued in 1976 and should be near completion in 1977. This work is described in the "Verifications" section (6.2.1).

2.7.5. Accounts for the 1974, 1975 and 1976 financial years

- a) Scrutiny of the accounts for the 1974 financial year could not be started due to other work, in particular that relating to the periods prior to 1 January 1971 and to the year 1973.
- b) With respect to the accounts for 1975, it was agreed at the EAGGF Committee meeting on 11 May 1976 that the statements would be sent between the end of July and the end of October 1976. Six Member States have more or less adhered to this time limit but three sent the documents several months late.

Table 7: Dates of dispatch of documents concerning the clearance of accounts for 1975

| | | | |
|---------|------------|----------------|------------|
| Belgium | 29.10.1976 | Italy | 19.03.1977 |
| Denmark | 28.10.1976 | Luxembourg | 23.08.1976 |
| France | 23.02.1977 | Netherlands | 03.11.1976 |
| Germany | 05.11.1976 | United Kingdom | 29.07.1976 |
| Ireland | 22.07.1977 | | |

2.8. Paying departments

Since payments are made by national departments, the Commission's management of the finances depends on a number of paying departments, whose operation is governed by the laws, regulations and administrative provisions of the Member States. The existence of 43 paying departments, within the meaning of Article 4 of Regulation (EEC) No 729/70, not counting the technical offices and other national or regional departments concerned with the process of payment or inspection, constitutes one of the difficulties of operating the Guarantee Section. This is so in the Federal Republic of Germany, which, as a result of the federal structure, accounts for the greatest number of departments. For this reason the Commission is grateful for reforms such as that which, in Germany has merged the four intervention agencies as from 1 July 1976 into a single organization, and is following with interest the work in Italy to improve the operation of its intervention agency (AIMA). On the other hand, the Commission observes with regret an opposite tendency developing in France where in the last two years two new intervention agencies, one for beef and veal (ONIBEV) and one for wine, have been invested with the function of paying departments for the Guarantee Section.

T I T L E I I

THE GUIDANCE SECTION

The Guidance Section is concerned with the financing of the Community policy on agricultural structures. Since the adoption of Regulation (EEC) No 729/70⁽¹⁾, its financial resources for this purpose cover:

- the financing of common measures decided on by the Council to achieve the aims defined in Article 39(1)(a) of the Treaty;
- the financing of special measures adopted by the Council prior to the adoption of Regulation (EEC) No 729/70;
- the grant of capital subsidies for projects to improve agricultural structures pursuant to Regulation No 17/64/EEC⁽²⁾.

The common measures and special measures have priority in the allocation of appropriations. Individual projects are financed within the ceiling of 325 million u.a. allotted to the Guidance Section for common measures.

3. Financing of common measures and special measures

3.1. Common measures decided on by the Council in 1976

In 1976, the scope of the Guidance Section was considerably enlarged by the adoption of:

- Council Regulation No (EEC) 794/76 of 6 April 1976⁽³⁾ laying down further measures for reorganizing Community fruit production. As there is still an imbalance between supply and demand on the Community market in certain varieties of apples and pears, the Regulation provides an incentive to producers, in the form of a grubbing premium of up to 1100 u.a./ha, to abandon production of the varieties in question. The estimated cost chargeable to the Guidance Section is 8.55 M u.a.

(1) OJ No L 94, 28 April 1970, p. 13

(2) OJ No L 34, 27 February 1964, p. 586/64

(3) OJ No L 93, 8 April 1976, p.3

- Council Regulation (EEC) No 1163/76 of 17 May 1976⁽¹⁾ on the granting of a conversion premium in the wine sector. This measure which introduces a differentiated system of premiums for grubbing certain varieties of inferior quality in the 1976/77, 1977/78 and 1978/79 wine-growing years, is intended to encourage the conversion of vineyards whose production is particularly difficult to dispose of and to reduce the wine-growing potential. The estimated cost chargeable to the Guidance Section is 78 M u.a.

The rate of financial participation of the Guidance Section in eligible expenditure of Member States on the above two measures is fixed at 50%.

- Council Regulation (EEC) No 1795/76 of 20 July 1976⁽²⁾ concerning the application of Article 40(4) of the Treaty to the French Overseas Departments. These Departments may receive aid from the Guidance Section to improve their agricultural structures, thereby integrating their economies more closely with that of the Community.

3.2. Existing common measures amended in 1976

Article 15 of Directive 75/268/EEC on mountain and hill-farming and Farming in certain less favoured areas has been redrafted and is contained in Council Directive 76/400/EEC of 6 April 1976⁽³⁾. The amendment raises the rate of reimbursement of eligible expenditure chargeable to the EAGGF for the compensatory allowance from 25% to 35% in the case of Ireland and Italy as areas in these two Member States are among the least favoured.

With respect to Directive 72/159/EEC on the modernization of farms, there have been two amendments following the adoption of:

- Decision 76/402/EEC of 6 April 1976⁽⁴⁾ which authorized the Italian Republic to raise the level of the allowance of the interest rate in respect of investment for development plans to 11% in the Mezzogiorno and less favoured regions of northern and central Italy, and to 9% in the other regions; and
- Directive 76/837/EEC of 25 October 1976⁽⁵⁾ which foresees an increase in the amounts given in articles 9 and 11 of Directive 72/159/EEC in light of the inflation rate.

(1) OJ No L 135 of 24 May 1976, p. 34

(2) OJ No L 201 of 27 July 1976, p. 5

(3) OJ No L 108 of 26 April 1976, p. 21

(4) OJ No L 108 of 26 April 1976, p. 39

(5) OJ No L 302 of 4 November 1976, p. 19

3.3. Financing of common measures in 1976

In 1976, the Guidance Section continued to grant aid under Directives 72/159-160-161/EEC on the reform of agricultural structures. The seven Member States received 11.09 million u.a. Expenditure for the other common measures based on the system of reimbursement of expenditure by Member States for an amount of 57.4 million u.a. are specified in the section on payments in respect of common measures (see 5.3, p. 55 and Annex 0.X).

Under Council Regulation (EEC) No 2722/72 of 19 December 1972 on the financing of conversion projects in the salt cod-fishing industry, no application for aid was submitted by Member States in 1976. In all, since 1972, twelve individual conversion projects - this measure being based on the same financing system as set out in Regulation 17/64/EEC - received aid amounting to 9 582 916 u.a.

3.4. Main common measures proposed by the Commission to the Council in 1976

The most important measure was that of Regulation (EEC) No 355/77⁽¹⁾, adopted on 15 February 1977, on the common measures to improve the conditions under which agricultural products are processed and marketed, for which it is proposed to allocate 80 M u.a. per year for five years.

The 1977-80 action programme for the progressive achievement of balance in the milk market proposed by the Commission in July 1976 (see also 1.1.2.b) was largely adopted on 26 April 1977 and entails:

- introduction of a system of premiums for the non-marketing of milk and milk products and the conversion of dairy herds to beef, to be financed at 60% by the Guarantee Section and at 40% by the Guidance Section (Regulation EEC No 1078/77)⁽²⁾;
- introduction of Community action to eradicate brucellosis, tuberculosis and leucosis in bovine animals;
- temporary suspension of certain national and Community aid for milk production.

3.5. Special measures adopted by the Council in 1976

As an expression of Community solidarity with the populations that suffered from the earthquake in May 1976 in the Friuli/Venezia Giulia region, provision was made by Council Regulation (EEC) No 1505/76⁽³⁾ of 21 June 1976 foreseeing a Community contribution of 45 M u.a. which was written into article 580 of the supplementary budget for the 1976 financial year.

(1) OJ No L 57 of 23 February 1977, p. 1

(2) OJ No L 131 of 26 May 1977, p. 1

(3) OJ No L 168 of 28 June 1976, p. 9

These credits were managed by the EAGGF services, Guidance Section, who have also applied by analogy certain provisions of Regulation No 17/64/EEC for the financing of 97 individual projects to repair damage caused to agriculture by the earthquake in the provinces of Udine and Pordenone.

4. Financing of projects for the improvement of agricultural structures

Capital grants for projects for the improvement of agricultural structures within the framework of Regulation No 17/64/EEC are authorized to continue pursuant to Article 6(4) of Regulation (EEC) No 729/70, within the annual appropriation ceiling of 325 M u.a. for common measures.

4.1. Financing of projects for 1975

In view of the great number of projects submitted for 1975, the Council decided to increase from 145.1 M u.a. to 212.6 M u.a. the 1975 appropriations earmarked for the financing of individual projects under Regulation No 17/64/EEC by drawing on the chapters relating to common measures and special measures for which all the appropriations had not been used (Council Regulation (EEC) No 3309/75 of 16 December 1975)⁽¹⁾.

4.1.1. Quantitative analysis of the projects financed

A speedier processing of applications enabled the Commission, at its meetings on 19 December 1975⁽²⁾ and 30 April 1976⁽³⁾, to approve aid totalling 212 599 998 u.a. for 692 individual projects. The breakdown is as follows:

(1) OJ No L 328 of 20 December 1975, p. 10
(2) OJ No C 26 of 6 February 1976, p. 2
(3) OJ No C 123 of 4 June 1976, p. 2

Table 8Granting of aid by the Guidance Section of the Fund for 1975

| Member State | Number of projects financed | Amount of aid granted (u.a.) | Amount of total investment (u.a.) | Percentage of aid granted |
|----------------|-----------------------------|------------------------------|-----------------------------------|---------------------------|
| Germany | 171 | 45.273.095 | 190.986.272 | 21,3 |
| Belgium | 62 | 11.525.508 | 68.054.825 | 5,4 |
| Denmark | 21 | 8.964.284 | 41.346.972 | 4,2 |
| France | 63 | 38.846.065 | 191.669.624 | 18,3 |
| Ireland | 37 | 10.886.037 | 54.144.702 | 5,1 |
| Italy | 155 | 59.122.422 | 262.731.000 | 27,8 |
| Luxembourg | 1 | 15.070 | 60.280 | 0,0 |
| Netherlands | 56 | 12.806.120 | 91.172.360 | 6,0 |
| United Kingdom | 126 | 25.161.397 | 131.461.154 | 11,8 |
| Totals | 692 | 212.599.998 | 1.031.629.549 | 100,0 |

The 692 projects granted aid from the Fund represent a total investment of 1 031 629 549 u.a., an average investment of 1 490 794 u.a. per project; the average aid per project is 307 225 u.a.

4.1.2. Qualitative analysis of the projects financed 1975

4.1.2.1. Improvement of production structures

TABLE 9

| Member State | Land improvement | | Hydraulic works | | Afforestation | | Miscellaneous | | Total aid granted (u.a.) | Total investment (u.a.) |
|----------------|------------------|--------------------|-----------------|--------------------|----------------|--------------------|----------------|--------------------|--------------------------|-------------------------|
| | No of projects | Aid granted (u.a.) | No of projects | Aid granted (u.a.) | No of projects | Aid granted (u.a.) | No of projects | Aid granted (u.a.) | | |
| Germany | 40 | 10.080.188 | 16 | 6.234.379 | 33 | 5.350.514 | 4 | 4.561.206 | 26.226.287 | 104.652.480 |
| Belgium | 30 | 4.509.772 | 2 | 71.252 | - | - | 2 | 151.822 | 4.732.851 | 21.154.384 |
| Denmark | - | - | - | - | 1 | 862.500 | 1 | 66.667 | 929.167 | 3.754.387 |
| France | 7 | 5.173.719 | 6 | 1.723.944 | 6 | 961.449 | 4 | 2.122.319 | 9.981.401 | 39.938.356 |
| Ireland | - | - | - | - | - | - | 18 | 3.407.477 | 3.407.477 | 16.998.841 |
| Italy | - | - | 3 | 966.335 | 2 | 742.559 | 51 | 18.566.240 | 20.275.134 | 86.094.332 |
| Luxembourg | - | - | - | - | - | - | - | - | - | - |
| Netherlands | 1 | 234.894 | 15 | 3.394.125 | - | - | 2 | 264.105 | 3.893.124 | 18.695.846 |
| United Kingdom | - | - | 2 | 155.172 | - | - | 68 | 7.595.131 | 7.750.303 | 35.852.319 |
| Totals | 78 | 19.998.573 | 44 | 12.545.207 | 42 | 7.916.992 | 150 | 36.734.967 | 77.195.744 | 327.140.948 |

(25,9%)

(16,2%)

(10,3%)

(47,6%)

(100%)

a) Land improvement

The projects financed relate to rural road networks (71 projects), and projects covering land and hydraulic development work (7 projects).

b) Hydraulic works

This heading covers drainage (20 projects), combined hydraulic and agricultural projects (11), irrigation projects (7) and construction of five water storage areas and one pumping station.

c) Miscellaneous

This sector covers projects for:

- the construction of fishing vessels (85);
- the reorganization of vineyards (16);
- the provision of drinking water and related work (15);
- land improvement and internal improvement of farm structures (11);
- the provision of facilities for research, marketing and vocational training (10);
- rural electricity supply (8);
- the development of meat production (3);
- the reorganization of olive growing (1);
- fish and shellfish farming (1).

Table 10

4.1.2.2 Improvement of combined structures in 1975

| Member State | No of projects financed | Aid granted (u.a.) | Total investment (u.a.) |
|----------------|-------------------------|--------------------|-------------------------|
| Germany | 4 | 275 177 | 1 255 572 |
| Belgium | 4 | 269 947 | 1 111 322 |
| Denmark | 2 | 691 256 | 4 171 867 |
| France | 6 | 4 014 808 | 21 216 124 |
| Ireland | 1 | 186 919 | 828 854 |
| Italy | 11 | 4 270 997 | 17 967 614 |
| Luxembourg | - | - | - |
| Netherlands | - | - | - |
| United Kingdom | 16 | 3 438 835 | 23 791 975 |
| Totals | 44 | 13 147 939 | 70 343 328 |

The projects included under this heading relate to both production and marketing structures.

Projects relate to the production of feedingstuffs (18), market preparation and treatment of seeds (13), the reorganization of vineyards (5), the improvement of port facilities with fish processing plants attached (6) and two projects to improve milk collection and refrigeration equipment on farms.

4.1.2.3. Improvement of marketing structures 1975

TABLE N° 11

| Member state | Milk Products | | Meat | | Fruits and vegetables | | Wine | | Cereals | | Miscellaneous | | Total Aid granted (u.a.) | Total Investment |
|----------------|---------------|--------------------|--------------|--------------------|-----------------------|--------------------|--------------|--------------------|--------------|--------------------|---------------|--------------------|--------------------------|------------------|
| | Nb. of proj. | Aid Granted (u.a.) | Nb. of proj. | Aid Granted (u.a.) | Nb. of proj. | Aid Granted (u.a.) | Nb. of proj. | Aid Granted (u.a.) | Nb. of proj. | Aid Granted (u.a.) | Nb. of proj. | Aid Granted (u.a.) | | |
| Germany | 9 | 4.026.843 | 18 | 5.468.845 | 6 | 1.859.400 | 29 | 6.516.982 | 7 | 263.525 | 5 | 636.036 | 18.771.631 | 85.078.220 |
| Belgium | 4 | 772.001 | 9 | 2.136.526 | 5 | 322.530 | - | - | 2 | 1.825.484 | 4 | 1.466.169 | 6.522.710 | 45.789.119 |
| Denmark | 7 | 797.295 | 8 | 5.425.161 | 1 | 813.245 | - | - | - | - | 1 | 308.160 | 7.343.861 | 33.420.718 |
| France | 6 | 3.849.247 | 9 | 6.794.567 | 2 | 1.675.146 | 9 | 3.779.404 | 4 | 3.901.604 | 4 | 4.849.888 | 24.849.856 | 130.515.502 |
| Ireland | 7 | 2.601.209 | 4 | 3.648.890 | 1 | 70.690 | - | - | 2 | 67.474 | 4 | 903.378 | 7.291.641 | 36.317.007 |
| Italy | 4 | 923.758 | 4 | 2.402.329 | 14 | 5.532.350 | 27 | 13.103.752 | 4 | 983.503 | 35 | 11.630.599 | 34.576.291 | 158.669.054 |
| Luxembourg | - | - | - | - | - | - | - | - | - | - | 1 | 15.070 | 15.070 | 60.280 |
| Netherlands | 7 | 1.158.249 | 5 | 528.361 | 5 | 1.662.450 | - | - | - | - | 21 | 5.563.936 | 8.912.996 | 72.476.514 |
| United Kingdom | 15 | 5.346.778 | 9 | 5.148.492 | 5 | 1.522.568 | - | - | 4 | 403.461 | 7 | 1.550.960 | 13.972.259 | 71.816.920 |
| Totals | 59 | 19.475.380 | 66 | 31.553.171 | 39 | 13.458.379 | 65 | 23.400.138 | 23 | 7.445.051 | 82 | 26.924.196 | 122.256.315 | 634.142.334 |

(15,9%)

(25,8%)

(11,0%)

(19,1%)

(6,1%)

(22,0%)

(100%)

a) Milk products sector

The projects financed relate to the modernization and rationalization of dairies (35), the setting up and enlargement of cheese-making plants (19), the enlargement of milk bottling units (2) and the construction of two milk products inspection centres.

b) Meat sector

In this sector, the Fund granted aid for slaughterhouses (30 projects), processing plants (17 projects), cutting rooms (8 projects), cold stores (6 projects) and five livestock markets.

c) Fruit and vegetable sector

The projects financed include 21 processing plants, 9 market preparation and storage centres, and 9 sales and marketing installations.

d) Wine sector

In this sector the Fund granted aid for 55 projects for the construction or improvement of wine co-operatives, 2 bottling and market preparation centres, 2 plants for the distillation of the by-products of wine-making and 6 wine-making plants.

e) Cereals sector

The 23 projects financed related to centres for the conditioning and storage of grain.

f) Miscellaneous

The projects related to:

- fish processing plants with cold stores (21);
- co-operative oil mills (16);
- processing centres for agricultural products with annexed multi-purpose markets (15);
- tobacco manufacturing plants (8);
- malt houses (7);
- plants for the production of proteins and secondary protein-rich products (5).

- egg and poultry marketing centres (3);
- flower markets (3);
- lastly, the construction of a centre for the market preparation of seed potatoes, a maize starch factory and annexed potato starch works and a fishing vessel equipped with processing facilities.

4.2. Financing of projects for 1976

4.2.1. Quantitative analysis of the projects financed

In the 1976 budget, 141.2 million u.a. were allocated for the financing of individual projects. To this amount were added appropriations reassigned pursuant to the provisions of Article 2 of Regulation (EEC) No 3171/75 of 3 December 1975⁽¹⁾, amounting to 28 724 544 u.a., and unused appropriations from other chapters relating to EAGGF Guidance Section expenditure, amounting to 94 270 000 u.a.; this transfer was approved by the Council of Ministers on 23 November 1976.

Thus at its meetings on 29 July 1975⁽²⁾ and 30 December 1976⁽³⁾ the Commission granted aid totalling 264 194 544 u.a. for 808 individual projects in respect of the two instalments for 1976.

The breakdown is as follows:

(1) OJ No L 315, 5 December 1975, p. 1
(2) OJ No C 206, 1 September 1976, p. 2
(3) OJ No C 41, 18 February 1977, p. 2

Table 12

Aid granted from the Guidance Section of the Fund for 1976

| Member State | Number of projects financed | Aid granted (u.a.) | of which amounts reassigned in UA (*) | Total investment (u.a.) |
|----------------|-----------------------------|--------------------|---------------------------------------|-------------------------|
| Germany | 177 | 49 001 953 | 4 023 654 | 212 418 558 |
| Belgium | 76 | 14 309 614 | 2 190 571 | 63 919 453 |
| Denmark | 33 | 10 360 037 | 13 043 | 48 005 926 |
| France | 82 | 43 571 391 | 2 387 400 | 236 350 338 |
| Ireland | 96 | 22 699 287 | 615 000 | 121 820 340 |
| Italy | 203 | 85 258 284 | 18 003 527 | 383 079 321 |
| Luxembourg | 2 | 159 739 | 950 | 784 420 |
| Netherlands | 35 | 12 213 964 | 1 435 972 | 58 788 761 |
| United Kingdom | 104 | 26 620 275 | 54 427 | 133 139 860 |
| Totals | 808 | 264 194 544 | 28 724 544 | 1 258 357 977 |

(*) Article 2 of Regulation (EEC) No 3171/75.

As in previous years, many more projects were submitted than were financed.

The Commission staff examined 1 051 projects from the legal, economic, technical and financial aspects. One hundred and twenty projects were rejected as inadmissible or not in accordance with the conditions of Regulation No 17/64/EEC.

Of the remaining projects, 123 could not be accepted because of lack of funds.

The 808 projects aided from the Fund represent a total investment of 1 258 357 977 u.a., an average of 1 557 374 u.a. per project; average aid per project is 326 973 u.a.

4.2.2. Qualitative analysis of the projects financed 1976

4.2.2.1. Improvement of production structures

TABLE 13

| Member State | Land Improvement | | Hydraulic works | | Afforestation | | Miscellaneous | | Total aid granted (u.a.) | Total investment (u.a.) |
|----------------|------------------|--------------------|-----------------|--------------------|----------------|--------------------|----------------|--------------------|--------------------------|-------------------------|
| | No of projects | Aid granted (u.a.) | No of projects | Aid granted (u.a.) | No of projects | Aid granted (u.a.) | No of projects | Aid granted (u.a.) | | |
| Germany | 50 | 14.770.775 | 36 | 8.047.113 | 1 | 494.044 | 8 | 8.516.448 | 31.828.380 | 127.947.128 |
| Belgium | 34 | 5.710.132 | 2 | 132.095 | - | - | 2 | 123.375 | 5.965.602 | 25.290.726 |
| Denmark | - | - | - | - | - | - | 2 | 421.574 | 421.574 | 1.972.000 |
| France | 5 | 2.088.244 | 5 | 1.832.761 | 2 | 260.943 | 30 | 16.708.625 | 20.890.473 | 109.669.497 |
| Ireland | - | - | - | - | - | - | 60 | 9.716.934 | 9.716.934 | 50.387.724 |
| Italy | - | - | 3 | 366.969 | 9 | 3.483.681 | 57 | 24.534.807 | 28.385.457 | 127.261.022 |
| Luxembourg | - | - | - | - | - | - | - | - | - | - |
| Netherlands | - | - | 9 | 1.591.793 | - | - | 6 | 5.849.371 | 7.441.164 | 30.557.306 |
| United Kingdom | - | - | 7 | 2.137.304 | - | - | 47 | 8.875.039 | 11.012.343 | 60.246.485 |
| Totals | 89 | 22.569.151 | 62 | 14.108.035 | 12 | 4.238.568 | 169 | 74.746.173 | 115.661.727 | 529.331.888 |

(19,5%)

(12,2%)

(3,6%)

(64,7%)

(100%)

a) Land development

The projects relate to rural road networks (73) and works concerned with water supply, drainage and roads (16).

b) Hydraulic works

This heading covers combined hydraulic and land development projects (24), drainage (17), irrigation (9) new pumping stations (6) and flood prevention (6).

c) Miscellaneous

The following projects fall under this heading:

- construction of fishing vessels (67);
- drinking water supply and related works (38);
- facilities for research and vocational training in agriculture (18);
- rural electrification (12);
- improvement of vineyards (10);
- land development and rural road networks (8);
- artificial insemination centres (6);
- reorganization of olive growing (4);
- internal improvements of farm structures with hangars for machinery (2);
- installation for the pregermination of seed potatoes with facilities for health inspection (2);
- development of fish farming (2).

Table 14

4.2.2.2 Improvement of combined structures in 1976

| Member State | Number of projects financed | Aid granted (u.a.) | Total investment (u.a.) |
|----------------|-----------------------------|--------------------|-------------------------|
| Germany | 3 | 300 280 | 1 240 784 |
| Belgium | 1 | 21 338 | 128 351 |
| Denmark | 2 | 1 853 299 | 8 622 639 |
| France | 6 | 4 978 770 | 26 043 969 |
| Ireland | 5 | 2 303 455 | 12 185 934 |
| Italy | 12 | 5 583 331 | 25 098 759 |
| Luxembourg | 2 | 159 739 | 784 380 |
| Netherlands | 3 | 1 605 199 | 6 449 848 |
| United Kingdom | 6 | 3 141 137 | 13 166 420 |
| Totals | 40 | 19 946 548 | 93 721 084 |

This heading covers projects concerned with both production and marketing structures. In 1976, the Fund granted aid for 13 projects for feedingstuffs factories, 12 projects for installations for the market preparation and treatment of seeds, 5 projects to improve the collection of milk and its refrigeration on the farm, 4 projects for the reorganization of vineyards, 3 centres for training and experimentation in fish farming and the preservation of fisheries products.

This heading includes 2 Italian projects for the study and dissemination of a particular breed of cattle, the construction of rural waterlines and a ham processing plant, and one German project for the dehydration of sugarbeet.

(-)

4.2.2.3. Improvement of marketing structures 1976

TABLE N° 15

| Member state | Milk products | | Meat | | Fruits and vegetables | | Wine | | Cereals | | Miscellaneous | | Total aid granted (u.a.) | Total Investment |
|----------------|---------------|--------------------|--------------|--------------------|-----------------------|--------------------|--------------|--------------------|--------------|--------------------|---------------|--------------------|--------------------------|------------------|
| | Nb. of proj. | Aid Granted (u.a.) | Nb. of proj. | Aid Granted (u.a.) | Nb. of proj. | Aid Granted (U.a.) | Nb. of proj. | Aid Granted (u.a.) | Nb. of proj. | Aid Granted (u.a.) | Nb. of proj. | Aid Granted (u.a.) | | |
| Germany | 11 | 2.936.439 | 19 | 4.730.694 | 9 | 2.132.929 | 22 | 3.842.071 | 8 | 483.648 | 10 | 2.747.512 | 16.873.293 | 83.280.646 |
| Belgium | 4 | 914.913 | 16 | 2.663.999 | 9 | 1.788.894 | - | - | 4 | 2.220.957 | 4 | 733.911 | 8.322.674 | 38.500.376 |
| Denmark | 7 | 1.036.729 | 13 | 5.593.394 | 3 | 505.080 | - | - | 2 | 260.878 | 4 | 689.153 | 8.085.234 | 37.412.287 |
| France | 6 | 3.088.938 | 11 | 5.342.442 | 3 | 1.185.239 | 6 | 3.074.638 | 3 | 1.444.243 | 5 | 3.566.648 | 17.702.148 | 104.636.872 |
| Ireland | 8 | 2.815.829 | 16 | 6.971.704 | 3 | 437.227 | - | - | - | - | 4 | 454.138 | 10.678.898 | 59.246.681 |
| Italy | 8 | 2.967.615 | 9 | 4.266.449 | 22 | 6.878.639 | 39 | 19.407.032 | 14 | 4.263.283 | 30 | 13.506.478 | 51.289.498 | 230.719.540 |
| Luxembourg | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Netherlands | 2 | 417.105 | 6 | 1.215.940 | 4 | 479.417 | - | - | - | - | 5 | 1.055.139 | 3.167.601 | 21.781.607 |
| United Kingdom | 8 | 1.796.900 | 14 | 5.793.680 | 3 | 403.814 | - | - | 6 | 931.703 | 13 | 3.540.698 | 12.466.795 | 59.726.955 |
| Totals | 54 | 15.974.468 | 104 | 36.578.302 | 56 | 13.811.239 | 67 | 26.323.741 | 37 | 9.604.712 | 75 | 26.293.677 | 128.586.139 | 635.304.964 |
| | | (12,4%) | | (28,5%) | | (10,8%) | | (20,5%) | | (7,5%) | | (20,3%) | | (100%) |

a) Milk products sector

The projects financed relate to the modernization and rationalization of dairies (30), the setting up and enlargement of cheese-making plants (16) and the enlargement of milk supply networks (8).

b) Meat sector

In this sector aid was granted for slaughterhouses with adjoining processing plants (44 projects), processing plants (31 projects), live-stock markets (10 projects), 11 cold stores for meat, and 8 de-boning facilities.

c) Fruit and vegetable sector

The projects financed include market preparation and storage centres (34), processing plants (15), installations for selling and marketing (5) and 2 packaging centres.

d) Wine sector

Fund aid was granted for 62 projects for the construction or improvement of wine co-operatives, 3 centres for marketing and market preparation of wine and two bottling plants.

e) Cereals sector

Financing was provided for 37 projects relating to market preparation, dehydration and storage of cereals.

f) Miscellaneous sector

These projects include:

- fish processing plants (17);
- egg and poultry marketing centres (18);
- co-operative oil mills (13);
- processing centres for different agricultural products (8);

- flower and plant markets (6);
- tobacco manufacturing (3);
- centres for refining fats and protein substances (2);
- 2 fishing vessels equipped with processing plants (2);
- 5 projects for the construction of a potato starch plant, the enlargement of an oil mill with adjoining co-operative, the provision of a sugar refinery, the provision of a rice plant with a fodder establishment and the improvement of loading equipment for boats from a port silo.

5. Implementation of the decisions to grant aid

5.1. Individual projects

5.1.1. Payments in 1976

In 1976 the Commission received 1 411 applications for payment. Taking into account the 286 applications received in 1975 which could not be processed before 31 December 1975, EAGGF staff had to handle 1 697 applications for payment in 1976.

By 31 December 1976 1 428 applications had been examined, of which 1 112 gave rise to payment of aid; of the latter, 447 related to completed projects.

Payments totalled 142 598 887.98 u.a., of which the breakdown by Member State is as follows:

Table 16

| Member State | Amount (u.a.) |
|----------------|---------------|
| Germany | 35 947 823.85 |
| Belgium | 10 238 458.72 |
| France | 27 813 893.25 |
| Italy | 30 116 322.54 |
| Luxembourg | 300 561.36 |
| Netherlands | 12 983 954.89 |
| Denmark | 4 967 319.45 |
| Ireland | 4 962 939.25 |
| United Kingdom | 15 267 614.17 |

A detailed breakdown of projects by year and by Member State is given in Annex 0.VI.

5.1.2. Disbursements in respect of aid granted

By 31 December 1976 the Commission had actually paid out 642 502 736.19 u.a. since the beginning of EAGGF operations.

The breakdown of this amount by year of commitment and by Member State is given in Annex 0.VII.

EAGGF aid is paid in several instalments depending on the progress of work. The rate of disbursement of aid therefore depends on the date when the work begins, the time needed to carry it out and the time taken by the administrative processes of preparing and forwarding applications for payment to the Commission.

As the table below shows, the percentage of disbursement varies from one Member State to another and also according to the period in which the aid was granted.

| Payments as % of commitments for all Member States ⁽¹⁾ | Aid granted 1965 to 1971 | Aid granted 1972 and 1973 | Aid granted 1974 to 1976 |
|---|--------------------------|---------------------------|--------------------------|
| | | 81.9 | 48.4 |
| Germany | 94.5 | 70.7 | 22.3 |
| Belgium | 84 | 64.3 | 16.8 |
| France | 85.5 | 51.6 | 14.2 |
| Italy | 61.9 | 18.8 | 1.2 |
| Luxembourg | 100 | 27.5 | 17.5 |
| Netherlands | 99.2 | 72.3 | 30.9 |
| Denmark | - | - | 36.8 |
| Ireland | - | - | 17.1 |
| United Kingdom | - | - | 26.2 |

(1) Commitments minus cancellations

It should be noted that:

- for aid granted between 1965 and 1971, the percentage of disbursement is over 84% for all Member States except Italy, where it is 61.9%. As the figures in 5.1.6 show, Italy is also the country with the highest percentage of unused appropriations compared with appropriations committed.

- For aid granted in 1972 and 1973. The projects are under way. There is a lag in Italy once again where only 18.8% of the aid has been disbursed.
- For aid granted between 1974 and 1976. Only 16% of the aid has been disbursed as projects are generally in their early stages.

Since delays in carrying out projects or their cancellation reduces the effectiveness of intervention by the EAGGF Guidance Section, on 3 December 1975 the Council adopted Regulation (EEC) No 3171/75⁽¹⁾ which in Article 2 lays down that sums not used, either because the beneficiary has cancelled the project or because work on the project has not begun within two years of the date of notification of its approval, may be assigned to other projects.

5.1.3. Reassignment of appropriations pursuant to the provisions of Council Regulation (EEC) No 3171/75 of 5 December 1975

The provisions of Regulation (EEC) No 3171/75 were applied by the Commission for the first time in 1976. By this means 28 724 543.56 u.a. were released from the years 1965 to 1975 and recommitted in 1976.

The breakdown of this amount is given in Annex 0.VIII, Column 4. In 1976, 771 969.61 u.a. were disbursed in respect of projects for 1976, thus using up the recommitted appropriations from 1965 and 1966.

5.1.4. Position on 31 December 1976 of projects approved more than five years previously

Of the 2 209 projects financed between 1964 and 1970, 1 635 have been completed, 323 are under way and 251 will not be executed.

(1) OJ No L 315 of 5 December 1975, p. 1

Appropriations committed for the years in question total 508 714 296 u.a. The position is as follows:

- ± 366 477 171.08 u.a. were disbursed for projects in the years in question,
- 53 645 714.64 u.a. were not used,
- 88 591 410.28 u.a. have yet to be disbursed.

It should be pointed out that the unused appropriations (53 645 714.64 u.a.) include the 18 841 975 u.a. recommitted in 1976, of which 771 969.61 u.a. were disbursed in 1976.

Details for 1964 to 1970 are given in Annex 0.IX from which the following percentage figures may be derived:

| Year | Appropriations committed | | Aid actually disbursed | Unused appropriations | Appropriations to be carried over to 1977 |
|--------------------------|--------------------------|-------------|------------------------|-----------------------|---|
| | in | amount | | | |
| 1964 | 1965 | 9 056 922 | 83.90 | 16.10 | - |
| 1965 | 1966 | 17 134 258 | 77.92 | 22.08 | - |
| 1966 | 1967 | 41 586 875 | 76.73 | 20.83 | 2.44 |
| 1967 | 1968 | 26 039 369 | 84.80 | 12.90 | 2.30 |
| 1968 | 1968/69 | 94 897 375 | 75.64 | 16.91 | 7.45 |
| 1969 1st instal. | 1970 | 8 472 837 | 84.10 | 13.10 | 2.80 |
| 1969 2nd,3rd,4th instal. | 1970 | 151 527 163 | 76.10 | 8.60 | 15.30 |
| 1970 | 1971 | 159 999 497 | 60.80 | 3.90 | 35.30 |

5.1.5. Execution of projects

a) Amendments to projects

In 1976, the Commission received 177 requests for amendments in addition to the 51 from the previous year for which additional information had been requested; this meant there was a total of 228 requests for amendments to be dealt with.

Of this total, 55 were agreed to with no change to the decision, the amendments being of minor importance and entailing only slight increases or reductions in costs compared with the estimates.

In the case of 106 applications the decisions had to be revised, the amendments being such that the projects could no longer be financed on the basis of the original decision. Some of the revised decisions involved reductions totalling 1 755 936 u.a. in the aid granted. Sixty applications could not be dealt with for lack of the additional information requested. Seven applications were withdrawn or rejected.

b) In 1976, 116 beneficiaries decided to forego the aid granted. As a result 17 213 429 u.a. were not used, namely 13 478 641.14 u.a. for Italian projects, 1 966 340.68 u.a. for German projects, 934 276.20 u.a. for Belgian projects, 719 826.25 u.a. for Netherlands projects and 114 345.29 u.a. for French projects. Further, pursuant to Regulation (EEC) No 3171/75, the Commission cancelled the aid granted for 13 projects (12 Italian and 1 French) amounting to 2 580 780 u.a.

c) Projects carried out in breach of the conditions laid down

In 1976 the Commission cancelled the aid granted for 19 projects (totalling 1 109 196.70 u.a.) and aid was reduced for 5 projects (a reduction of 289 838.51 u.a.) because the work had been carried out either entirely or partly in disregard of the conditions laid down.

d) Projects carried out at lower cost than estimated

In 1976 an amount of 9 020 395.16 u.a. was not used since the actual eligible expenditure proved to be less than the estimates on which the aid decision had been based.

5.1.6. Unused appropriations

Taking into account the factors described above under 5.1.5, a total of 31 969 575.37 u.a. will not be used in the year of appropriation as a result of circumstances arising in 1976.

Since the start of the EAGGF Guidance Section 64.7 M u.a. have been cancelled in their year of appropriation as follows:

| Total unused appropriations | D | B | DK | F | IRL | I | L | N | UK |
|-----------------------------|-------|------|-------------|-------|------|-------|-------------|------|-------------|
| 64.7 M u.a. = 100 | 17.1% | 5.9% | Token entry | 16.4% | 0.9% | 56.3% | Token entry | 3.1% | Token entry |

Regulation (EEC) No 3171/75 has so far allowed 28 724 543.56 u.a. (included in the above-mentioned 64.7 M u.a.) to be recommitted in 1976.

5.2. Special measures

5.2.1. Aid decisions

In 1976 the EAGGF Guidance Section granted aid for the following measures:

a) Premiums for the slaughter of cows and non-marketing of milk and milk-products (Regulation (EEC) No 1975/69)

Reimbursement of 50% of the expenditure incurred from 1972 to 1974 by Italy (818 400 u.a.), in 1975 by Germany (453 116.33 u.a.), Belgium (50 541.95 u.a.), France (659 984.84 u.a.), Luxembourg (4 716.66 u.a.) and the Netherlands (51 316.09 u.a.). The latter payments, which total 2 038 075.87 u.a., terminate this measure. The results are summed up in the table below:

| Member State | Slaughter Premiums | | Premiums for the non-marketing of milk and milk-products | |
|--------------|---------------------------|-----------------------|--|-----------------------|
| | <u>number</u> holdings | <u>number</u> cows | <u>number</u> holdings | <u>number</u> cows |
| Germany | 36 501 | 149.875 | 5 872 | 115 278 |
| Belgium | 4 415 | 19 760 | 826 | 15 463 |
| France | 9 349 | 42 494 | 5 880 | 115 350 |
| Italy | 1 911 | 8 187 | - | - |
| Luxembourg | 196 | 777 | 48 | 795 |
| Netherlands | 2 097 | 12 672 | 596 | 10 650 |
| Totals | 54 469 | 233 765 | 13 222 | 257 536 |

b) Premiums for grubbing fruit trees (Regulation (EEC) No 2517/69)

Reimbursement of 50% of the expenditure incurred by France in 1976 (1 520 u.a.) and by Italy in 1975 (191 822.70 u.a.). The latter payments which total 193 342.70 u.a., terminate this measure.

The results are summed up in the table below:

| Member States | Number of holdings | Area grubbed (ha) |
|---------------|--------------------|-------------------|
| Germany | 34 827 | 26 094.8890 |
| Belgium | 11 828 | 9 007.1070 |
| France | 12 600 | 22 459.0800 |
| Italy | 10 068 | 19 388.8845 |
| Luxembourg | 409 | 227.7200 |
| Netherlands | 9 970 | 11 404.6761 |
| Total | 79 702 | 88 582.3565 |

c) Aid to fruit and vegetable producers' organizations (Regulation (EEC) No 1035/72)

- Reimbursement of 50% of the expenditure incurred in 1974 by Germany (51 119.26 u.a.), Denmark (15 953.83 u.a.), France (18 577.84 u.a.), Italy (1 690 770.49 u.a.).
- Reimbursement of 50% of the expenditure incurred in 1975 by Belgium (251 490 u.a.) and the United Kingdom (51 656.37 u.a.)
2 079 567.79 u.a.

Applications for reimbursement relating to expenditure in 1975 were submitted by Denmark, France and Italy at the end of 1976; the decisions cannot be taken until 1977.

To date this measure has involved 244 organizations - 78 in Germany, one in Belgium, 2 in Denmark, 129 in France, 30 in Italy and 4 in the United Kingdom.

The application of this measure is coming to an end in Germany and France; it is continuing in Italy and is expanding in Denmark and the United Kingdom.

d) Aid to producers' organizations in the fishing industry (Regulation (EEC) No 2142/70)

Reimbursement of 50% of the expenditure incurred in 1975 by Germany (23 798.02 u.a.), France (49 237.65 u.a.) and the United Kingdom (68 629.35 u.a.).

141 665.02 u.a.

To date this measure has involved 11 organizations - 3 in Germany, 5 in France and 3 in the United Kingdom.

e) Improvement of the production and marketing of Community citrus fruit (Regulation (EEC) No 2511/69)

Reimbursement of 50% of expenditure incurred in 1975 by France (163 939.30 u.a.) and Italy (1 614 229.89 u.a.)

1 778 169.19 u.a.

The expenditure incurred in Italy in 1975 represents only 1.12% of the total expenditure provided for by Italian legislation (Law No 317 of 6 June 1974 in the citrus fruit sector). The low level of expenditure notified by the Italian Government compared with estimates is accounted for by the delay in implementation of the national plan for improvement of the production and marketing of citrus fruit.

The delay is due in large part to the restrictive criteria for granting supplementary aid laid down in Article 4 of Regulation (EEC) No 2511/69 relating to the area of holdings to be converted. Accordingly, a proposal for a Regulation was presented to the Council by the Commission on 10 November 1976 and was adopted on 14 February 1977⁽¹⁾

5.2.2. Payments

In 1976, payments by the Fund, implementing the decisions referred to under 5.2.1, amounted to 6 230 820.57 u.a., of which 0.53 M u.a. goes to Germany, 0.30 M u.a. to Belgium, 4.3 M u.a. to Italy, 4 716.66 u.a. to Luxembourg, 0.05 M u.a. to the Netherlands and 0.12 M u.a. to the United Kingdom (see total B in Annex 0.X). Since 1966, a total of 281 925 841.31 u.a. of appropriations has been committed for special measures. The position as of 31 December 1976 as regards appropriations committed and payments made for special measures is shown in Annex 0.XI.

(1) Regulation (EEC) 340/77 - OJ L 48 of 19 February 1977, p. 6

Supporting evidence for lump sum aid

1. Italy

On 31 December 1976 payments of aid on the basis of reports received from Italy stood as follows:

M u.a.

| | Aid granted on the basis of | | |
|--|-----------------------------|---------------------|----------|
| | R.130/66 Art. 4 | R/130/66 Art. 12 | R.159/66 |
| a) Aid paid by the EAGGF Guidance Section to Italy | 45 | 15 | 87.3 |
| b) Value of investment implemented or in progress | 76.3 | 34.1 | 134.9 |
| c) Aid paid by the Italian Government to beneficiaries | 42.1 | 15 | 36.3 |
| d) Amount not disbursed (a - c) | 2.9 | - | 51 |

The infringements procedure initiated by the Commission under Article 169 of the Treaty has been pursued.

After requesting Italy for comments on the delay in using the funds in question, the Commission issued a reasoned opinion dated 11 November 1976.

2. Grand Duchy of Luxembourg

After verification of the additional documents forwarded in 1976, the case concerning aid of 7.5 M u.a. granted for measures to integrate Luxembourg agriculture with the Common Market was closed.

5.3. Common measures

5.3.1. Common measures on the reform of agricultural structures

In 1976 the Commission adopted 29 decisions on the reimbursement of expenditure amounting to 47.1 M u.a. under the following Directives:

72/159/EEC: modernization of farms

72/160/EEC: cessation of farming

72/161/EEC: socio-economic guidance and acquisition of occupational skills

75/268/EEC: aid for farming in less favoured areas.

Payments on account of 75% of eligible expenditure by Member States in 1975, plus final payments for previous years reached the following country totals (in M u.a.): Germany 12.1; Belgium 0.1; Denmark 0.7; France 11.3; Ireland 3.6; Netherlands 1.0; United Kingdom 18.3.

Applications for reimbursement for expenditure by the Member States under these Directives concern the following aid measures.

Under Directive 72/159/EEC, 16 418 farmers received aid provided for under Article 8 for the preparation of a development plan for the farm.

Four hundred and twenty beneficiaries turned over to beef or sheepmeat production with the help of the premium specified in Article 10. Fourteen thousand six hundred and forty farmers received aid for the keeping of accounts in accordance with Article 11. Launching aid under Article 12 was granted in respect of 110 recognized groups and 240 reparcelling projects; aid was granted for 6 irrigation projects under Article 13. Two hundred and sixty-two farmers ceased farming, and received annuities pursuant to Directive 72/160/EEC.

Under Directive 72/161/EEC, socio-economic guidance was improved through the recruitment of 498 counsellors and the initial or further training of 765 counsellors.

About 17 750 persons engaged in agriculture attended further training courses.

The compensatory allowances provided for under Title II of Directive 75/268/EEC on mountain and hill farming and farming in certain less favoured areas were paid to 239 981 beneficiaries, and 12 collective schemes for the improvement and equipment of grazing land and mountain pastures were financed under Title IV.

5.3.2. Other common measures

a) Aid to hop producers' organizations (Regulation (EEC) No 1696/71)

- reimbursement of 50% of expenditure incurred in 1974 by Germany
474 041.66 u.a.
- reimbursement of 50% of expenditure incurred in 1975 by Germany
811 270.49 u.a.

To date this measure has concerned three producers' groups in Germany, four in France and about a thousand individual producers in the United Kingdom. A total of about 3 200 ha has been converted and reorganized.

b) Measures to encourage the development of beef production

(Regulation (EEC) No 1353/73)

Reimbursement of 50% of expenditure incurred in 1975 by Belgium (317 119.26 u.a.), Denmark (663 213.85 u.a.), France (3 095 015.83 u.a.), Ireland (516 060.81 u.a.), Luxembourg (46 381.08 u.a.), the Netherlands (656 224.45 u.a.) and the United Kingdom (9 717 197.59 u.a.).

15 011 212.87 u.a.

The application for reimbursement from Germany was received late and cannot be dealt with until 1977. The reimbursement in respect of the United Kingdom covers only the first instalment of the premium, a decision on the second instalment will be made later.

The progress made is shown in the following table:

| Member State | Number of holdings granted premiums | hl of milk qualifying for the premium |
|----------------|-------------------------------------|---------------------------------------|
| Germany | 7 209 | 4 107 860.94 |
| Belgium | 682 | 357 636.00 |
| Denmark | 619 | 565 063.00 |
| France | 5 719 (1) | 3 702 344.03 |
| Ireland | 527 | 314 768.75 |
| Luxembourg | 47 | 35 490.83 |
| Netherlands | 570 | 502 169.81 |
| United Kingdom | 6 639 | 9 717 116.00 |
| Totals | 22 012 | 19 291 893.36 |

(1) Plus 84 holdings in the department of Corsica which received premiums for the development of specialized stockfarming.

c) Survey on the structure of agricultural holdings (Directive 75/108/EEC)

Payments on account in respect of expenditure incurred by Belgium (190 617.98 u.a.), Denmark (194 004.74 u.a.), France (730 238.32 u.a.), Ireland (195 427.04 u.a.), Italy (3 420 325.76 u.a.), Luxembourg (20 610.57 u.a.), Netherlands (226 656.80 u.a.), United Kingdom (102 856.53 u.a. and 23 535.22 u.a.)

5 104 273.96 u.a.

The position on 31 December 1976 was as follows:

| Member State | Number of holdings surveyed | Number specified by the Directive |
|----------------|-----------------------------|-----------------------------------|
| Germany | 100 000 | 80 000/100 000 |
| Belgium | 20 000 | 15 000/20 000 |
| Denmark | 20 000 | 15 000/20 000 |
| France | 157 600 | 120 000/150 000 |
| Ireland | 40 000 | 30 000/40 000 |
| Italy | 259 834 | 200 000/270 000 |
| Luxembourg | 1 730 | 1 500/2 000 |
| Netherlands | 25 000 | 20 000/25 000 |
| United Kingdom | 29 274 | 27 000/33 000 |
| Total | 495 838 | |

d) Conversion projects in the salt cod-fishing industry
(Regulation EEC/2722/72)

Two part-payments were made for two French projects:
863 366.22 u.a. but no new aid was granted in 1976.

5.3.3. Payments

In 1976 payments by the Fund implementing the decisions referred to under 5.3.1/2 amounted to 69 369 232.83 u.a., of which 13.46 M u.a. were to Germany, 0.57 M u.a. to Belgium, 1.54 M u.a. to Denmark, 16 M u.a. to France, 4.29 M u.a. to Ireland, 3.42 M u.a. to Italy, 0.07 M u.a. to Luxembourg, 1.89 M u.a. to the Netherlands, 28.12 M u.a. to the United Kingdom (total A Annex 0.X).

Since 1973, the appropriations committed for common measures total 107 313 905.88 u.a., of which the breakdown is as follows:

| Member State | Appropriations committed |
|----------------|--------------------------|
| Germany | 23 292 795.89 |
| Belgium | 1 139 550.53 |
| Denmark | 2 329 119.44 |
| France | 29 118 314.51 |
| Ireland | 4 979 798.49 |
| Italy | 3 861 926.76 |
| Luxembourg | 108 120.11 |
| Netherlands | 2 589 665.43 |
| United Kingdom | 39 894 614.72 |

The position on 31 December 1976 of appropriations committed and payments made for common measures is shown in Annex 0.XII.

5.4. Position on 31 December 1976 of appropriations of the Guidance Section

5.4.1. Execution of the 1976 budget

The table at Annex 0.XIII shows that:

- of the 325 M u.a., 89.5 M u.a. was used to finance common and special measures instead of the 183.8 M u.a. scheduled initially. It should be noted here that the 45.3 M u.a. originally provided for the partial financing of calving premiums in the 1976/77 marketing year was by Council Decision taken over by the Guarantee Section.
- appropriations totalling 235.5 M u.a. (originally 141.2 M u.a.) remain for the financing of individual projects within the meaning of Article 13 of Regulation 17/64/EEC.
- During the financial year 302.8 M u.a. were committed, of which 67.4 M u.a. were disbursed. In 1976 22.2 M u.a. should be committed.

5.4.2. Execution of previous budgets

The position on 31 December 1976 of appropriations relating to years prior to 1976 is given in Table 0.XIV annexed. This shows that of a total of 951.5 M u.a. of appropriations committed, 150.8 M u.a. were disbursed in 1976. Disbursement of the remaining 800.7 M u.a. should take place in 1977 and subsequent years.

5.4.3. Overall position

On 31 December 1976 appropriations amounting to 1 058 325 698.49 u.a. had still to be disbursed. This amount is composed of 1 036 161 804.70 u.a. representing aid granted in the 1976 and previous financial years but not yet paid to beneficiaries, and 22 163 893.79 u.a. representing appropriations for 1976 which could not be committed before 31 December 1976. These appropriations are to be carried forward to 1976.

5.4.4. Amounts automatically carried forward (929 500 389.03 u.a.)

Appropriations for payments not yet made in respect of commitments entered into between 1 January and 31 December are automatically carried forward for a period of five years (first subparagraph of Article 6(5) of the Financial Regulation).

The amount carried forward to the 1977 financial year consists firstly of appropriations amounting to 926 555 425.16 u.a. relating to aid granted for projects in 1971, 1972, 1973, 1975 and 1976, the commitments for which were charged between 1972 and 1975.

Secondly, there are appropriations amounting to 2 944 963.87 u.a. for aid granted for common measures relating to conversion projects in the salt cod-fishing industry.

5.4.5. Amounts not carried forward automatically

a) Appropriations committed more than five years ago which require the Council's authorization to be carried forward

At the end of the five-year period referred to above, the Commission may submit each year a list of the appropriations which are still committed and for which carry forward is requested (the second subparagraph of Article 6(5) of the Financial Regulation).

The amount carried forward for the 1977 financial year concerns appropriations relating to aid granted for projects in 1966, 1967, 1968, 1969 and 1970 for which the commitments charged in 1967, 1968, 1969, 1970 and 1971 had not been disbursed by 31 December 1976, either because part of the aid had yet to be paid for 323 projects (88 951 410.28 u.a.), or because the amount of 18 070 005.39 u.a. carried over from 1965 to 1970 and recommitted in 1976 could not be disbursed by 31 December 1976. This makes a total of 106 661.67 u.a.

b) Appropriations not committed by 31 December 1975 and which require the Council's authorization to be carried forward

Appropriations not committed by 31 December may be carried forward but only to the next financial year. The Commission submits this carry-forward request to the Council (Article 6(1) and (2) of the Financial Regulation). A total of 22 163 893.79 u.a. from the 1976 financial year could not be committed by 31 December 1976. These appropriations are intended to finance common measures and special measures for which no commitment could be made in 1976 although applications for reimbursement were submitted. In their case, the Commission could not take a decision by 31 December 1976 on account of the provisional nature of the application, its late submission or the need to obtain additional information.

The measures involved are the following:

| <u>Common measures</u> | <u>For commitment u.a.</u> |
|--|----------------------------|
| Modernization of farms | 2 863 001.69 |
| Guidance and vocational training | 967 015.02 |
| Hop producers' organizations | 996 029.51 |
| Conversion to beef production | 11 489 287.13 |
| Structures survey 1975 | 2 534 507.03 |
| Salt cod-fishing industry | 600 000.00 |
| Less favoured regions | 835 845.56 |
| Cessation of farming | 15 447.71 |
| <u>Special measures</u> | |
| Fruit and vegetable producers' organizations | 1 696 853.63 |
| Slaughter of cows and non-marketing of milk | 165 906.51 |
| | <u>22 163 893.79</u> |

5.4.6. Execution of the first supplementary and amending budget for 1976 (Title V Social and Regional Fund)

No payment was made by 31 December 1976. The entire amount of 45 M u.a. earmarked for projects to reconstruct and improve the agricultural potential of the Friuli disaster area was automatically carried over to the 1977 financial year.

5.5. Contributions

Appropriations committed between 1964 and 1971 are covered by contributions by the Member States calculated on the basis of specific cost-sharing formulae. By previous agreement these contributions are only called for as and when required.

On 31 December 1975, total expenditure by the Guidance Section for the years from 1964 to 1971 was 683 290 879.88 u.a., and Member States contributions totalled 725 241 694.62 u.a. The breakdown of contributions by Member States is as follows:

| | | |
|-------------|----------------|------|
| Germany | 224.686.524,55 | u.a. |
| Belgium | 58.580.451,70 | u.a. |
| France | 224.703.714,35 | u.a. |
| Italy | 152.536.443,24 | u.a. |
| Luxembourg | 1.502.058,34 | u.a. |
| Netherlands | 63.232.502,44 | u.a. |

It is recalled that expenditure by the Guidance Section is covered by the new system of resources and contributions applied to the entire budget as from the 1972 appropriations.

T I T L E I I I

VERIFICATIONS AND IRREGULARITIES

6. VERIFICATIONS

6.1. Characteristics

It is recalled that Member States are responsible for putting into effect Community rules and that they keep the accounts and detailed supporting evidence relating to most EAGGF expenditure. For this reason the inspection visits that the Commission has made an effort to continue and develop in 1976 are of particular importance.

In this connection the Commission staff have organized various control mechanisms for EAGGF expenditure, initiated either by the authorizing department (EAGGF Directorate of the Directorate-General for Agriculture) or by the Financial Controller, both of whom jointly carry out the controls.

6.2. Guarantee Section

6.2.1. Different types of verification and inspection

- a) The authorizing department is responsible for the documentary verifications and inspection visits pursuant to Article 9 of Regulation (EEC) No 729/70: The purposes of such inspection are:
- to prepare Commission decisions on the clearance of accounts, constituting acknowledgement of the eligibility of expenditure by Member States for funding by the EAGGF Guarantee Section;
 - to make sure that Member States are correctly applying provisions under the common markets and prices policy which have financial implications.

Because of the magnitude and the diversity of expenditure by the EAGGF Guarantee Section and the multiplicity of national departments which take part in various capacities in the payment process, these verifications must be of a systematic kind.

The methods used by the authorizing department entail verifications either by random sampling of the expenditure declared by Member States with a view to the clearance of accounts, or by probing into one operation or one specific irregularity in one or more Member States.

- b) Selective controls relate to subjects of a general type concerning one or more agricultural sectors and are carried out on the responsibility of the Financial Controller, again pursuant to Article 9 of Regulation (EEC) No 729/70. These controls are designed to detect general defects in the application or the interpretation - notably from a control point of view - of Community agricultural rules.

They lead to remarks in respect of the implementation of these rules and/or recommendations relative to the improvement of the control measures foreseen. Where appropriate they give rise to recommendations for the clearance of accounts and can also uncover irregularities.

6.2.2. Inspection visits in connection with the annual clearance of accounts

- a) Inspection visits in connection with accounts between 1967/68 and 1970

Visits begun in May 1975 were completed at the end of May 1976, the last visit taking place in Italy. The EAGGF staff spent a total of 150 inspection days, of which 32 were in 1976. Including the participation of staff of the Commission's financial control and of the Audit Board of the European Communities (12 days) and external control staff (14 days), inspection visits accounted for 150 working days.

Although inspection covered four periods, the limited number of inspection days is accounted for by the short time available and the fact that inspection concentrated on accountancy aspects. In view of the time that has elapsed since the operations systematic examination of the supporting documents would have been extremely difficult and could not have been undertaken except in case of necessity (doubtful cases and errors).

b) Verification of the accounts for 1973

Inspection visits undertaken for the first time in the nine Member States began in 1976 and will continue in 1977. Nine inspection visits (out of an estimated total of 20 needed in respect of 1973) were carried out in 1976. They represent 212 inspection days (of which 195 days by EAGGF and 17 days by Financial Control).

The fact that more inspection time is required than was originally estimated and that the number of inspections has had to be increased is due to the difficulties encountered necessitating further visits to four Member States to check documents that were not available at the time of the first visit, or to check over the corrections requested.

Many of the problems encountered in the course of inspection were due to differences in the systems and procedures used by paying departments in the Member States for the administration and control of expenditure. Examination of internal controls, which are frequently based on well-established national practice, showed in certain instances that:

- more thorough verification is required to make sure that expenditure is justified and that Community rules are correctly interpreted;
- it is not possible to check that the supporting documents tally with declared expenditure, either because they are not kept by the paying departments or because they cannot easily be found at the time of the inspection visit;
- administrative practices are not in accord with financial or market regulations, for example, the need to keep separate accounts for EAGGF expenditure, the designation of products according to the nomenclature of the common organization of markets.

The procedural changes or amplifications needed to deal with certain of these problems were impeded by the late verification of accounts by the Guarantee Section; but it is important that they should be put in hand in order to facilitate the clearance of accounts in future years.

6.2.3. Other inspection visits

The Commission staff (Directorate-General for Agriculture) spent 70 working days carrying out controls of other kinds. The time was divided as follows:

- 20 days were spent examining second category expenditure. This entailed checking the costs of intervention in different sectors, such as milk-products, tobacco, olive oil, etc.

The fixing of standard amounts calls for prior detailed examination of the components of the expenditure actually incurred by the Member States in respect of operations concerning entry, storage, processing (where appropriate) and removal (see 1.2.2., p. 7).

- 10 days were spent with the departments concerned of a Member State checking a complaint by the national authorities regarding the presence of KNO_3 (Potassium nitrate) in skimmed milk powder imported from other Member States. This complaint held up imports of the product and led to the return of several consignments at the time of clearance through customs stage.

The examination in question revealed, among other things, that frauds detrimental to EAGGF were possible in connection with skimmed milk powder bought in for intervention.

- 36 days were spent on a detailed investigation of certain irregularities detrimental to EAGGF notified under Articles 3, 4 and 5 of Regulation No 283/72.

The most typical of the cases recorded will be included in the "Compendium of irregularities" prepared by the Commission staff for the information of officials responsible for making investigations in the Member States (see 7.1.1., p. 73).

- 4 days to check the correct application of monetary compensatory amounts in trade between two Member States.

6.2.4. Selective controls

In 1976 a total of 145 days were spent on this work (110 by Financial Control and 35 by the Directorate-General for Agriculture).

a) Differentiated refunds

Regulation (EEC) No 192/75 of 17 January 1975 laying down detailed rules for the application of export refunds in respect of agricultural products contains restrictions on the granting of the refund where this is varied according to the destination of the product.

As difficulties arose in applying these measures in some Member States, certain amendments were made by Regulation (EEC) No 2818/75 of 30 October 1975⁽¹⁾ relaxing the provisions as to the proof of arrival at destination to be furnished by the operators.

To check the uniform application of the new system the Commission staff made a number of selective controls over 71 days in eight Member States.

(1) OJ No L 280 of 31.10.1975, p. 23

Member States were informed of the results of the controls and the Commission staff are studying ways of ensuring more uniform interpretation of the rules, and are considering the introduction of a single form suitable for providing proof of export to non-member countries and the introduction of a provision authorizing Member States to require additional proof of import into the non-member country.

b) Premiums for beef cattle farmers

Regulations (EEC) No 464/75 of 27 February 1975 and Regulation (EEC) No 848/75 of 1 April 1975 on granting premiums to producers of bovine animals have given cause for concern, as certain indications reaching the Commission give ground for suspecting that irregularities have been committed in this field.

In order to check the correct application of the rules in the Member States, the Commission staff visited the national departments responsible for payment of the premium.

These inspection visits to all the Member States took up 74 working days.

Member States were informed of the results of the controls which revealed certain weaknesses in the past, which were inherent in the system. The Commission staff is taking account of these lessons from the past, both as regards future legislation and the clearance of accounts.

The reasons for problems in trade with several Member States were examined by the departments concerned.

6.3. Guidance section

6.3.1. General

Since Community rules on the financing of expenditure incurred by the Guidance Section differ from those applicable to the Guarantee Section, there are also differences in the time of inspection in relation to payment, the proportion of expenditure financed, and the conditions imposed on beneficiaries where the financing of individual projects is involved.

These differences are reflected in the controls employed. Since the Guidance Section does not pay advances, supporting documents are checked and any necessary inspection visits made before disbursement. Thus the decision regarding expenditure is taken after a thorough examination of supporting documents which reduces the likelihood of expenditure not being in accordance with Community regulations. Representatives of Financial Control and the Audit Board can take part in inspection visits.

The Guidance Section reimburses only part of the expenditure incurred by Member States and in the case of individual projects finances only part of the expenditure incurred by the beneficiaries.

The conditions imposed on beneficiaries of aid granted for individual projects ensures effective control; the decisions on aid are clear and precise and payment only takes place after thorough scrutiny.

With respect to common measures and special measures, the fact that a substantial proportion of the expenditure is chargeable to national budgets makes for stringent control by the national authorities.

6.3.2. Verification of individual projects

In 1976, inspection visits were made in respect of 10 projects - 2 in Germany, 1 in Belgium, 3 in France, 1 in Italy, 1 in Luxembourg and 2 in the Netherlands. This represents about 2.2% of the projects completed in 1976. Due to the increase in the number of applications for payment which the EAGGF staff had to examine in 1976, it was impossible to carry out more inspection visits than in 1975 when 13 were made, representing 2.5% of the projects completed in 1975.

The inspections showed that payment of aid was justified in all cases except for projects F/95/73 and F/146/69 for which the Commission intends to reduce the aid.

6.3.3. Special measures

In 1976, inspection visits were made in connection with the following measures:

a) Premiums paid for the slaughter of cows by Italy between 1972 and 1974 (Regulation EEC/1975/69)

Regulation (EEC) 1975/69 was applied in Italy after a considerable lapse of time and only as regards the premium for the slaughter of cows. Long delays arose in connection with adoption of the law and before appearance of the ministerial implementing decree. On the other hand, the "Ispettorati" rapidly implemented the decree so that the dates fixed by Community rules were strictly observed.

Examination of supporting documents in the Milan, Trento and Bolzano regions in the course of inspection visits showed that the regulations had been correctly applied at all stages, in particular the controls carried out by the Italian Government.

The lists of projects in the three provinces were examined. They related to 575 farms, representing 7% of such farms in Italy. Twenty-one projects were examined and four farms were visited. These inspection visits did not give rise to any particular comment.

With respect to the premium for the non-marketing of milk, the absence of applications is due to the fact that there is a shortfall in milk production in Italy and there are no farms primarily concentrating on milk production.

b) Launching aids for fruit and vegetable producers' organizations granted in 1975 by Belgium (Regulation (EEC) 1035/72)

For the first time Belgium submitted an application for reimbursement for aid granted to fruit and vegetable producers' organizations. The inspection visit took place at the Haspengouw market at St Truiden, the only organization that received aid in 1975, which showed that the provisions of Title II of Regulation No 1035/72 had been observed.

After checking the calculation of the aid some corrections were made without, however, affecting the amount to be reimbursed by the EAGGF. Lastly, a visit of the installations showed that the organization was competitive.

Common measures

In 1976, an inspection visit was made of the following measure: Premiums for the conversion of dairy herds to meat production granted in 1975 by Ireland (Regulation EEC/1353/73). Expenditure incurred in respect of the common measure was inspected for the first time in Ireland.

The supporting documents from 5 counties out of 20 were checked at random, representing about 7.5% of the total amount disbursed by Ireland in 1974/75. Six holdings were visited. No special comment arose in connection with these inspection visits.

7. IRREGULARITIES

7.1. Implementation of Regulation (EEC) No 283/72⁽¹⁾

7.1.1. General

The principal of Community responsibility for the financial consequences of irregularities was laid down in Article 8 of Regulation (EEC) No 729/70 concerning the financing of the common agricultural policy. Member States are obliged, for their part, to take the measures necessary to prevent and deal with irregularities and to recover the sums due.

The base of Regulation (EEC) No 283/72 is found in that Article; it has already been described in the Second Financial Report, 1972 (paragraph 6.1).

The report presented by the Commission to the Council in 1975⁽²⁾ showed that the difficulties involved in the centralization of data, as required by Articles 3 and 5 of Regulation (EEC) No 283/72, had been largely resolved. These difficulties nevertheless still exist and are overcome only through the constant vigilance of the Commission staff (see 7.1.3.).

1976 saw a distinct improvement in co-operation with the authorities of the Member States with regard to the application of Articles 4 and 7 of Regulation (EEC) No 283/72 (see 7.1.5, 7.1.8 and 7.1.9). This improvement, for which the EAGGF staff has striven, is in line with the reports of the Special Committee of Inquiry which have shown the need for a stricter application of Regulation (EEC) No 283/72, this being the main Community instrument for the detection of irregularities detrimental to the EAGGF.

(1) of 7.2.1972, concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the common agricultural policy and the organization of an information system in this field (OJ No L 36 of 10.2.72., p. 1)

(2) Document COM(75)507 final of 15.10.1975

As an aid to national departments in this campaign against irregularities, the EAGGF has under preparation - and nearing completion - a compendium of irregularities which will include an introductory section, a description of the most instructive cases communicated pursuant to Articles 3 and 5 of Regulation (EEC) No 283/72 and observations on control methods. It will list the officials of the Member States and the Commission responsible for liaison pursuant to Article 4 of Regulation (EEC) No 283/72. This compendium will be regularly updated.

The measures taken and results obtained in the campaign against irregularities gave rise to a communication from the Commission to the Council and the European Parliament dated 31 December 1976 (doc. COM(76)704 final).

7.1.2. Communication of the legislative and administrative provisions and also of a list of the authorities responsible for the prevention and repression of irregularities (Article 2 of Regulation No 283/72)

The Member States have so far communicated regularly all provisions introduced since their first communications were sent and all new services brought into being for the prevention and repression of irregularities. This information is analysed to the extent that staff are available to do so. Priority must always be given by the Commission staff to the immediate task of preventing irregularities. The information provided is made use of in this context in dealing with specific problems.

7.1.3. Reports by Member States concerning irregularities (Articles 3 and 5 of Regulation 283/72)

The information system provided for in Articles 3 and 5 is working in a generally satisfactory manner. It is sometimes necessary to remind certain Member States of the deadlines to be met.

The data received also tend to omit details, sometimes of an elementary type, and the Commission staff is obliged to ask for these details in order to be able to analyse the cases reported for the information of national authorities, for example by mentioning them in the Compendium of Irregularities.⁽¹⁾

7.1.4. Particular problems arising on the reports

The infringements procedure which had been initiated by the Commission against Italy in 1973 with regard to failure to report, is under discussion between the Commission and the Italian authorities in order to examine if the conditions have been met to definitively file the question.

7.1.5. Communication of irregularities which could have immediate repercussions in other Member States and new fraudulent practices (Article 4)

This form of co-operation between national services and with the Commission has been much strengthened.⁽¹⁾

Rapid reciprocation of information through the use of the list of officials to be contacted contained in the "Compendium of Irregularities" is now standard practice and plays its part in protecting the financial resources of the EAGGF.

In 1976 the following new cases were notified. Some gave rise subsequently to reports pursuant to Article 3 inasmuch as they had been the subject of preliminary administrative or judicial investigations.

Beef and veal

- beef in transit outside the Community in a sealed container. An empty unsealed container was substituted for the first and the meat was released on the Community market with stolen veterinary stamps;
- change of destination of frozen intervention beef after obtaining refunds for the original destination. Probable return to the Community for subsequent re-exportation.

(1) Member States were also requested to communicate attempted irregularities, even if detection by the national authorities of the Member States had prevented the loss of Community funds.

- false declaration of destination to avoid payment of the monetary compensatory amounts;
 - non-payment of monetary compensatory amounts to the intervention agency - exporter disappeared;
- and as in previous years:
- use of false or stolen official stamps;
 - false declarations of weight and quality;
 - forged health certificates;
 - forged import licences.

Cereals

- Abnormal deflections of trade in a Member State in durum wheat imported from non-member countries and previously put into free circulation in another Member State. Possible incidence on intervention expenditure.

Milk and milk-products

- Suspected addition of powdered whey to skimmed milk powder intended for animal feed or for intervention.
- Butter on the free market used instead of intervention butter for processing into butteroil in connection with food aid.

Fruit and vegetables

Preserves exported by one Member State and imported by another Member State after repackaging in a non-member country where the customs formalities for free circulation were not completed. Danger of undue refunds being granted.

Fisheries

Sale in excess of the withdrawal price in one Member State of fish originating in another Member State.

Beef and veal, pigmeat and cereals sectors

Several legal export operations between two Member States followed by illegal reimportation in order to avoid monetary compensatory amounts (see 7.2.2.).

7.1.6. Initiation of administrative inquiries at the request of the Commission (Article 6)

The Commission staff have continued to use the "Pré-6" procedure whereby information is obtained from the Member States about suspected irregularities or attempted fraud before a formal inquiry under Article 6 is initiated.

This preliminary procedure has been used in the following cases:

- tobacco - declared as a variety for which premiums were higher than for the actual quality; matter settled; identical financial arrangements for both varieties.
- cereals
 - . "Triangular" trade in fodder barley between two Member States of the original Community and a new Member State; matter settled and closed following inquiries carried out by the Member States concerned at the request of the EAGGF.
 - . Exportation from one Member State to another. Statistics which did not tally for the same period; matter settled: different accounting system.
- frozen meat damaged in cold storage plants; matter settled: false allegation.

Still to be settled:

- premiums for slaughtering heifers;
- a suspected irregularity in the wine sector;
- milk and milk-products sector: butter exports attracting consumer subsidies.

7.1.7. Convening of information meetings to assist Member States (Article 7(3))

The EAGGF Irregularities Group set up under Article 7 of Regulation EEC No 283/72 met four times. As in 1975 the analysis of cases communicated under Articles 3 and 5 of Regulation No 283/72 was accompanied by study of special problems such as:

- operations detrimental to the EAGGF Guarantee Section through abuse of Community rules and the question of developing at Community level the concept of the abuse of law;

- draft Council directive relating to control by the Member States of operations financed by the EAGGF Guarantee Section (see 7.2.4).
- work on the compendium of irregularities; (see 7.1.1).
- loopholes in Community rules prejudicial to EAGGF interests (Article 7(4) of Regulation No 283); (see 7.1.9).
- training at Community and national levels of national officials responsible for monitoring expenditure financed by the EAGGF (see 7.1.8).
- danger of irregularities through the addition of powdered whey to skimmed milk powder offered for intervention.

7.1.8. Community measures relating to the training of EAGGF inspectors
(Article 7(3))

The first two reports of the Special Committee of Inquiry suggested several Community measures to provide better information and training of national inspectors responsible for checking operations financed by the EAGGF. The Council Resolution of 16 December 1975 stressed the need for this action, the principle of which had already been approved by the Commission on 5 March 1975. Article 315 "Training of national officials responsible for monitoring EAGGF expenditure" was added to Chapter 31 of the General Budget of the European Communities in 1976.

On 25 and 26 November 1976, the DG for Agriculture organized a seminar on the campaign against fraud and fraudulent declarations in the wine sector. It was attended by officials responsible for inspection in that sector. The meeting highlighted the need for closer co-operation between the special fraud prevention services in this sector.

On 15 and 16 December 1976 a study seminar was organized by the DG for Financial Control and the DG for Agriculture for national officials responsible for planning and supervising scrutiny functions at national level. Among the subjects to be studied at forthcoming seminars it was decided to give priority to "documentary proof in agricultural trade".

7.1.9. Possible Loopholes in Community Legislation (Article 7(4))

In addition to the measures currently applied with a view to the improvement of Community agricultural rules, Regulation No 283/72 makes provision for the reporting of loopholes.

In connection with Article 7(4), two loopholes were notified in 1976, namely:

- a loophole in the provisions relating to the advanced fixing of the levy applicable to exports of certain agricultural products; it was closed by Commission Regulation (EEC) No 3186/76 of 22 December 1976⁽¹⁾
- a loophole concerning the non-collection of monetary compensatory amounts on table wine which, through carbon dioxide being added to them and then removed from them, could be used for circular trade between two Member States. This loophole was closed by Regulation (EEC) No 397/77 of 25 February 1977⁽²⁾.

7.2. Irregularities relating to the Guarantee Section

7.2.1. 1976

Most cases occurred in the beef and veal sector followed by the cereals sector.

Of the 258 cases communicated, of which 148 relating to Monetary Compensatory Amounts, 136 concerned beef and veal, mostly in connection with compensatory amounts, 81 cereals, 16 pigmeat, 15 milk and milk-products, 3 eggs and poultrymeat, 2 sugar, 2 non-Annex II products and 1 fruit and vegetables. Certain cases also involved monetary or accession compensatory amounts.

7.2.2. Export refunds and compensatory amounts

The majority of the fraudulent practices found in this field consisted, as in past years, of false declarations as to the destination, the nature, the quantity, the quality or the tariff heading of the goods.

(1) OJ L 352, 30.12.1976, p. 23

(2) OJ L 54, 26.02.1977, p. 28

The compensatory amounts pose a problem for the Commission staff in view of the increase in the number of irregularities committed through advantage being taken of differences in the rates of exchange or through false declarations.

Another method was to arrange a meat carousel between the Member States by modifying the goods in motion in such a way as to alter the incidence of the monetary compensatory amounts. These operations were countered by the adoption of Commission Regulation 3092/76⁽¹⁾. Smuggling (live pigs and cattle) across borders to avoid monetary compensatory amounts was more serious. The United Kingdom and Irish authorities who were mainly concerned have taken the necessary measures to deal with this.

Considerable administrative difficulties also arise when a Member State applies a system of recovery of amounts due only after the goods have passed through customs.

Administrative changes concerning the payment of compensatory amounts consisted of requiring the exporting Member State to make payments instead of the importing Member State; introduced in April 1976, this has aided the fight against irregularities in intra-community trade.

7.2.3. Market intervention measures

As in the past, the cases reported in connection with intervention expenditure concern mainly the cereals and milk-products sector; this year, they also concern the wine sector. No cases were reported in the oils and fats sector.

In the cereals sector, irregularities were detected concerning carry-over payments and premiums for cereals in stock (false declarations of quantities).

(1) OJ No L 348, 18.12.1976, p. 18

In the milk-products sector, the irregularities consisted above all of false declarations of quality.

In the wine sector, wines benefiting from storage were sold as quality wines (seven cases).

7.2.4. Observations on the methods of detecting irregularities

More than ever the quarterly reports submitted pursuant to Article 3 of Regulation No 283/72 show that the best means of detecting irregularities remains the scrutiny of the books and commercial documents of firms.

Most of the irregularities were discovered through these controls which in addition enable the financial scale of certain irregularities to be determined.

On 2 August 1976, after discussion by the EAGGF Irregularities Group, the Commission staff submitted to the Council a proposal for a directive relating to control by the Member States of operations financed by the EAGGF Guarantee Section. This proposal was the subject of an opinion of the European Parliament and the Economic and Social Committee and it was studied at a number of meetings of Council bodies.⁽¹⁾

7.2.5. Financial importance of the irregularities noted and communicated in accordance with Articles 3 and 5

Table 17 below shows, by year and by sector, the cases of irregularities noted by the Member States and the position as to recovery at 31.12.1976.

The increase in the number of cases in the last four years deserves attention. The marked increase in 1976, however, is due to the large number of cases (148) involving monetary compensatory amounts. Leaving aside the latter cases the number of cases reported has been increasing steadily: 151 in 1973, 89 in 1974, 119 in 1975 and 109 in 1975. This development is probably the result of a more intensive seeking out of irregularities in the Member States and a stricter application of Regulation No 283/72.

(1) Directive 77/435/EEC adopted 27 June 1977 (OJ L 172 of 12.7.1977, p. 17)

Table 18 also gives a breakdown by Member State of the irregularities noted by sector or measure in 1976.

Some attempted irregularities were also communicated. The Commission staff examine them carefully and include them in the "compendium of irregularities" when they are of special interest. It is highly desirable that these attempted irregularities be communicated more frequently.

The following tables do not include them since they did not have any financial implications.

TABLE 17 - BREAKDOWN BY SECTOR OF CASES NOTED BETWEEN 1971 AND 1976

| Sectors | 1971 | | 1972 | | 1973 | | 1974 | | 1975 | | 1976 | |
|--------------------------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|
| | No of cases | Amount in u.a. | No of cases | Amount in u.a. | No of cases | Amount in u.a. | No of cases | Amount in u.a. | No of cases | Amount in u.a. | No of cases | Amount in u.a. |
| Cereals Rest. | | | | | 1 | 11 960 | 5 | 156 173 | 2 | 343 209 | 4 | 56 220(1) |
| Int. | | | 9 | 16 445 | 25 | 84 000 | 58 | 429 066 | 65 | 694 850 | 72 | 1.601 640(2) |
| Total | | | 9 | 16 445 | 26 | 95 960 | 63 | 585 239 | 67 | 1 038 059 | | |
| Beef and Rest. | | | 4 | 1 349 541 | | | 1 | 8.400 | 5 | 198 966 | 6 | 10 614(1)(3) |
| veal Int. | | | | | | | 1 | à déterminer | 2 | 101 351(2) | 2 | 8.466(1)(2) |
| Total | | | | | | | 2 | | 7 | | 8 | 19 080 |
| Pigmeat Rest. | 2 | 14 111 | | | 1 | 13 742 | 4 | 61 582 | 10 | 55 081 | 1 | 6 944 |
| Int. | | | | | | | | | 2 | 5 238 | 1 | 6 851 |
| Total | 2 | 14 111 | | | 1 | 13 742 | 4 | 61 582 | 12 | 60 319 | 2 | 13 795 |
| Milk products Rest. | 4 | 8 216 671 | 1 | 701 400 | 1 | 240 000 | 4 | 1 977 272 | 1 | 2 932 | 2 | 57 529(1) |
| Int. | | | 4 | 6 231 | 17 | 512 908 | 7 | 283 622 | 6 | 166 514 | 9 | 432 655 |
| Total | 4 | 8 216 671 | 5 | 707 631 | 18 | 752 908 | 11 | 2 260 894 | 7 | 169 446 | 11 | 490 184 |
| Wine Rest. | | | | | | | | | 1 | 5 007 | 2 | 11 087 |
| Int. | | | | | | | | | | | 8 | 147 230 |
| Total | | | | | | | | | 1 | 5 007 | 10 | 158 317 |
| Non-Annex II prod. Rest. | | | 1 | 1 407 | 2 | 19 782 | 2 | 317 492 | 1 | 14 345 | 2 | à déterminer |
| Sugar Rest. | | | | | 2 | 513 310 | 2 | 192 916 | | | | |
| Int. | | | | | | | | | 1 | 11 933 | | |
| Fats & oil Int. | | | | | 1 | 1 383 | 2 | 3 968 | 16 | 112 275 | | |
| Eggs and poultry Rest. | 2 | 3 654 | | | 1 | 2 744 | 3 | 255 786 | 5 | 109 482 | | |
| Deshydr. fodder Int. | | | | | | | | | 2 | 4 575 | | |
| Fruits & Rest. | | | 1 | 2 538 | | | | | | | | |
| vegetables Int. | | | | | | | | | | | | |
| Total | | | | | | | | | | | | |
| Total Rest. | 8 | 8 234 436 | 7 | 2 054 886 | 8 | 801 538 | 21 | 2 969 621 | 25 | 729 022 | 17 | 142 394 |
| Int. | | | 13 | 22 676 | 43 | 598 291 | 68 | 716 656 | 94 | 1 096 736 | 92 | 2 196 842 |
| Total | | | 20 | 2 077 562 | 51 | 1 399 829 | 89 | 3 686 277 | 119 | 1 825 758 | 109 | 2 339 236 |
| Monetary compensatory amounts | | | | | | | 3 | 48.057 (4) | 23 | 710 847 (5) | 148 | 2.798 563(6) |
| Accession compensatory amounts | | | | | | | 1 | 288 432 (7) | 3 | 10.977 (8) | 9 | 423 030(9) |
| Grand total | 8 | 8.234 436 | 20 | 2.077.562 | 51 | 1.399 829 | 93 | 4 022.766 | 139 | 2 547 582 | 258(10) | 5 560 829 |
| Of which recovered at 31/12/76 | 6 | 8 009 459 | 14 | 662.991 | 27 | 571.738 | 53 | 518.973 | 70 | 622.332 | 89 | 1.664.465 |

Table 17

- (1) One case also concerns MCA's.
- (2) The amount has still to be determined in one case.
- (3) The amount has still to be determined in three cases.
- (4) One case concerns beef and veal, one pigmeat and one milk-products.
- (5) Four cases concern eggs and poultrymeat and also refunds; 14 beef and veal with one also involving ACA's; one case concerns cereals and also involves refunds; one case concerns non-Annex II products and three cases concern pigmeat. The amount has still to be determined in four cases.
- (6) The amount has still to be determined in forty cases - 5 concern both MCA's and ACA's - ten involve pigmeat, four cereals of which one also involves refunds, 125 beef and veal of which two also involve intervention, three eggs and poultrymeat, two sugar, four milk and milk-products, one also involving refunds.
- (7) This case concerns beef and veal.
- (8) One case concerns fruit and vegetables, two beef and veal of which one also concerns MCA's.
- (9) Four cases concern beef and veal, one fruit and vegetables, three pigmeat and one cereals; five cases concern both MCA's and ACA's. The amount has still to be determined in five cases.
- (10) One Irish case does not relate to a specific sector or measure.

Table 18

REPORTS PURSUANT TO ARTICLES 3 AND 5 OF REGULATION (EEC) N° 283/72

BY SECTOR

| | TOTAL CASES | | | BREAKDOWN | | BY MEMBER STATE (number of cases and amount in u.s.) | | | | | | |
|--------------------------------|-------------|----------------|------------------|-----------|--------------------|--|-----------|---------|------------|-----------------------|-------------|--------------------|
| | No of cases | Amount in u.s. | Recovered | BELGIUM | DENMARK | GERMANY | FRANCE | IRELAND | ITALY | LUXEMBOURG | NETHERLANDS | UNITED KINGDOM |
| Cereals | Ref. | 4 | 56.220 | | | 3(1) | | | | | | |
| | Int. | 72 | 1.601.640 | 473.053 | 1 to be determined | 69 | 54.420 | | 1 | 1.530 | | 1 1.800 |
| | Tot. | 76 | 1.657.860 | 473.053 | 1 to be determined | 72 | 1.651.564 | | 1 | 1.530 | | 2 4.766 |
| Beef and veal | Ref. | 6 | 10.614 | 8.699 | | 1(1) | 3.769 | 3 | 1.915(2) | 1 to be determined | 1 | 4.930 |
| | Int. | 2 | 8.466 | | 1 8.466(1) | | | | | | | |
| | Tot. | 8 | 19.080 | 8.699 | 1 8.466 | 1 | 3.769 | 3 | 1.915 | 2 to be determined | 1 | 4.930 |
| Pigmeat | Ref. | 1 | 6.944 | 6.944 | | 1 | 6.944 | | | | 1 | 6.851 |
| | Int. | 1 | 6.851 | 6.851 | | | | | | | | |
| | Tot. | 2 | 13.795 | 13.795 | | 1 | 6.944 | | | | 1 | 6.851 |
| Milk products | Ref. | 2 | 57.529 | 1.456 | | | | | | | 2 | 57.529(1) |
| | Int. | 9 | 432.655 | 73.519 | | 6 | 364.882 | | | | 1 | 1.721 |
| | Tot. | 11 | 490.184 | 74.975 | | 6 | 364.882 | | | | 3 | 59.250 |
| Wine | Ref. | 2 | 11.087 | 11.087 | | 2 | 11.087 | | | | | |
| | Int. | 8 | 147.230 | 73.075 | | 7 | 73.075 | 74.155 | | | | |
| | Tot. | 10 | 158.317 | 84.162 | | 9 | 84.162 | 1 | 74.155 | | | |
| Non-annex II products | Ref. | 2 | to be determined | | | | | | | | | 2 to be determined |
| Sugar | | | | | | | | | | | | |
| Fats and oils | | | | | | | | | | | | |
| Eggs and poultry meat | | | | | | | | | | | | |
| Dehydrated fodder | | | | | | | | | | | | |
| Fruit and vegetables | | | | | | | | | | | | |
| Total | Ref. | 17 | 142.384 | | | 7 | 76.220 | 3 | 1.915(2) | 1 to be determined | 3 | 62.459 |
| | Int. | 109 | 2.106.882 | | 2 8.466 | 82 | 2.035.101 | 1 | 74.155 | 1 to be determined | 2 | 9.572 |
| | Tot. | 126 | 2.339.266 | 654.684 | 2 8.466 | 89 | 2.111.321 | | | 2 to be determined | 5 | 71.031 |
| Monetary compensatory amounts | Ref. | 148 | 2.793.563 | 1.006.949 | 4 10.658(3) | 4 | (4) 8.359 | | | 17 412.307(5) (6) (7) | 3 | 5.579 |
| Accession compensatory amounts | Ref. | 9 | 423.030 | 2.832 | 1 2.832(11) | | | 1 | 410.598(1) | 7 9.600(6) (12) (13) | | |
| Grand total | | 258 | 5.560.827 | 1.664.465 | 5 19.124(14) | 11 | 2.832(11) | 91 | 2.119.680 | 5 486.668 | 22 | 421.507(15) |

Table 18

- (1) Some cases also involve MCA's.
- (2) The amount has still to be determined in two cases.
- (3) Two cases concern pigmeat, two beef and veal of which one also involves interventions.
- (4) One case concerns the milk-products sector, one case concerns cereals and also refunds and two beef and veal of which one also involves refunds.
- (5) The amount has still to be determined in 13 cases.
- (6) Five cases concern both MCA's and ACA's.
- (7) Three cases concern pigmeat, two cereals and 13 beef and veal.
- (8) One case concerns beef and veal, one pigmeat and one milk-products, the latter also involving intervention.
- (9) Three cases concern eggs and poultrymeat, one cereals, two sugar, two milk and milk-products, five pigmeat and 107 beef and veal.
- (10) The amount has still to be determined in 27 cases.
- (11) This case concerns beef and veal.
- (12) The amount has still to be determined in 5 cases.
- (13) Two cases concern beef and veal, one cereals, one fruit and vegetables and three pigmeat.
- (14) The amount has still to be determined in one case.
- (15) One case does not relate to a specific sector or measure.

7.3.3. Irregularities in the Guidance Section

Irregularities reported by the Member States under Articles 3 and 5 of Regulation (EEC) 283/72 since 1971 relate to 204 cases concerning premiums for the non-marketing of milk and milk-products (Regulation EEC/1975/69), 130 cases of premiums for conversion to beef production, 2 cases concerning premiums for the grubbing of fruit trees (Regulation EEC/2517/69) and one case concerning aid for the modernization of farms (Directive EEC/159/72).

These irregularities represent, for the premiums for the non-marketing of milk and milk-products 0.7% of the amounts paid and 0.3% of the beneficiaries, for premiums for conversion to beef production 0.6% of the amounts paid and of the beneficiaries. It should be noted that the amounts in table 19a (p. 87) represent the premiums paid by the Member States of which 50% are the responsibility of the EAGGF (with the exception of Directive (EEC) 159/72: 25%).

7.4. Special Committee of Inquiry

After its terms of reference had been extended by the Commission Decision of 5 March 1975 the Special Committee of Inquiry selected the beef and veal sector as a priority area because of the sharp increase in expenditure financed by the EAGGF Guarantee Section in this sector (in particular through the introduction of different systems of premiums) and the number of irregularities discovered. The report transmitted to the Council and the Parliament on 21 July 1976 (Doc. COM(76)370 final) stresses the need for an improvement in the Community system of rules and implementing provisions with a view inter alia, to solving the problem of irregularities.

The Committee then began work in the wine sector. This work is scheduled for completion in the Summer of 1977. Apart from the time devoted to inspection visits (see paragraph 6.2) the Commission's staff spent thirty days taking part in on the spot visits undertaken by the Special Committee of Inquiry in the wine and beef and veal sectors, the results of which are included in the Committee's reports.

SITUATION OF IRREGULARITIES ON 1.7.1977

Table 19: Communications for years 1971 to 1976

(u.a.)

| Member State | Cases registered | | Recovered | | Cases closed without adjustment | | Cases pending | |
|----------------|------------------|------------------|------------|----------------|---------------------------------|---------------|---------------|----------------|
| | n° | amount | n° | amount | n° | amount | n° | amount |
| GERMANY | 48 | 114.623 | 43 | 94.920 | - | - | 6* | 19.703 |
| BELGIUM | 47 | 128.977 | 21 | 32.800 | 5 | 11.475 | 24* | 84.702 |
| DENMARK | 14 | 48.087 | 12 | 40.164 | - | - | 3* | 7.923 |
| FRANCE | 176 | 586.036 | 142 | 412.393 | 9 | 39.761 | 37* | 133.882 |
| IRELAND | 2 | 5.137 | 2 | 3.600 | - | - | 1* | 1.537 |
| NETHERLANDS | 34 | 93.825 | 25 | 60.553 | 2 | 2.975 | 10* | 30.297 |
| UNITED KINGDOM | 16 | 135.312 | 9 | 58.170 | - | - | 9* | 77.142 |
| TOTAL | 337 | 1.111.997 | 254 | 702.600 | 16 | 54.211 | 90* | 355.186 |

* Note: the cases of partial recovery are also shown under "recovered" as well as under "cases pending".

Table 19a: Breakdown of cases of irregularities

| Member State | Non-marketing of milk | | Grubbing of fruit trees | | Conversion of beef cattle | | Directive 72/159/EEC | | TOTAL | |
|----------------|-----------------------|----------------|-------------------------|--------------|---------------------------|----------------|----------------------|--------------|------------|------------------|
| | n° | Amount | n° | Amount | n° | Amount | n° | Amount | n° | Amount |
| GERMANY | 41 | 95.150 | 1 | 2.504 | 6 | 16.969 | | | 48 | 114.623 |
| BELGIUM | 33 | 89.570 | 1 | 5.240 | 13 | 34.167 | | | 47 | 128.977 |
| DENMARK | - | - | - | - | 14 | 48.087 | | | 14 | 48.087 |
| FRANCE | 96 | 350.725 | - | - | 80 | 235.311 | | | 176 | 586.036 |
| IRELAND | - | - | - | - | 2 | 5.137 | | | 2 | 5.137 |
| NETHERLANDS | 34 | 93.825 | - | - | - | - | | | 34 | 93.825 |
| UNITED KINGDOM | - | - | - | - | 15 | 132.440 | 1 | 2.872 | 16 | 135.312 |
| TOTAL | 204 | 629.270 | 2 | 7.744 | 130 | 472.111 | 1 | 2.872 | 337 | 1.111.997 |

T I T L E I V

FINANCING OF COMMUNITY FOOD AID FOR PRODUCTS SUBJECT TO COMMON MARKET
ORGANIZATION

8. Community food aid in the form of products covered by common market organizations is financed under the same rules as those applying to the Guarantee Section of the EAGGF.

8.1. Characteristics

8.1.1. Implementation

The implementation of the supply agreements⁽¹⁾ concluded by the Community with the recipient countries or agencies calls for a mobilization procedure effected within the framework of the common market organization. This procedure is implemented by the national intervention agencies and is based on the principles of the free play of supply and demand (tendering procedure). In the case of urgent deliveries however, private contracts are a more efficient means for carrying out measures quickly.

8.1.2. Financial and budgetary aspects

Community food aid expenditure is financed from the following appropriations:

- a) - chapter 92 (Community Food Aid) of the budget, which covers all food aid expenditure with the exception of the amounts for refunds,
- b) - the Guarantee Section chapter which covers the amounts for refunds according to sector (cereals, milk and milk-products, sugar).

For the commitment of the funds required by Member States against Chapter 92, the system of monthly advances, similar to that used for the Guarantee Section, is applied.

8.2. The cash position

8.2.1. Advances

The monthly advances (ordinary and extraordinary) requested by the Member States and subject to Commission decisions totalled 138.82 million u.a. in the 1976 financial year.

These advances were the subject of provisional global commitments and the amounts decided were paid by the Commission into special accounts held by each Member State in the name of the Guarantee Section for financing Community food aid.

A breakdown by Member State is given in the following table:

(1) As from 14.4.1975 these agreements are concluded in the form of an exchange of letters.

Table 20: Breakdown and utilization of the monthly advances in 1976

| Member State | Advances u.a.(1) | Expenditure as of 31.12.76 u.a.(2) | % utilized |
|----------------|---------------------|--|---------------|
| Belgium | 29 053 629.44 | 26 437 940.74 | 91 % |
| Denmark | 53 179.80 | 53 179.80 | 100 % |
| Germany | 29 878 835.47 | 21 556 945.88 | 72 % |
| France | 37 586 886.42 | 32 530 556.08 | 87 % |
| Ireland | 5 952 000.- | 3 451 874.16 | 58 % |
| Italy | 25 351 629.66 | 15 989 317.38 | 63 % |
| Luxembourg | 1 306 838.- | 1 292 849.56 | 99 % |
| Netherlands | 8 700 804.89 | 9 506 607.66 | 100 % |
| United Kingdom | 940 102.79 | 851 723.75 | 91 % |
| | 138 823 906.47 | 111 670 995.01 | 80 % |

(1) Including 20 638 990.97 u.a., the balance available on 31.12.1975 as shown in the Financial Report for 1975 (page 136 Table A II).

(2) Expenditure declared by the Member States.

The 138.8 million u.a. of advances compares with a total of 184.52 million u.a. in 1975.

This decrease is due to:

- delay in carrying out the cereals programme;
- considerable increase in the amounts for refunds, in particular in respect of milk-products;
- the percentage utilized dropped from 87 to 80% mainly as a result of the extraordinary advances decided in December 1975 not resulting in expenditure in the same month.

8.2.2. Changes in the cash position

Table AI shows the funds available on 31.12.1976. These funds broken down by Member States total 27 152 911.45 u.a. for the Community.

8.3. Administration of appropriations and payments

8.3.1. Total appropriations available in 1976

The following appropriations were available:

- appropriations carried forward from 1975 because of delays in the implementation of certain programmes;
- new appropriations for the 1976 Budget;
- transfer of appropriations from the Guarantee Section to Food Aid as proposed in the Fifth Financial Report.(1)

(1) See Fifth Financial Report paragraph 8.3.1.

- second supplementary budget⁽¹⁾ of 40 630 000 u.a.

Table 21: Total appropriations available in 1976

| | Cereals, milk-products and sugar conventions |
|---|---|
| | u.a. |
| 1975 budget carry-over | 64 827 597.54 |
| Initial budget for 1976* | 205 600 000.00 |
| Second supplementary budget | 40 630 000.00 |
| Transfers from the Guarantee Section | 42 400 000.00 |
| TOTAL | 353 457 597.54 |

*With the exception of 1 million u.a. from - 9240.

8.3.2. Payments

- a) Table A2 shows expenditure declared by the Member States and effected in the course of the financial year against the advances granted.
The charging of these amounts in the course of the financial year in no way prejudices the final accounts, as approved by the Commission in clearing the accounts.

See TABLE A2 (Expenditure declared)

The differences between the advances decided and expenditure constitute the balances available on 31 December 1976 which the Member States may use for their expenditure in 1977.

b) Direct payments

Apart from advances paid to the intervention agencies of the Member States the Commission made various direct payments to certain recipient countries or agencies by way of financial contributions for the forwarding and distribution of food products supplied as gifts. The total amount of these direct payments was 4 206 470.88 u.a. The following table shows the breakdown of this amount by recipient country.

| Beneficiary countries | Amounts in u.a. | Amount in relevant currencies |
|-----------------------|-----------------|----------------------------------|
| Upper Volta | 40 884.45 | 11 354 000 CFAF |
| Mali | 639 441.37 | 355 157 861 MF |
| Mauritania | 1 347 800.00 | 7 485 937.28 FF |
| W. F. P. | 2 159 703.00 | 2 735 628.75 US \$ |
| U.N.R.W.A. | 18 642.06 | 932 103 Bfrs |

(1) OJ L 322, 22 November 1976

8.3.3. Appropriations carried forward to 1977 (see Table A3)

The appropriations which were committed in 1976 but did not result in payments by the Member States were automatically carried forward to 1977.

The amount involved was 172.15 million u.a. of which 145 million u.a. had been committed under Article 40 of the Financial Regulation and 27.15 million u.a. in accordance with Article 111 of the same Regulation.

The amount committed under Article 40 (145 million u.a.) was based on the estimated cost of food aid measures in respect of which official exchanges of letters with a view to arranging supplies have already taken place between the EEC and the beneficiary countries. These exchanges of letters constitute the legal basis and the operative event for the advance commitment of expenditure against the budget.

The sum of 27.15 million u.a. is the difference between the advances granted to the Member States during 1976 and the expenditure declared for the same period.

In addition the Council will be asked to approve a carry-forward of the appropriations not committed at 31 December 1976 (17.15 million u.a.).

Unused appropriations totalling 49.09 million u.a. were cancelled.

8.4. Closure of the accounts

8.4.1. Verifications

Each food aid measure is the subject of a statement of expenditure prepared by the intervention agency concerned in accordance with the procedures laid down by the Financial Regulations.

On receipt this document is thoroughly checked against the information in the possession of the Commission, in particular intervention prices, tender prices, amounts of refunds, Community rules and supply agreements.

This scrutiny is then followed by inspection visits to the paying agencies. Twenty-six days were spent on such visits.

8.4.2. Clearance of the accounts

The development and diversification of food aid measures meant increased work for the Commission Staff with the result that the clearance of accounts has proceeded at a slower pace.

Priority was given to the 1974 accounts amounting to about 105.5 million u.a.; they should be ready for Commission decision towards the end of 1977.

The Commission has received requests from the Member States concerning the 1975 accounts and it should be possible to commence verification in 1977.

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ANNEX G I

ADVANCES AND AVAILABLE FUNDS OF THE MEMBER STATES FOR THE FINANCIAL YEAR 1975

in u.s.

| Date of decision | Belgium | Denmark | Germany | France | Ireland | Italy | Luxembourg | Netherlands | United Kingdom | EEC Totals |
|---------------------------|----------------|----------------|----------------|------------------|----------------|------------------|--------------|----------------|----------------|------------------|
| 19.12.75 | 21 600 000.- | 24 600 000.- | 52 300 000.- | 159 600 000.- | 16 100 000.- | 56 641 003.36 | 420 000.- | 38 100 000.- | 54 800 000.- | 424 161 003.36 |
| 20.01.76 | 16 000 000.- | 26 500 000.- | 47 300 000.- | 95 000 000.- | 22 000 000.- | 88 000 000.- | 500 000.- | 52 000 000.- | 48 000 000.- | 395 300 000.- |
| 19.02.76 | 28 000 000.- | 30 000 000.- | 58 000 000.- | 88 000 000.- | 6 000 000.- | 88 000 000.- | 340 000.- | 53 000 000.- | 28 400 000.- | 379 740 000.- |
| 10.03.76 | — | — | — | — | — | 50 000 000.- | — | — | — | 50 000 000.- |
| 19.03.76 | 24 000 000.- | 22 500 000.- | 63 500 000.- | 130 000 000.- | 22 000 000.- | 100 000 000.- | 270 000.- | 69 000 000.- | 30 000 000.- | 461 270 000.- |
| 14.04.76 | 32 200 000.- | 31 000 000.- | 81 600 000.- | 97 000 000.- | 17 000 000.- | 96 000 000.- | 510 000.- | 33 500 000.- | 23 000 000.- | 411 810 000.- |
| 19.05.76 | 26 700 000.- | 34 000 000.- | 75 000 000.- | 100 000 000.- | 32 000 000.- | 120 000 000.- | 380 000.- | 69 000 000.- | 80 000 000.- | 537 020 000.- |
| 18.06.76 | 32 400 000.- | 36 500 000.- | 51 800 000.- | 127 000 000.- | 27 000 000.- | 160 000 000.- | 300 000.- | 75 000 000.- | 52 000 000.- | 572 000 000.- |
| 16.07.76 | 28 000 000.- | 42 000 000.- | 60 000 000.- | 96 000 000.- | 24 000 000.- | 81 500 000.- | 1 200 000.- | 75 000 000.- | 31 500 000.- | 439 200 000.- |
| 29.07.76 | 46 600 000.- | 40 000 000.- | 62 000 000.- | 152 000 000.- | 24 000 000.- | 50 000 000.- | 250 000.- | 70 200 000.- | 28 000 000.- | 473 050 000.- |
| 20.09.76 | 22 000 000.- | 47 000 000.- | 88 700 000.- | 90 000 000.- | 14 000 000.- | 64 000 000.- | 340 000.- | 57 000 000.- | 13 000 000.- | 401 040 000.- |
| 15.10.76 | — | — | — | — | — | 32 000 000.- | — | — | — | 32 000 000.- |
| 10.10.76 | 18 000 000.- | 40 500 000.- | 55 300 000.- | 77 000 000.- | 24 000 000.- | 100 000 000.- | 1 320 000.- | 33 500 000.- | 23 000 000.- | 372 620 000.- |
| 15.11.76 | 26 000 000.- | 47 000 000.- | 113 000 000.- | 165 000 000.- | 17 000 000.- | 100 000 000.- | 800 000.- | 65 000 000.- | 54 000 000.- | 587 800 000.- |
| 8.12.76 | — | — | — | — | — | — | — | 50 000 000.- | — | 50 000 000.- |
| 17.12.76 | 14 000 000.- | 11 000 000.- | 39 000 000.- | 8 000 000.- | 7 000 000.- | — | 1 500 000.- | — | — | 80 500 000.- |
| TOTAL ADVANCED | 335 500 000.- | 432 600 000.- | 857 500 000.- | 1 384 600 000.- | 252 100 000.- | 1 186 141 003.36 | 8 130 000.- | 740 300 000.- | 470 700 000.- | 5 667 571 003.36 |
| Available funds at 1.1.76 | 1 837 408.20 | 343 296.86 | 22 617 781.70 | 24 732 277.89 | -26 270 140.67 | -32 922 027.31 | 31 778.76 | 16 676 603.65 | 1 581 782.69 | 8 628 851.81 |
| Total available funds | 337 337 408.20 | 432 943 296.86 | 880 117 781.70 | 1 409 332 277.89 | 225 829 859.33 | 1 153 218 976.05 | 8 161 778.76 | 756 976 603.65 | 472 281 782.69 | 5 676 159 855.17 |

AVAILABLE FUNDS IN THE MEMBER STATES (u.a.)

| Member State | | January | February | March | April | May | June | July | August | September | October | November | December | Average |
|----------------|---|---------|----------|-------|-------|-------|-------|-------|--------|-----------|---------|----------|----------|---------|
| BELGIUM | A | 1.8 | | | | | | | | | | | | |
| | B | 21.6 | 16.- | 28.- | 24.- | 32.2 | 26.7 | 32.4 | 28.- | 46.6 | 22.- | 18.- | 40.- | 28.- |
| | C | 23.4 | 19.6 | 24.3 | 26.8 | 26.9 | 29.6 | 24.8 | 20.9 | 35.3 | 31.4 | 32.2 | 47.6 | 28.6 |
| | D | 19.8 | 23.3 | 21.5 | 32.1 | 24.- | 37.2 | 31.9 | 32.2 | 25.9 | 17.2 | 24.6 | 47.5 | 28.1 |
| | E | 3.6 | -3.7 | 2.8 | -5.3 | 2.9 | -7.6 | -7.1 | -11.3 | 9.4 | 14.2 | 7.6 | 0.1 | 0.5 |
| DENMARK | A | 0.4 | | | | | | | | | | | | |
| | B | 24.6 | 26.5 | 30.- | 22.5 | 31.- | 34.- | 36.5 | 42.- | 40.- | 47.- | 40.5 | 58.- | 36.- |
| | C | 25.- | 24.4 | 28.6 | 18.6 | 26.6 | 32.1 | 29.8 | 36.5 | 32.- | 41.- | 42.5 | 55.8 | 32.7 |
| | D | 27.1 | 25.8 | 32.5 | 23.- | 28.5 | 38.8 | 35.3 | 44.5 | 38.- | 39.- | 44.7 | 55.2 | 36.- |
| | E | -2.1 | -1.4 | -3.9 | -6.4 | -1.9 | -6.7 | -5.5 | -8.- | -6.- | 2.- | -2.2 | 0.6 | -3.3 |
| GERMANY | A | 22.6 | | | | | | | | | | | | |
| | B | 52.3 | 47.3 | 58.- | 63.5 | 81.6 | 75.- | 61.8 | 60.- | 62.- | 88.7 | 55.3 | 152.- | 71.5 |
| | C | 74.9 | 77.6 | 80.2 | 78.- | 97.4 | 107.- | 88.9 | 82.5 | 79.3 | 105.9 | 82.1 | 160.9 | 92.9 |
| | D | 44.6 | 55.4 | 65.7 | 62.2 | 65.4 | 79.9 | 66.4 | 65.2 | 62.1 | 79.1 | 73.1 | 160.9 | 73.3 |
| | E | 30.3 | 22.2 | 14.5 | 15.8 | 32.- | 27.1 | 22.5 | 17.3 | 17.2 | 26.8 | 8.9 | P.M. | 19.6 |
| FRANCE | A | 24.7 | | | | | | | | | | | | |
| | B | 159.6 | 95.- | 88.- | 130.- | 97.- | 100.- | 127.- | 96.- | 152.- | 90.- | 77.- | 173.- | 115.4 |
| | C | 184.3 | 184.7 | 131.8 | 136.9 | 132.3 | 124.7 | 123.7 | 102.8 | 159.2 | 157.8 | 136.- | 223.2 | 149.6 |
| | D | 94.6 | 140.9 | 126.9 | 99.6 | 107.6 | 128.- | 116.9 | 95.6 | 91.4 | 98.8 | 85.8 | 222.7 | 117.4 |
| | E | 89.7 | 43.8 | 4.9 | 35.3 | 24.7 | -3.3 | 6.8 | 7.2 | 67.8 | 59.- | 50.2 | 0.5 | 32.2 |
| IRELAND | A | -26.3 | | | | | | | | | | | | |
| | B | 16.1 | 22.- | 6.- | 22.- | 17.- | 32.- | 27.- | 24.- | 24.- | 14.- | 24.- | 24.- | 21.- |
| | C | -10.2 | -8.6 | -14.7 | -11.9 | -15.6 | 0.5 | 6.8 | 12.1 | 20.9 | 10.6 | 19.3 | 12.3 | 1.8 |
| | D | 20.4 | 12.1 | 19.2 | 20.7 | 15.9 | 20.7 | 18.7 | 15.2 | 24.3 | 15.3 | 31.- | 11.6 | 18.8 |
| | E | -30.6 | -20.7 | -33.9 | -32.6 | -31.5 | +20.2 | -11.9 | -3.1 | -3.4 | -4.7 | -11.7 | 0.7 | -17.- |
| ITALY | A | -32.9 | | | | | | | | | | | | |
| | B | 56.6 | 88.- | 138.- | 100.- | 96.- | 120.- | 160.- | 81.5 | 50.- | 96.- | 100.- | 100.- | 98.8 |
| | C | 23.7 | 45.1 | 112.7 | 116.6 | 116.7 | 131.6 | 247.5 | 207.4 | 161.6 | 155.5 | 153.4 | 142.2 | 134.3 |
| | D | 66.6 | 70.4 | 96.1 | 95.9 | 105.1 | 44.1 | 121.6 | 95.8 | 104.1 | 100.1 | 111.2 | 42.4 | 87.8 |
| | E | -42.9 | -25.3 | 16.6 | 20.7 | 11.6 | 87.5 | 125.9 | 111.6 | 57.5 | 53.4 | 42.2 | 99.8 | 46.5 |
| LUXEMBOURG | A | 0.03 | | | | | | | | | | | | |
| | B | 0.42 | 0.50 | 0.34 | 0.27 | 0.51 | 0.38 | 0.30 | 1.20 | 0.25 | 0.34 | 1.32 | 2.30 | 0.68 |
| | C | 0.45 | 0.75 | 0.60 | 0.44 | 0.53 | 0.34 | 0.33 | 1.28 | 1.24 | 0.27 | 0.28 | 2.34 | 0.74 |
| | D | 0.20 | 0.43 | 0.49 | 0.42 | 0.57 | 0.31 | 0.25 | 0.27 | 1.33 | 1.31 | 0.24 | 2.25 | 0.67 |
| | E | 0.25 | 0.32 | 0.17 | 0.02 | -0.04 | 0.03 | 0.08 | 1.01 | -0.07 | -1.04 | 0.04 | 0.09 | 0.07 |
| NETHERLANDS | A | 16.7 | | | | | | | | | | | | |
| | B | 38.1 | 52.- | 53.- | 69.- | 33.5 | 69.- | 75.- | 75.- | 70.2 | 57.- | 33.5 | 115.- | 61.7 |
| | C | 54.8 | 42.2 | 47.5 | 65.5 | 43.4 | 57.- | 70.9 | 81.1 | 88.- | 80.6 | 49.8 | 87.2 | 64.- |
| | D | 64.6 | 47.7 | 51.- | 55.6 | 55.4 | 61.1 | 64.8 | 63.3 | 64.4 | 64.3 | 77.6 | 87.- | 63.1 |
| | E | -9.8 | -5.5 | -3.5 | 9.9 | -12.- | -4.1 | 6.1 | 17.8 | 23.6 | 16.3 | -27.8 | 0.2 | 0.9 |
| UNITED KINGDOM | A | 1.6 | | | | | | | | | | | | |
| | B | 54.8 | 48.- | 28.4 | 30.- | 23.- | 80.- | 52.- | 31.5 | 28.- | 18.- | 23.- | 54.- | 39.2 |
| | C | 56.4 | 71.1 | 63.5 | 56.8 | 40.9 | 65.8 | 57.9 | 50.- | 44.8 | 32.3 | 25.3 | 42.2 | 50.6 |
| | D | 33.3 | 36.- | 36.7 | 38.9 | 55.1 | 59.9 | 39.4 | 33.2 | 30.5 | 30.- | 37.1 | 38.- | 39.- |
| | E | 23.1 | 35.1 | 26.8 | 17.9 | -14.2 | 5.9 | 18.5 | 16.8 | 14.3 | 2.3 | -11.8 | 4.2 | 11.6 |
| EEC TOTAL | A | 8.6 | | | | | | | | | | | | |
| | B | 424.1 | 395.3 | 429.8 | 461.3 | 411.8 | 537.1 | 572.- | 439.2 | 473.1 | 433.- | 372.6 | 718.3 | 472.3 |
| | C | 432.7 | 456.8 | 474.5 | 485.8 | 469.2 | 548.7 | 650.7 | 594.6 | 622.5 | 613.4 | 540.9 | 773.7 | 555.3 |
| | D | 371.2 | 412.- | 450.1 | 428.4 | 457.6 | 470.- | 495.3 | 445.2 | 442.1 | 445.1 | 485.5 | 667.5 | 464.2 |
| | E | 61.5 | 44.8 | 24.5 | 57.4 | 11.6 | 78.7 | 155.4 | 149.4 | 180.4 | 168.3 | 55.4 | 106.2 | 91.1 |

A = balance at 31.12.75

B = advances for the month

C = total available for the month

D = expenditure for the month

E = balance still available

The balances remaining available at the end of the month represent the difference between the amount available at the beginning of each month and the expenditure declared for that month to the Commission, without taking into account sums paid after the 20th of the month in respect of the following month.

This procedure explains why negative balances are shown at the end of the month for certain Member States.

ANNEX C III

Expenditure charged for the financial year 1976

X u.s.

| Item | Belgium | Denmark | Germany | France | Ireland | Italy | Luxembourg | Netherlands | United Kingdom | EEC Total |
|--|---------|---------|---------|---------|---------|--------|------------|-------------|----------------|-----------|
| CEREALS | 64.367 | 7.513 | 131.855 | 290.919 | 3.368 | 61.587 | 0.079 | 38.777 | 8.211 | 609.876 |
| REFUNDS | 51.468 | 5.414 | 43.181 | 223.793 | 3.337 | 26.128 | | 19.151 | 8.454 | 380,926 |
| Refunds | 49.076 | 5.414 | 42.298 | 222.017 | 3.337 | 22.342 | | 19.124 | 8.454 | 372.062 |
| Community food aid 1976 | 1.280 | | 0.787 | | | 3.786 | | 0.033 | | 5.886 |
| Community food aid under preced. prog. | 1.112 | | 0.096 | 1.776 | | | | - 0.006 | | 2.978 |
| INTERVENTION | 12.899 | 2.099 | 88.674 | 67.126 | 0.031 | 32.459 | 0.079 | 19.626 | - 0.043 | 228.250 |
| Premiums for the incorporation of wheat in animal feed | | | - 0.022 | | | | | | - 0.024 | - 0.046 |
| Production refunds for potato starch | | 0.583 | 1.756 | 1,395 | 0.031 | | | 6.746 | | 10.511 |
| Other production refunds | 4.611 | | 8.689 | 9.803 | | 7.714 | | 5.304 | - 0.019 | 36.102 |
| Aid for Durum wheat | | | | 16,205 | | 98,201 | | | | 114.406 |
| Carry-over payments | | | - 0.051 | | | 0.010 | | | | - 0.041 |
| Public storage | 6.452 | 1.516 | 77.333 | 30.362 | | 67.731 | 0.070 | 5.709 | | 52.711 |
| Special intervention measures | 1.836 | | 0.969 | 9.113 | | | 0.009 | 1.867 | | 13.794 |
| Other intervention | | | | 0.248 | | 0.265 | | | | 0.513 |
| RICE | 0.105 | 0.008 | 0.052 | 0.033 | | 26.203 | | 0.508 | - 0.007 | 26.902 |
| REFUNDS | 0,027 | 0,008 | 0,041 | 0,033 | | 26,008 | | 0,480 | - 0,007 | 26,550 |
| Refunds | 0,027 | 0,008 | 0,041 | 0,033 | | 24,463 | | 0,480 | - 0,007 | 25,045 |
| Common measure food aid 1976 | | | | | | 0,076 | | | | 0,076 |
| Common measure food aid preced. periods | | | | | | 1,469 | | | | 1,469 |
| INTERVENTION | 0,078 | | 0,011 | | | 0,195 | | 0,028 | | 0,312 |

ANNEX C.III (cont'd)

| Item | Belgium | Denmark | Germany | France | Ireland | Italy | Luxembourg | Netherlands | United Kingdom | EEC Total |
|---|---------|---------|---------|---------|---------|----------|------------|-------------|----------------|-----------|
| <u>MILK/MILK PRODUCTS</u> | 175,067 | 176,891 | 471,331 | 562,664 | 87,516 | 51,037 | 7,247 | 417,512 | 102,225 | 2 051,490 |
| REFUNDS | 89,261 | 92,357 | 58,163 | 156,728 | 53,441 | 13,469 | 2,421 | 213,499 | 12,072 | 697,471 |
| Refunds | 64,834 | 92,357 | 35,984 | 130,612 | 46,669 | 13,469 | 0,301 | 198,344 | 17,222 | 599,792 |
| Common measures food aid 1976 | 6,534 | | 5,827 | 2,969 | | | 0,640 | 14,079 | | 30,049 |
| Common measures food aid under preceding programmes | 17,893 | | 16,352 | 23,147 | 6,772 | | 1,480 | 1,076 | 0,850 | 67,570 |
| <u>INTERVENTION/SKIMMED MILK</u> | 71,111 | 80,729 | 329,657 | 351,920 | 25,442 | 57,298 | 3,663 | 180,984 | 42,003 | 1 142,267 |
| Aid skimmed milk powder - animal feed | 12,561 | 7,578 | 91,388 | 182,455 | 9,439 | 66,354 | 0,262 | 84,834 | 9,119 | 463,990 |
| Aid liquid milk - animal feed | 16,933 | 54,276 | 59,146 | 2,146 | 0,944 | | 0,238 | 0,637 | 4,905 | 139,225 |
| Aid skimmed milk processed into casein | | 1,456 | 24,595 | 25,006 | 11,817 | | | 24,437 | 2,531 | 89,842 |
| Private storage | 0,037 | | 0,006 | 0,172 | 401 | | | 0,055 | 0,024 | 0,755 |
| Public storage and special disposal measures | 41,580 | 17,419 | 154,522 | 142,201 | 2,841 | 9,056 | 3,163 | 71,021 | 25,364 | 449,055 |
| Food aid from public stocks of skimmed milk powder | | | | | | | | | | |
| Other intervention | | | | | | | | | | |
| <u>INTERVENTION/BUTTER AND CREAM</u> | 14,695 | 3,805 | 83,502 | 50,725 | 8,633 | | 1,163 | 23,029 | 42,150 | 227,702 |
| Private storage | 1,799 | 0,388 | 3,816 | 4,279 | 0,457 | | 0,059 | 5,340 | 3,961 | 20,699 |
| Public storage and special disposal measures | 12,896 | 3,417 | 76,782 | 46,141 | | | 0,902 | 17,689 | 6,460 | 164,294 |
| Special measures for absorbing surpluses of butter fats | | | 2,897 | 0,305 | 8,176 | | 0,202 | | 31,729 | 43,309 |
| Food aid - public stocks of butter | | | | | | | | | | |
| Other intervention | | | | | | | | | | |
| <u>INTERVENTION/OTHER MILK PRODUCTS</u> | | | 0,009 | 3,231 | | - 19,730 | | | | - 16,490 |
| Storage of cheese | | | 0,009 | 3,231 | | - 19,730 | | | | - 16,490 |
| Other intervention | | | | | | | | | | |

ANNEX G.III (cont'd)

| Item | Belgium | Denmark | Germany | France | Ireland | Italy | Luxembourg | Netherlands | United Kingdom | EEC Totals |
|--|---------|---------|---------|--------|---------|---------|------------|-------------|----------------|------------|
| <u>OILS AND FATS</u> | 0.030 | 1.944 | 24.079 | 53.252 | | 216.728 | | 6.973 | 5.680 | 308.686 |
| REFUNDS/OLIVE OIL | | | | 0.007 | | 0.167 | | | 0.002 | 0.176 |
| INTERVENTION/OLIVE OIL | 0.001 | | | 1.476 | | 210.943 | | | | 212.420 |
| Production aid | | | | 0.652 | | 190.444 | | | | 191.096 |
| Storage | | | | | | 12.793 | | | | 12.793 |
| Other intervention | 0.001 | | | 0.824 | | 7.706 | | | | 8.531 |
| REFUNDS/OIL SEEDS | 0.001 | 0.395 | | 9.367 | | | | 0.043 | 0.001 | 9.807 |
| INTERVENTION/OIL SEEDS | 0.028 | 1.549 | 24.079 | 42.402 | | 5.197 | | 6.930 | 5.677 | 85.862 |
| Production aid | 0.028 | 1.468 | 24.035 | 42.402 | | 5.197 | | 6.930 | 5.679 | 85.739 |
| Storage | | 0.061 | 0.044 | | | | | | 0.002 | 0.123 |
| Other intervention | | | | | | | | | | |
| INTERVENTION/COTTON SEED | | | | | | 0.421 | | | | 0.421 |
| <u>SUGAR</u> | 18.945 | 9.144 | 36.475 | 85.120 | 3.080 | 24.463 | | 17.769 | 31.482 | 226.478 |
| REFUNDS/SUGAR | 7.275 | 3.642 | 6.103 | 32.037 | | | | 6.765 | 0.002 | 55.824 |
| Refunds | 7.127 | 3.642 | 6.039 | 32.037 | | | | 6.765 | 0.002 | 55.612 |
| Refunds Community food aid 1976 | 0.148 | | | | | | | | | 0.148 |
| Refunds Community food aid under preceding programmes | | | 0.064 | | | | | | | 0.064 |
| INTERVENTION/SUGAR | 11.670 | 5.502 | 30.372 | 53.083 | 3.080 | 24.463 | | 11.004 | 31.480 | 170.654 |
| Denaturing premiums | | | | | | | | | | |
| Refunds chemical industry | 0.006 | | | | | 0.022 | | 0.004 | | 0.032 |
| Reimbursement of storage costs | 10.794 | 5.502 | 30.033 | 47.858 | 2.790 | 24.088 | | 11.000 | 13.089 | 145.154 |
| Public storage | 0.768 | | 0.296 | | | | | | | 1.064 |
| Measures for sugar produced in the French overseas departments | | | | 4.153 | 0.290 | | | | | 4.443 |
| Sugar import subsidy | | | 0.039 | 1.072 | | 0.353 | | | 18.391 | 19.855 |
| Other intervention | 0.102 | | 0.004 | | | | | | | 0.106 |

ANNEX G.III (cont'd)

| Item | Belgium | Denmark | Germany | France | Ireland | Italy | Luxembourg | Netherlands | United Kingdom | EEC Totals |
|---|---------|---------|---------|---------|---------|---------|------------|-------------|----------------|------------|
| <u>BEEF AND VEAL</u> | 20.374 | 45.704 | 139.063 | 151.919 | 114.286 | 100.689 | 0.513 | 19.406 | 51.198 | 643.152 |
| REFUNDS | 6.813 | 11.815 | 14.002 | 58.194 | 33.712 | 0.556 | 0.044 | 6.839 | 3.722 | 135.697 |
| Refunds | 6.813 | 11.815 | 14.002 | 58.194 | 33.712 | 0.556 | 0.044 | 6.839 | 3.722 | 135.697 |
| Refunds Community food aid | | | | | | | | | | |
| INTERVENTION/STORAGE | 9.208 | 30.565 | 86.065 | 93.655 | 68.196 | 30.871 | 0.031 | 10.481 | 21.741 | 350.823 |
| Private storage | 4.132 | 1.913 | 20.570 | 24.380 | 7.547 | 6.359 | 0.011 | 3.469 | 18.900 | 87.281 |
| Public storage | 5.076 | 28.652 | 65.495 | 69.275 | 60.649 | 24.512 | 0.020 | 7.012 | 2.841 | 263.532 |
| OTHER INTERVENTION | 4.353 | 3.324 | 38.996 | 0.070 | 12.378 | 69.262 | 0.438 | 2.086 | 25.735 | 156.622 |
| Aid for social purposes | | | | 0.008 | | | | | 0.004 | 0.012 |
| Orderly marketing premium and slaughtering of beef cattle premium | 4.353 | 3.324 | 38.996 | | 12.378 | | 0.438 | 2.084 | 25.607 | 87.180 |
| Premiums reconstitution herds | | | | 0.030 | | 69.262 | | | | 69.292 |
| Other | | | | 0.032 | | | | 0.002 | 0.124 | 0.156 |
| <u>PIGMEAT</u> | 0.914 | 13.347 | 0.776 | 0.926 | 0.205 | 5.809 | 0.005 | 5.929 | 0.033 | 27.944 |
| REFUNDS | 0.710 | 12.847 | 0.745 | 0.750 | 0.129 | 1.072 | 0.005 | 5.885 | 0.025 | 22.163 |
| INTERVENTION | 0.204 | 0.500 | 0.031 | 0.176 | 0.076 | 4.737 | | 0.044 | 0.008 | 5.776 |
| <u>EGGS/POULTRYMEAT</u> | 0.705 | 2.337 | 2.676 | 3.956 | | 0.089 | | 3.156 | 0.203 | 13.122 |
| REFUNDS ON EGGS | 0.498 | 0.410 | 1.480 | 0.742 | | 0.069 | | 1.995 | 0.175 | 5.369 |
| REFUNDS ON POULTRYMEAT | 0.207 | 1.927 | 1.196 | 3.214 | | 0.020 | | 1.161 | 0.028 | 7.753 |
| <u>FRUIT/VEGETABLES</u> | 1.651 | 1.777 | 3.099 | 38.712 | 0.003 | 193.366 | | 5.567 | 0.225 | 244.400 |
| REFUNDS | 0.046 | 1.777 | 0.667 | 8.455 | 0.003 | 44.139 | | 1.997 | 0.223 | 57.307 |
| Refunds on fresh fruit and vegetables | 0.041 | 1.725 | 0.633 | 8.259 | | 29.245 | | 1.955 | 0.015 | 41.873 |
| Refunds on products processed from fruit and vegetables | 0.005 | 0.052 | 0.034 | 0.196 | 0.003 | 14.894 | | 0.042 | 0.208 | 15.434 |
| INTERVENTION | 1.605 | | 2.432 | 30.257 | | 149.227 | | 3.570 | 0.002 | 187.093 |
| Withdrawal compensation and buying-in | 1.605 | | 2.432 | 30.233 | | 128.063 | | 3.570 | 0.002 | 165.905 |
| Processing and distribution operations | | | | 0.021 | | 0.091 | | | | 0.112 |
| Compensation for promotion of Community citrus fruits | | | | 0.003 | | 15.295 | | | | 15.298 |
| Compensation for processing of oranges | | | | | | 5.778 | | | | 5.778 |
| Other intervention | | | | | | | | | | |

ANNEX G.III (cont'd)

| Item | Belgium | Denmark | Germany | France | Ireland | Italy | Luxembourg | Netherlands | United Kingdom | EEC Totals |
|--|---------|---------|---------|--------|---------|---------|------------|-------------|----------------|------------|
| <u>INTERVENTION/PROCESSED PRODUCTS</u> | | | | | | | | | | |
| <u>WINE</u> | | | 1.721 | 44.757 | | 126.248 | 0.193 | | | 172.919 |
| REFUNDS | | | 0.018 | 1.211 | | 0.417 | | | | 1.646 |
| INTERVENTION | | | 1.703 | 41.097 | | 125.749 | 0.193 | | | 168.742 |
| Aid for private storage | | | 0.669 | 29.184 | | 10.837 | 0.193 | | | 40.883 |
| Aid for restorage of table wines | | | | 2.153 | | 0.244 | | | | 2.397 |
| Distillation of wine | | | 1.034 | 9.760 | | 114.655 | | | | 125.449 |
| Other intervention | | | | | | 0.013 | | | | 0.013 |
| OTHER EXPENDITURE | | | | 2.449 | | 0.082 | | | | 2.531 |
| Obligatory distillation of by-products of winemaking | | | | 2.449 | | 0.082 | | | | 2.531 |
| <u>TOBACCO</u> | 1.533 | | 11.859 | 61.906 | | 154.545 | | 0.007 | | 229.850 |
| REFUNDS | | | 0.031 | | | 2.505 | | 0.007 | | 2.543 |
| INTERVENTION | 1.533 | | 11.828 | 61.906 | | 152.040 | | | | 227.307 |
| Premiums | 1.533 | | 11.737 | 61.906 | | 149.662 | | | | 224.838 |
| Storage | | | 0.091 | | | 2.378 | | | | 2.469 |
| <u>FISHERIES</u> | 0.315 | 3.099 | 2.483 | 1.331 | 0.323 | | | 1.007 | 1.910 | 10.468 |
| REFUNDS | 0.094 | 2.352 | 0.753 | 0.094 | | | | 0.060 | 0.402 | 3.755 |
| INTERVENTION | 0.221 | 0.747 | 1.730 | 1.237 | 0.323 | | | 0.947 | 1.508 | 6.713 |
| Withdrawals and buying-in | 0.221 | 0.706 | 1.607 | 1.237 | 0.318 | | | 0.947 | 1.352 | 6.388 |
| Aid for private storage | | 0.041 | 0.123 | | 0.005 | | | | 0.156 | 0.325 |
| Other intervention | | | | | | | | | | |

ANNEX G.III (cont'd)

| Item | Belgium | Denmark | Germany | France | Ireland | Italy | Luxembourg | Netherlands | United Kingdom | EEC Totals |
|---|---------|---------|--------------------|-----------|----------|-----------|------------|-------------|----------------|------------|
| OTHER COMMUNITY MARKET ORGANIZATIONS | 3.199 | 10,871 | 12,07 ^a | 28,457 | 0,378 | 2,168 | 0,020 | 6,351 | 9,147 | 72,669 |
| INTERVENTION/FLAX AND HEMP | 1,850 | | 0,006 | 16,007 | 0,002 | 0,443 | | 0,010 | 0,004 | 19,322 |
| SEEDS | 0,734 | 8,543 | 2,076 | 3,372 | 0,121 | 0,299 | 0,020 | 4,182 | 3,383 | 22,730 |
| HOPS | 0,583 | | 9,188 | 0,417 | 0,058 | | | | 4,207 | 14,453 |
| SILKWORMS | | | | 0,002 | | 0,622 | | | | 0,624 |
| DEHYDRATED FODDER | 0,032 | 2,328 | 0,808 | 8,348 | 0,197 | 0,778 | | 1,159 | 1,553 | 15,203 |
| SOYA | | | | 0,311 | | 0,026 | | | | 0,337 |
| OTHER | | | | | | | | | | |
| Refunds on certain goods obtained from processing agric. products | 2,946 | 9,247 | 4,516 | 3,889 | 10,011 | 1,226 | 0,029 | 21,591 | 13,985 | 67,440 |
| ACCESSION COMPENSATORY AMOUNTS INTRA | 27,536 | 73,988 | 36,381 | 76,616 | 21,552 | 8,984 | 0,052 | 114,704 | 0,069 | 359,562 |
| MONETARY COMPENSATORY AMOUNTS (MCA) | 10,470 | 76,544 | 1,502 | 4,347 | - 15,676 | 77,203 | - 0,065 | 67,571 | 202,601 | 504,740 |
| MCA intra-Community trade (1) | 12,491 | 70,536 | - 32,027 | 16,287 | - 36,852 | 77,164 | - 0,083 | 68,740 | 95,584 | 325,640 |
| Monetary compensatory amounts on imports | 0,981 | 76,540 | - 141,324 | 50,992 | 76,061 | 113,149 | - 0,180 | 51,795 | 163,261 | 400,275 |
| Monetary compensatory amounts on exports | 13,510 | - 0,004 | 106,207 | - 43,705 | - 94,713 | - 35,985 | 0,097 | 34,945 | - 67,677 | - 87,235 |
| MCA trade with non-Community countries | 4,988 | 0,008 | 36,619 | - 11,946 | 3,036 | 0,129 | 0,018 | 10,831 | 148,017 | 191,700 |
| Portion of MCAs on imports over and above levy | | 0,008 | | 0,024 | 3,036 | 0,129 | | | 148,017 | 151,214 |
| Monetary compensatory amounts on exports | 4,988 | | 36,619 | - 11,970 | | | 0,018 | 10,831 | | 40,486 |
| GRAND TOTAL | 337,166 | 432,414 | 850,036 | 1 409,708 | 225,106 | 1 053,435 | 8,073 | 756,828 | 468,162 | 5 570,028 |
| Of which: Refunds | 164,334 | 142,199 | 167,515 | 486,568 | 103,669 | 115,905 | 2,517 | 290,304 | 193,101 | 1 666,112 |
| Intervention 1st category (minus MCA) | 91,569 | 162,594 | 372,978 | 617,963 | 76,605 | 926,332 | 1,483 | 278,353 | 144,841 | 2 672,718 |
| Intervention 2nd category | 66,772 | 51,085 | 374,570 | 287,980 | 63,484 | - 65,966 | 4,156 | 101,431 | 34,636 | 918,148 |

(1) Without taking into account corrections relating to the breakdown of Member State expenditure under the system "Exporting Member State pays intra-MCA for the importing Member State". Amounts paid under this system are accounted for in the heading "MCA on importation from the Member State making the payment". For these corrections, see Table 1b, p. 13.

ANNEX G IV

BREAKDOWN OF EXPENDITURE BY SECTOR ACCORDING TO ECONOMIC NATURE OF MEASURES - FINANCIAL YEAR 1976 (a)

M u.a.

| S E C T O R | TOTAL EXPENDITURE | Breakdown according to economic nature of operation | | | | |
|--|----------------------|---|-------------------------|--|---------------------------------|-----------------------|
| | | EXPORT REFUNDS | I N T E R V E N T I O N | | | TOTAL INTERVENTION |
| | | | Storage proper | Withdrawals from market and simi- lar operations | Compensatory price subsidies | |
| a | b | c | d | e | f | g = d + e + f |
| Cereals | 609.8 | 380.9 | 53.7 | - | 175.2 (1) | 228.9 |
| Rice | 26.9 | 26.6 | - | - | 0.3 | 0.3 |
| Milk products | 2.051.5 | 697.4 (2) | 617.8 | - | 736.3 (3) | 1.354.1 |
| Oils and fats | 308.7 | 10.0 | 12.9 | - | 285.8 | 298.7 |
| -Olive oil | 212.6 | 0.2 | 12.8 | - | 199.6 | 212.4 |
| -Oilseeds | 95.7 | 9.8 | 0.1 | - | 85.7 | 85.8 |
| -Cotton seeds | - | - | - | - | 0.4 | 0.4 |
| Sugar | 226.5 | 55.8 | 146.2 | - | 24.4 | 170.6 |
| Beef and veal | 643.2 | 135.7 | 350.8 | - | 156.6 (4) | 507.4 |
| Pigmeat | 27.9 | 22.2 | - | - | 5.7 | 5.7 |
| Eggs and poultrymeat | 13.1 | 13.1 | - | - | - | - |
| Fruit and vegetables | 244.4 | 57.3 | - | 165.9 | 21.2 (5) | 187.1 |
| Wine | 172.9 | 1.6 | 40.9 | 127.8 (6) | 2.5 (7) | 171.2 |
| Tobacco | 229.9 | 2.5 | 2.5 | - | 224.8 | 227.3 |
| Fisheries | 10.5 | 3.8 | 0.3 | 6.4 | - | 6.7 |
| Flax and hemp | 19.3 | - | - | - | 19.3 | 19.3 |
| Seeds | 22.7 | - | - | - | 22.7 | 22.7 |
| Hops | 14.5 | - | - | - | 14.5 | 14.5 |
| Silkworms | 0.6 | - | - | - | 0.6 | 0.6 |
| Dehydrated fodder | 15.2 | - | - | - | 15.2 | 15.2 |
| Other | 0.3 | - | - | - | 0.3 | 0.3 |
| Refund process non-annex II products | 67.4 | 67.4 | - | - | - | - |
| Total A | 4 705.3 | 1 474.3 | 1 225.1 | 300.1 | 1 705.4 | 3 230.6 |
| % | 100 | 31.3 | 26.0 | 6.4 | 36.2 | 68.6 |
| B. Accession compensatory amounts - Intra | 359.9 | - | - | - | 359.9 | 359.9 |
| C. Monetary compensatory amounts - Intra | 313.0 | - | - | - | 313.0 | 313.0 |
| - extra | 191.7 | 191.7 | - | - | - | - |
| TOTAL A + B + C | 5 570.0 | 1 666.2 | 1 225.1 | 300.1 | 2 378.3 | 3 903.8 |
| % | 100 | 29.9 | 22.0 | 5.4 | 42.7 | 70.1 |

(a) For footnotes, see next page

1. Aid for durum wheat (114.406 M u.a.) + production refunds (46.613 M u.a.) + special intervention measures (13.794 M u.a.) + others.
2. Refunds proper + refunds food aid 1976 (30.049 M u.a.) and preceding periods (67.570 M u.a.).
3. Skimmed milk powder for animal feed (603.215 M u.a.) + aid for casein (89.842 M u.a.) + special measures for butteroil (43.309 M u.a.).
4. Aid for social purposes (0.012 M u.a.) + premiums for orderly marketing (87.180 M u.a.) + premiums for the reconstitution of herds (62.292 M u.a.) + others (0.158 M u.a.).
5. Processing and distribution operations (0.112 M u.a.) + compensation for promotion of citrus fruits (15.298 M u.a.) + processing of oranges (5.778 M u.a.).
6. Aid for restorage of table wine (2.397 M u.a.) + distillation (125.449 M u.a.).
7. Obligatory distillation of the by-products of wine-making.

ANNEX GV

Development of the expenditure of the Guarantee Section of the EAGGF by sector (1)

in M u.a.

| SECTOR | 1971 | 1972 2) | 1973 2) | 1974 | 1975 | 1976 |
|------------------------------------|--------|---------|---------|--------|--------|--------|
| CEREALS | 472.2 | 979.0 | 953.0 | 399.7 | 620.8 | 609.9 |
| Refunds | 288.5 | 613.5 | 468.8 | 76.1 | 343.6 | 380.9 |
| Intervention, of which | 183.7 | 365.5 | 484.2 | 323.6 | 277.2 | 229.0 |
| - Denaturing premium | 49.3 | 76.0 | 121.1 | 17.3 | 0.4 | 0.5 |
| - Production refund | 93.6 | 127.- | 167.5 | 189.8 | 89.4 | 36.1 |
| - Aid Durum wheat | 15.4 | 106.4 | 30.- | 83.3 | 130.7 | 114.4 |
| RICE | 49.8 | 50.3 | 11.2 | 1.2 | 4.2 | 26.9 |
| Refunds | 48.5 | 47.8 | 10.5 | 0.5 | 3.6 | 26.6 |
| Intervention | 1.3 | 2.5 | 0.7 | 0.7 | 0.7 | 0.3 |
| MILK PRODUCTS | 564.2 | 598.6 | 1458.5 | 1219.2 | 1149.7 | 2051.5 |
| Refunds | 287.5 | 164.2 | 328.1 | 342.0 | 328.4 | 697.4 |
| Intervention, of which: | 276.7 | 434.4 | 1130.4 | 877.2 | 769.8 | 1354.1 |
| - Aid for skimmed milk | 166.9 | 236.1 | 349.3 | 481.0 | 511.4 | 603.2 |
| - Aid for casein | 24.1 | 31.2 | 57.2 | 82.0 | 61.9 | 89.8 |
| - Storage and special measures | 63.3 | 155.1 | 667.7 | 228.5 | 196.1 | 661.1 |
| - Food aid | - | - | - | 85.4 | - | - |
| OILS AND FATS | 71.5 | 271.7 | 563.0 | 141.0 | 226.9 | 308.7 |
| Refunds | 1.9 | 5.5 | 2.5 | 0.8 | 0.7 | 10.0 |
| Intervention, of which: | 69.6 | 266.2 | 360.5 | 140.2 | 226.2 | 298.7 |
| - Aid for olive oil | 20.4 | 166.1 | 280.6 | 129.6 | 199.2 | 191.1 |
| - Aid for oilseeds | 49.0 | 100.0 | 79.7 | 10.3 | 25.4 | 85.7 |
| SUGAR | 113.1 | 161.4 | 127.1 | 108.8 | 309.2 | 226.5 |
| Refunds | 63.9 | 69.9 | 51.6 | 8.0 | 37.1 | 55.8 |
| Intervention, of which: | 49.2 | 91.5 | 75.5 | 100.8 | 272.1 | 170.7 |
| - Reimbursement storage costs | - | 83.4 | 70.0 | 76.8 | 91.8 | 145.2 |
| BEEF AND VEAL | 17.6 | 7.9 | 16.1 | 324.4 | 979.7 | 643.2 |
| Refunds | 17.5 | 7.9 | 2.7 | 55.5 | 144.2 | 135.7 |
| Intervention, of which: | 0.1 | - | 13.4 | 268.9 | 835.5 | 507.5 |
| - Public and private storage | - | - | - | 250.3 | 438.2 | 350.8 |
| - Orderly marketing premiums | - | - | - | 16.3 | 273.9 | 87.2 |
| TOTAL TO BE CARRIED FORWARD | 1288.4 | 2068.9 | 2928.9 | 2194.3 | 3290.5 | 3866.7 |

For footnotes see next page

ANNEX C.V (cont'd)

M u.a.

| Sector | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|--|--------|--------|--------|------------|--------|--------|
| TOTAL CARRIED FORWARD: | 1288.4 | 2068.9 | 2928.9 | 2194.3 | 3290.5 | 3866.7 |
| <u>PIGMEAT</u> | 51.1 | 56.0 | 90.6 | 66.5 | 53.7 | 27.9 |
| Refunds | 48.0 | 55.8 | 90.6 | 55.5 | 39.4 | 22.2 |
| Intervention | 3.1 | 0.2 | - | 11.0 | 14.3 | 5.8 |
| <u>EGGS AND POULTRYMEAT</u> | 11.9 | 13.7 | 21.5 | 16.9 | 8.4 | 13.1 |
| Refunds | - | - | - | - | - | - |
| <u>FRUIT AND VEGETABLES</u> | 52.7 | 60.1 | 34.5 | 66.9 | 88.3 | 244.4 |
| Refunds | 6.1 | 31.8 | 25.8 | 17.9 | 34.8 | 57.3 |
| Intervention | 46.6 | 28.3 | 8.7 | 49.0 | 53.5 | 187.1 |
| <u>WINE</u> | 28.3 | 43.8 | 11.7 | 41.9 | 138.8 | 172.9 |
| Refunds | 0.1 | 0.4 | 0.4 | 0.1 | 0.3 | 1.6 |
| Intervention, of which: | 28.2 | 43.4 | 11.3 | 41.8 | 138.5 | 168.7 |
| - Private storage aid | 19.5 | 28.2 | 6.6 | 25.9 | 36.3 | 40.9 |
| - Other (mainly distillation) | - | 14.1 | 2.1 | 15.3 | 102.0 | 127.8 |
| <u>TOBACCO</u> | 62.5 | 111.0 | 118.3 | 183.6 | 228.5 | 229.9 |
| Refunds | - | - | - | 0.1 | 1.8 | 2.5 |
| Intervention | 62.5 | 111.0 | 118.3 | 183.5 | 226.7 | 227.4 |
| <u>FISHERIES</u> | 0.2 | 1.3 | 1.2 | 1.2 | 9.3 | 10.5 |
| Refunds | - | 0.5 | 0.6 | 0.7 | 2.8 | 3.8 |
| Intervention | 0.2 | 0.8 | 0.6 | 0.5 | 6.5 | 6.7 |
| <u>INTERVENTION MISCELLANEOUS PRODS.</u> | 0.7 | 11.9 | 24.8 | 35.5 | 57.5 | 72.7 |
| - Flax and hemp | 0.7 | 11.5 | 5.5 | 11.8 | 13.9 | 19.3 |
| - Seeds | - | 0.4 | 14.3 | 15.2 | 23.8 | 22.7 |
| - Hops | - | - | 4.7 | 4.4 | 8.0 | 14.5 |
| - Silkworms | - | - | 0.3 | 0.5 | 0.8 | 0.6 |
| - Dehydrated fodder | - | - | - | 3.6 | 11.1 | 15.2 |
| <u>NON-ANNEX II PRODUCTS (Refunds)</u> | 18.2 | 25.- | 23.7 | 12.8 | 22.4 | 67.4 |
| TOTAL EXPENDITURE AGRICULTURE | 1514.0 | 2391.7 | 3255.0 | 2619.6 | 3897.6 | 4705.8 |
| Accession compensatory amounts | - | - | 264.3 | 332.5 | 415.0 | 359.9 |
| Monetary compensatory amounts | - | - | 140.3 | 137.6 | 406.1 | 504.7 |
| TOTAL EXPENDITURE EAGGF GUARANTEE | 1514.0 | 2391.7 | 3659.6 | 3097.9 (3) | 4718.7 | 5570.0 |

(1) The expenditure is taken from the statements by the Member States under the system of advances and charged to each financial year in accordance with Article 109 of the Financial Regulation. For 1971 and 1972, it takes into account the final clearance of the accounts for both those financial years.

(2) The expenditure for January 1973 is included under the 1972 financial year. In terms of calendar years the total expenditure is about 2,094 M u.a. for 1972 and 3,912 M u.a. for 1973.

(3) Including 6.3 M u.a. for Community measures to compensate the Netherlands following the rise of the central rate for the Dutch guilder.

ANNEX G.VI

Assessment of overall cost in relation to gross domestic product

(in th. u.a.)

| Year | EAGGF-Guarantee expenditure | | Community gross domestic product at market prices | EAGGF-Guarantee expenditure as percentage of EEC gross domestic prod. | |
|---------------------|-----------------------------|---------------------------|---|---|-----------|
| | Gross | Minus agricultural levies | | gross | net |
| a | b | c | d | e=100 b/d | f=100 c/d |
| 1973 ⁽¹⁾ | 3 912 | 3 361 | 839 | 0.47 | 0.40 |
| 1974 | 3 100 | 2 743 | 920 | 0.34 | 0.30 |
| 1975 | 4 719 | 4 096 | 1 023 | 0.46 | 0.40 |
| 1976 | 5 570 | 4 376 | 1 166 | 0.47 | 0.38 |

(1) For the sake of comparability and consistency, this represents the expenditure for 12 months and not for the financial years, which consisted of 13 months in 1972 and 11 months in 1973.

Annex O.I.

Applications for aid by year

Guidance Section

(years 1964 to 1976)

| Year | PROJECTS SUBMITTED | | PROJECTS DEFINITELY LODGED | | | | | | | |
|--------|--------------------|--|---------------------------------|--|--|--------|------------------------------|-------------------|--------------------|------------------------------|
| | Total number | Number of projects withdrawn or no longer needed | Number of unacceptable projects | Number of projects not complying with conditions | Number of projects not included for lack of sufficient funds | Total | Total investment ('000 u.a.) | PROJECTS FINANCED | | |
| | | | | | | | | Number | Aid granted (u.a.) | Total investment ('000 u.a.) |
| 1964 | 226 | 19 | 69 | - | 81 | 207 | 142 057 | 57 | 9 056 922 | 115 611 |
| 1965 | 154 | 21 | 23 | 7 | 6 | 133 | 131 108 | 97 | 17 134 258 | 102 103 |
| 1966 | 495 | 68 | 48 | 17 | 108 | 427 | 378 174 | 254 | 41 586 875 | 276 266 |
| 1967 | 303 | 31 | 17 | 12 | 91 | 272 | 265 358 | 152 | 26 039 369 | 143 474 |
| 1968 | 739 | 96 | 26 | 23 | 156 | 643 | 724 714 | 438 | 94 897 375 | 480 360 |
| 1969 | 894 | 64 | 14 | 9 | 144 | 830 | 902 501 | 663 | 160 000 000 | 681 164 |
| 1970 | 862 | 33 | 14 | 7 | 260 | 829 | 1 108 585 | 548 | 159 999 497 | 648 035 |
| 1971 | 1 017 | 59 | 18 | 1 | 216 | 958 | 1 062 307 | 723 | 199 943 196 | 806 856 |
| 1972 | 918 | 38 | 43 | 10 | 398 | 880 | 1 078 638 | 429 | 149 998 266 | 588 435 |
| 1973 | 1 541 | 39 | 153 | 54 | 658 | 1 502 | 2 161 307 | 637 | 170 000 000 | 840 576 |
| 1974 | 1 394 | 98 | 95 | 14 | 421 | 1 296 | 2 092 055 | 766 | 234 999 998 | 1 111 545 |
| 1975 | 1 122 | 76 | 76 | 17 | 261 | 1 046 | 1 849 835 | 692 | 212 599 998 | 1 031 629 |
| 1976 | 1 161 | 110 | 87 | 33 | 123 | 1 051 | 1 730 410 | 808 | 264 194 544 | 1 258 358 |
| TOTALS | 10 826 | 752 | 683 | 204 | 2 923 | 10 074 | 13 627 049 | 6 264 | 1 740 450 298 | 8 084 412 |

ANNEX O.II

Breakdown by country of aid granted by the Guidance Section for the financing of projects (1964 to 1976)

| Year | GERMANY | | BELGIUM | | DENMARK | | FRANCE | | IRELAND | | ITALY | | LUXEMBOURG | | NETHERLANDS | | UNITED KINGDOM | | EEC | |
|--------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|
| | No of projects | Aid granted (u.a.) | No of projects | Aid granted (u.a.) | No of projects | Aid granted (u.a.) | No of projects | Aid granted (u.a.) | No of projects | Aid granted (u.a.) | No of projects | Aid granted (u.a.) | No of projects | Aid granted (u.a.) | No of projects | Aid granted (u.a.) | No of projects | Aid granted (u.a.) | No of projects | Aid granted (u.a.) |
| 1964 | 9 | 2 557 635 | 7 | 703 751 | - | - | 10 | 1 951 487 | - | - | 27 | 3 069 464 | - | - | 4 | 774 585 | - | - | 57 | 9 056 922 |
| 1965 | 21 | 4 968 976 | 6 | 754 985 | - | - | 21 | 3 692 070 | - | - | 40 | 5 865 889 | 1 | 275 000 | 8 | 1 577 338 | - | - | 97 | 17 134 256 |
| 1966 | 59 | 11 600 152 | 20 | 3 279 496 | - | - | 33 | 3 924 174 | - | - | 119 | 13 771 303 | 3 | 899 342 | 20 | 3 112 408 | - | - | 254 | 41 586 975 |
| 1967 | 31 | 7 239 940 | 9 | 2 040 664 | - | - | 34 | 5 745 508 | - | - | 59 | 8 835 445 | 2 | 150 600 | 17 | 2 027 212 | - | - | 152 | 2 603 369 |
| 1968 | 55 | 26 569 946 | 45 | 7 154 359 | - | - | 65 | 20 876 853 | - | - | 188 | 31 989 105 | 2 | 813 700 | 43 | 7 493 412 | - | - | 438 | 94 897 375 |
| 1969 | 152 | 45 100 881 | 69 | 11 826 499 | - | - | 132 | 35 660 880 | - | - | 249 | 54 303 638 | 3 | 94 550 | 58 | 13 013 552 | - | - | 663 | 160 000 000 |
| 1970 | 143 | 44 964 169 | 71 | 11 865 534 | - | - | 114 | 35 443 459 | - | - | 173 | 54 265 555 | 2 | 374 867 | 40 | 13 285 913 | - | - | 548 | 159 999 497 |
| 1971 | 161 | 57 122 634 | 96 | 12 525 387 | - | - | 143 | 45 073 646 | - | - | 282 | 67 901 369 | 7 | 1 637 790 | 34 | 15 682 370 | - | - | 723 | 199 943 196 |
| 1972 | 115 | 42 100 813 | 58 | 12 033 812 | - | - | 74 | 33 254 416 | - | - | 145 | 50 498 477 | 6 | 943 112 | 30 | 11 167 636 | - | - | 429 | 149 998 266 |
| 1973 | 112 | 39 219 740 | 92 | 10 032 957 | 10 | 4 697 216 | 70 | 30 865 361 | 25 | 6 896 366 | 224 | 47 055 398 | 2 | 205 000 | 34 | 11 027 963 | 68 | 19 999 999 | 637 | 170 000 000 |
| 1974 | 164 | 49 820 000 | 73 | 12 690 000 | 24 | 9 270 000 | 103 | 42 770 000 | 31 | 11 984 964 | 251 | 65 095 000 | 5 | 940 000 | 31 | 14 100 000 | 84 | 27 730 034 | 766 | 234 999 998 |
| 1975 | 171 | 45 273 095 | 62 | 11 525 508 | 21 | 8 964 284 | 63 | 38 846 065 | 37 | 10 886 037 | 155 | 59 122 422 | 1 | 15 070 | 56 | 12 806 120 | 126 | 25 161 397 | 692 | 212 599 992 |
| 1976 | 177 | 49 001 953 | 76 | 14 309 614 | 33 | 10 360 037 | 82 | 43 571 391 | 96 | 22 699 287 | 203 | 85 258 284 | 2 | 159 739 | 35 | 12 213 964 | 104 | 26 620 275 | 809 | 264 194 544 |
| TOTAUX | 1415 | 425 539 934 | 685 | 110 542 566 | 88 | 33 891 537 | 944 | 346 675 310 | 189 | 52 466 654 | 1115 | 547 031 349 | 36 | 6 508 770 | 410 | 118 282 473 | 382 | 99 511 705 | 6 264 | 740 450 298 |

Annex 0.III

Breakdown by category of projects financed
by the Guidance Section (1964 to 1976)

| | |
|--|-----------------------|
| <u>Production structures</u> | 871 million u.a. |
| of which: | (50.0 % of the total) |
| . land improvements | 226 million u.a. |
| . hydraulic works and irrigation | 184 million u.a. |
| . afforestation | 45 million u.a. |
| . miscellaneous | 417 million u.a. |
| <u>Marketing structures</u> | 757 million u.a. |
| of which: | (43.5 % of the total) |
| . cereals | 44 million u.a. |
| . milk products | 208 million u.a. |
| . meat | 139 million u.a. |
| . fruit and vegetables | 114 million u.a. |
| . wine | 118 million u.a. |
| . miscellaneous | 133 million u.a. |
| <u>Mixed production/marketing structures</u> | 113 million u.a. |
| | (6.5 % of the total) |

ANNEX 0.IV

Breakdown by sector of aid granted
by the Guidance Section (1964-1976)

(in th.u.a.)

| S E C T O R | Number of projects | TOTAL 1964-1976 | |
|---|--------------------------|-----------------|-------|
| | | Aid granted | % |
| - Land improvements and hydraulic works | 2 059 | 560 612 | 32.2 |
| - Milk | 659 | 229 856 | 13.2 |
| - Wine | 671 | 219 684 | 12.6 |
| - Fruit and vegetables | 626 | 125 055 | 7.2 |
| - Meat | 664 | 179 373 | 10.3 |
| - Olives | 199 | 41 839 | 2.4 |
| - Cereals | 184 | 51 835 | 3.0 |
| - Forestry | 186 | 46 074 | 2.6 |
| - Fishing | 330 | 65 789 | 3.8 |
| - Animal feed | 100 | 32 637 | 1.9 |
| - Flowers and plants | 47 | 13 890 | 0.8 |
| - Eggs and poultrymeat | 85 | 15 227 | 0.9 |
| - Seeds and nurseries | 76 | 13 670 | 0.8 |
| - Research and advisory services | 67 | 18 469 | 1.1 |
| - Sugar | 3 | 4 188 | 0.2 |
| - Miscellaneous | 309 | 122 252 | 7.0 |
| | 6 264 | 1 740 450 | 100.0 |

Regional breakdown by Member State of projects financed by the Guidance Section (1964 to 1976)

(in M u.s.)

| Deutschland | | France | | Italia | | Nederland | | Belgique/België | | Luxem- bourg | United Kingdom | | Ireland | | Danmark | |
|----------------------------|----------------|----------------------------|----------------|----------------------------|----------------|----------------------------|----------------|----------------------------|----------------|-----------------|----------------------------|----------------|----------------------------|----------------|----------------------------|----------------|
| Community Regions | Aid granted | Community Regions | Aid granted | Community Regions | Aid granted | Community Regions | Aid granted | Community Regions | Aid granted | Aid granted | Community Regions | Aid granted | Community Regions | Aid granted | Community Regions | Aid granted |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| Schleswig- Holstein | 41 528 | Région parisienne | 3 106 | Nord-Ovest | 25 107 | Noord | 37 352 | Nord | 59 357 | 6 509 | Scotland | 26 700 | Donegal | 4 317 | Øst for Storebaelt | 8 292 |
| Hamburg | 2 487 | Bassin parisien | 56 353 | Lombardia | 25 939 | Oost | 20 301 | Sud | 37 764 | | North | 6 446 | North-West | 2 206 | Vest for Storebaelt | 22 609 |
| Bremen | 8 383 | Nord | 15 178 | Nord-Est | 93 894 | West | 40 035 | Brabant | 10 441 | | Northern Ireland | 20 689 | North-East | 2 486 | Grønland | 375 |
| Niedersachsen | 85 766 | Est | 18 843 | Emilia- Romagna | 72 317 | Zuidwest | 3 179 | Multi-regional projects | 2 981 | | North-West | 6 524 | West | 1 613 | Multi-regional projects | 2 615 |
| Nordrhein- Westfalen | 44 774 | Ouest | 76 220 | Centro | 89 975 | Zuid | 16 608 | | | | Yorkshire- Humberside | 11 269 | Midlands | 1 146 | | |
| Hessen | 40 035 | Sud-Ouest | 43 788 | Lazio | 45 045 | Multi-regional projects | 808 | | | | Wales | 3 915 | East | 3 788 | | |
| Rheinland- Pfalz | 35 044 | Centre Est | 46 151 | Campania | 17 275 | | | | | | West- Midlands | 4 023 | Midwest | 4 097 | | |
| Baden- Württemberg | 59 930 | Méditerranée | 65 863 | Abruzzi- Molise | 27 364 | | | | | | East- Midlands | 4 436 | South-East | 10 411 | | |
| Bayern | 91 739 | Multi-regional projects | 21 173 | Sud | 92 098 | | | | | | East- Anglia | 3 190 | South-West | 9 827 | | |
| Saarland | 815 | | | Sicilia | 40 645 | | | | | | South-West | 2 390 | Multi-regional projects | 12 575 | | |
| Berlin (West) | 0 | | | Sardegna | 4 892 | | | | | | South-East | 1 081 | | | | |
| Multi-regional projects | 15 039 | | | Multi-regional projects | 12 480 | | | | | | Multi-regional projects | 8 848 | | | | |
| | 425 540 | | 346 675 | | 547 031 | | 118 283 | | 110 543 | 6 509 | | 99 511 | | 52 466 | | 33 891 |

PAYMENTS MADE FOR INDIVIDUAL PROJECTS IN 1976 (in u.a.)

ANNEXE O VI

| Year | TOTAL | DEUTSCHLAND | BELGIQUE | DANMARK | FRANCE | IRELAND | ITALIA | LUXEMBOURG | NEDERLAND | UNITED KINGDOM |
|-------------|----------------|---------------|---------------|--------------|---------------|--------------|---------------|------------|--------------|----------------|
| 1965 | 16 277.00 | | | | 16 277.00 | | | | | |
| 1966 | 484 581.78 | 58 829.00 | | | 179 123.78 | | 246 629.00 | | | |
| 1967 | 558 475.00 | | | | | | 558 475.00 | | | |
| 1968 I | 1 425 950.00 | | | | 32 308.00 | | 1 323 093.00 | | 70 549.- | |
| 1968 II | 2 271 028.00 | 210 073.00 | 320 040.00 | | 374 459.00 | | 1 365 446.00 | | | |
| 1969 I | 710 644.00 | | | | 297 571.00 | | 313 073.00 | | 100 000.00 | |
| 1969 II | 18 936 725.00 | 3 281 668.00 | 1 226 386.00 | | 4 940 551.00 | | 8 746 731.00 | | 761 389.00 | |
| 1970 | 9 392 496.50 | 3 961 483.00 | 1 429 591.50 | | 4 937 815.00 | | 5 888 768.00 | | 3 174 839.00 | |
| 1971 | 8 505 165.09 | 5 104 720.37 | 1 590 502.43 | | 4 583 687.15 | | 5 905 799.72 | 37 624.70 | 1 282 830.66 | |
| Total 65-71 | 62 321 342.37 | 22 616 773.37 | 4 566 519.98 | | 15 361 801.90 | | 24 349 014.72 | 37 624.70 | 5 389 607.66 | |
| 1972 | 15 937 223.41 | 5 717 281.96 | 1 407 990.56 | | 3 833 463.03 | | 3 709 616.00 | 77 064.40 | 1 191 807.46 | |
| 1973 | 21 825 997.07 | 6 874 595.89 | 1 486 422.72 | 353 284.53 | 2 802 494.69 | 1 400 403.69 | 1 381 349.55 | | 1 834 015.75 | 5 193 430.25 |
| 1974 | 11 725 308.00 | 2 646 059.01 | 1 118 479.94 | 744 952.93 | 1 812 959.41 | 784 938.58 | 651 342.27 | | 1 862 151.93 | 2 104 423.93 |
| 1974 II | 19 199 597.32 | 5 061 729.46 | 1 555 218.34 | 1 381 158.68 | 2 539 012.53 | 2 310 410.95 | 25 000.00 | 170 910.28 | 1 111 526.79 | 5 044 630.33 |
| 1974 REP | | | | | | | | | | |
| 1975 I | 7 948 056.11 | 1 471 076.23 | 103 827.18 | 1 987 923.33 | 1 147 976.57 | 103 351.12 | | 14 952.00 | 1 594 845.30 | 1 524 104.38 |
| 1975 II | 2 369 383.59 | 1 152 173.23 | | | 316 185.08 | | | | | 1 401 025.28 |
| 1975 REP | | | | | 697 503.15 | | | | | |
| 1976 I | 771 969.61 | 408 134.70 | | | | 363 834.91 | | | | |
| Grand Total | 142 596 827.98 | 35 947 823.85 | 10 236 458.21 | 4 567 319.45 | 27 313 893.21 | 4 962 939.25 | 30 116 322.54 | 300 561.36 | 12 983 97.89 | 15 267 614.17 |

ANNEX O.VII

EAGGF Guidance Section

Payments made for individual projects (1964 to 1976)
(M u.s.)

| YEAR | TOTAL | GERMANY | BELGIUM | DENMARK | FRANCE | IRELAND | ITALY | LUXEMBOURG | NETHERLANDS | UN. KINGDOM |
|--------------------------------|-----------------------|-----------------------|----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|----------------------|----------------------|
| 1964 | 7.594.839.00 | 2.477.091.00 | 700.945.00 | - | 1.239.610.00 | - | 2.402.608.00 | - | 774.585.00 | - |
| 1965 | 13.350.714.00 | 4.425.610.00 | 754.467.00 | - | 2.820.969.00 | - | 3.497.330.00 | 275.000.00 | 1.577.338.00 | - |
| 1966 | 31.909.964.22 | 9.889.276.50 | 3.144.330.00 | - | 7.996.438.72 | - | 7.020.846.00 | 856.373.00 | 3.002.700.00 | - |
| 1967 | 22.155.295.00 | 6.610.007.00 | 1.907.374.00 | - | 4.689.083.00 | - | 6.900.033.00 | 25.600.00 | 2.023.198.00 | - |
| 1968, Instalment I | 27.762.020.00 | 7.478.915.00 | 2.429.129.00 | - | 5.825.649.00 | - | 9.022.356.00 | 13.700.00 | 2.991.971.00 | - |
| 1968, Instalment Ia, II | 44.020.716.00 | 15.384.486.00 | 3.179.629.00 | - | 10.144.691.00 | - | 10.031.538.00 | 800.000.00 | 4.480.372.00 | - |
| 1969, Instalment I | 7.121.044.00 | 2.391.611.00 | 463.847.00 | - | 2.077.846.00 | - | 1.473.447.00 | - | 714.293.00 | - |
| 1969, Instalments II, III & IV | 115.337.405.86 | 37.474.573.86 | 8.526.861.00 | - | 27.876.613.00 | - | 29.329.095.00 | 94.550.00 | 11.765.713.00 | - |
| 1970 | 97.225.172.50 | 37.604.194.00 | 7.050.115.50 | - | 24.080.407.00 | - | 16.952.480.00 | 374.867.00 | 11.163.109.00 | - |
| 1971 | 100.203.510.86 | 39.902.741.07 | 9.182.570.22 | - | 23.325.132.33 | - | 16.603.917.34 | 212.704.52 | 10.976.445.38 | - |
| Total 64 to 71 | 466.680.681.44 | 163.638.505.43 | 37.339.567.72 | - | 110.076.439.05 | - | 103.503.650.34 | 2.652.794.52 | 49.469.724.38 | - |
| 1972 | 1972 | 66.124.544.93 | 29.388.807.46 | 6.475.305.04 | 17.013.795.13 | - | 4.923.866.81 | 490.648.70 | 7.832.121.79 | - |
| 1973 | 1973 | 53.101.006.94 | 19.729.724.06 | 3.421.764.54 | 7.676.194.35 | 1.811.451.37 | 1.541.226.15 | 22.308.18 | 5.996.251.93 | 8.820.099.03 |
| 1974 I | 1974 I | 24.404.314.23 | 6.959.972.93 | 1.549.575.00 | 3.914.120.13 | 1.091.367.92 | 651.342.27 | - | 4.546.556.07 | 4.122.486.31 |
| 1974 II | 1974 II | 20.602.769.34 | 5.061.729.46 | 1.555.218.34 | 3.942.184.55 | 2.310.410.95 | 25.000.00 | 170.910.26 | 1.111.526.79 | 5.014.630.33 |
| 1975 I | 1975 I | 7.948.065.11 | 1.471.076.23 | 103.827.18 | 1.147.976.57 | 103.351.12 | - | 14.962.00 | 1.594.845.30 | 1.524.104.38 |
| 1975 II | 1975 II | 2.869.383.59 | 1.152.173.23 | - | 316.185.08 | - | - | - | - | 1.401.025.28 |
| 1976 I | 1976 I | 771.569.61 | 408.134.70 | - | - | 363.834.91 | - | - | - | - |
| GRAND TOTAL | 622.502.736.19 | 226.910.123.50 | 50.445.257.82 | 9.919.962.92 | 124.086.894.86 | 5.680.416.27 | 110.645.085.57 | 3.351.623.66 | 70.551.026.26 | 20.912.345.33 |

EAGGF - Guidance Section

ANNEXE O VIII

Situation at 31.12.76 of appropriations and payments for individual projects
(1964 to 1976)

| Year | Appropriations committed (1) | Appropriations not used (2) | Net Commitments (3) | Appropriations re-committed (4) | Payments made (5) | Appropriations not disbursed |
|--------------------|---------------------------------|--------------------------------|------------------------|------------------------------------|----------------------|------------------------------|
| 1964 | 9 056 922 | 1 462 083 | 7 594 839 | - | 7 594 839 | - |
| 1965 | 17 134 258 | 3 783 544 | 13 350 714 | 88 350 | 13 439 064 | - |
| 1966 | 41 586 875 | 8 664 081.50 | 32 922 793.50 | 118 971 | 32 028 935.22 | 1 012 829.28 |
| 1967 | 26 039 369 | 3 291 432 | 22 747 937 | 689 522 | 22 719 943.61 | 717 515.39 |
| 1968 | 94 897 375 | 16 055 301 | 78 842 074 | 3 566 781 | 71 782 736 | 10 626 119 |
| 1969 | 160 000 000 | 14 176 567.14 | 145 823 432.86 | 9 646 082 | 122 458 449.86 | 33 011 065 |
| 1970 | 159 999 497 | 6 212 706 | 153 786 791 | 4 732 269 | 97 225 173 | 61 293 887 |
| 1971 | 199 943 145.78 | 4 959 100.38 | 194 984 045.40 | 4 383 715.79 | 100 203 510.86 | 99 164 250.33 |
| TOTAL 1964-1971 | 708 657 441.78 | 58 604 815.02 | 650 052 626.76 | 23 225 690.79 | 467 452 651.55 | 205 825 666 |
| 1972 | 149 998 247.46 | 1 732 176.09 | 148 266 071.37 | 1 105 997.72 | 66 124 544.93 | 83 247 524.16 |
| 1973 | 169 999 963.05 | 2 924 413.72 | 167 075 549.33 | 2 923 645.52 | 53 101 006.96 | 116 898 187.89 |
| 1974 | 234 999 997.85 | 1 469 209.53 | 233 530 788.32 | 1 469 209.53 | 45 007 083.57 | 189 992 914.28 |
| 1975 | 212 599 998.56 | - | 212 599 998.56 | - | 10 817 449.70 | 201 782 548.86 |
| 1976 | 235 469 999.62 | - | 235 469 999.62 | - | - | 235 469 999.62 |
| TOTAL 1972-1976 | 1 003 068 206.54 | 6 125 799.34 | 996 942 407.20 | 5 498 852.77 | 175 050 085.14 | 827 391 174.81 |
| GRAND TOTAL | 1 711 725 648.32 | 64 730 614.36 | 1 646 995 033.96 | 28 724 543.56 | 642 502 736.69 | 1 033 216 840.81 |

Position of projects financed for more than five years (in u.a.)

Annexe O IX

EAGGF Guidance Section

| YEAR | Number of projects | | | | Total | Aid granted | | | Appropriations re-committed | |
|-----------------|--------------------|-----------|-----------|-------------|-------------|----------------|---------------|---------------|-----------------------------|---------------|
| | Financed | Completed | Cancelled | In progress | | Paid | Not used (1) | In progress | Total | Of which paid |
| 1964 | 57 | 49 | 8 | - | 9 056 922 | 7 594 839 | 1 462 083 | - | - | - |
| 1965 | 97 | 78 | 19 | - | 17 134 258 | 13 350 714 | 3 783 544 | - | 88 350 | 88 350 |
| 1966 | 254 | 197 | 48 | 9 | 41 586 875 | 31 909 964,22 | 8 664 081,50 | 1 012 829,28 | 118 971 | 118 971 |
| 1967 | 152 | 134 | 15 | 3 | 26 039 369 | 22 155 295 | 3 291 432 | 592 642 | 689 522 | 564 648,61 |
| 1968 | 438 | 340 | 71 | 27 | 94 897 375 | 71 782 736 | 16 055 301 | 7 059 338 | 3 566 781 | - |
| 1969 | 663 | 494 | 60 | 109 | 160 000 000 | 122 458 449,86 | 14 176 567,14 | 23 364 983 | 9 646 082 | - |
| 1970 | 548 | 343 | 30 | 115 | 159 999 497 | 97 225 173 | 6 212 706 | 56 561 618 | 4 732 269 | - |
| TOTAL | 2 209 | 1 635 | 251 | 323 | 508 714 296 | 366 477 171,08 | 53 645 714,64 | 88 591 410,28 | 18 841 975 | 771 969,61 |
| <u>of which</u> | | | | | | | | | | |
| Germany | 515 | 466 | 9 | 40 | 143 001 699 | 123 735 764,36 | 9 592 029,64 | 9 673 905 | | |
| Belgium | 227 | 185 | 13 | 29 | 37 425 288 | 28 156 998 | 3 220 207 | 6 048 083 | | |
| France | 409 | 336 | 29 | 44 | 112 294 431 | 86 751 306,72 | 9 670 329 | 15 872 795,28 | | |
| Italy | 855 | 460 | 191 | 204 | 172 100 399 | 86 899 733 | 29 277 876 | 55 922 790 | | |
| Luxembourg | 13 | 12 | 1 | - | 2 608 059 | 2 440 090 | 167 969 | - | | |
| Netherlands | 190 | 176 | 8 | 6 | 41 284 420 | 38 493 279 | 1 717 304 | 1 073 837 | | |
| TOTAL | 2 209 | 1 635 | 251 | 323 | 508 714 296 | 366 477 171,08 | 53 645 714,64 | 88 591 410,28 | | |

(1) Including appropriations re-committed

ANNEX O.V

Payments in 1976 for common measures and special measures

| EAGGF Guidance Section | Germany | Belgium | Denmark | France * | Ireland | Italy | Luxembourg | Netherlands | United Kingdom | Total |
|---------------------------------|------------------------------|-------------|--------------|-----------------|----------------|--------------|------------|-----------------------------|-----------------|---------------|
| A. COMMON MEASURES | | | | | | | | | | |
| Directive 72/159 | 6 460 012.28 A | 64 720.20 A | 670 528 A | - | 672 696.30 A | - | 500 T | 51 600.17 S 958 028.27 A | 192 086.37 A | 9 270 171.59 |
| Directive 72/160 | 2 287.82 S 40 717.26 A | 223.38 T | - | - | 1 367.63 A | - | - | 258.17 T | 698.03 T | 45 552.29 |
| Directive 72/161 | 197 193.62 S 311 046.56 A | - | 11 984.27 A | 1 021 603.87 A | 7 340.83 A | - | - | - | 222 020.16 A | 1 771 189.31 |
| Directive 75/268 | 5 159 071.70 A | - | - | 10 296 038.85 A | 2 899 120.28 A | - | - | - | 17 663 923.61 A | 36 018 154.44 |
| - hop producers | 1 285 312.15 | - | - | - | - | - | - | - | - | 1 285 312.15 |
| - salt cod-fishing | - | - | - | 863 366.22 | - | - | - | - | - | 863 366.22 |
| - conversion to beef production | - | 317 119.26 | 663 213.85 | 3 095 015.83 | 516 060.81 | - | 46 381.08 | 656 224.45 | 9 717 197.59 | 15 011 212.87 |
| - survey farm structures | - | 190 617.98 | 194 004.74 | 730 238.32 | 195 427.04 | 3 420 326.76 | 20 610.57 | 226 656.80 | 126 391.75 | 5 104 273.96 |
| Total common measures (A) | 13 455 641.39 | 572 680.82 | 1 539 730.86 | 16 006 263.09 | 4 292 012.89 | 3 420 326.76 | 67 491.65 | 1 892 767.86 | 28 122 317.51 | 69 369 232.83 |
| B. SPECIAL MEASURES | | | | | | | | | | |
| - fruit and vegetable producers | 51 119.26 | 251 490.00 | 15 953.83 | 18 577.84 | - | 1 690 770.49 | - | - | 51 656.37 | 2 079 567.79 |
| - slaughter of cows | 453 116.33 | 50 541.95 | - | 659 984.84 | - | 818 400.00 | 4 716.66 | 51 316.09 | - | 2 038 075.87 |
| - grubbing fruit trees | - | - | - | 1 520.00 | - | 191 822.70 | - | - | - | 193 342.70 |
| - citrus fruits | - | - | - | 163 939.30 | - | 1 614 229.89 | - | - | - | 1 778 169.19 |
| - producers fishing industry | 23 798.02 | - | - | 49 237.65 | - | - | - | - | 68 629.35 | 141 665.02 |
| Total special measures (B) | 528 033.61 | 302 031.95 | 15 953.83 | 893 259.63 | - | 4 315 223.08 | 4 716.66 | 51 316.09 | 120 285.72 | 6 230 820.57 |
| GRAND TOTAL (A + B) | 13 983 675.00 | 874 712.77 | 1 555 684.69 | 16 899 522.72 | 4 292 012.89 | 7 735 549.84 | 72 208.31 | 1 944 083.95 | 28 242 603.23 | 75 600 053.40 |

ANNEXE O.XI

Accounts committed and payments made for special measures at 31.12.1976 by Member State (M.u.g.)

| | | Total | Germany | Belgium | Denmark | France | Italy | Luxembourg | Netherlands | United Kingdom | Not used |
|--|-------------|----------------|---------------|--------------|-----------|---------------|----------------|--------------|--------------|----------------|--------------|
| 1. Italian floods R. 206/66 | Commitments | 10 000 000 | | | | | 10 000 000 | | | | 2 128 750 |
| | Payments | 7 871 206 | | | | | 7 871 206 | | | | |
| 2. Olive and olive sector Art.13, R.130/55 | Commitments | 8 000 000 | | | | | 8 000 000 | | | | |
| | Payments | 8 000 000 | | | | | 8 000 000 | | | | |
| 3. Fruit and vegetable and olive oil sectors Art. 4, R. 130/66 | Commitments | 45 000 000 | | | | | 45 000 000 | | | | |
| | Payments | 45 000 000 | | | | | 45 000 000 | | | | |
| 4. Structural surveys R. 70/65 | Commitments | 6 000 000 | 1 622 628 | 256 602 | | 2 012 694 | 3 135 030 | 11 896 | 268 896 | | 692 252 |
| | Payments | 7 307 748 | 1 622 628 | 256 602 | | 2 012 694 | 3 135 030 | 11 896 | 268 896 | | |
| 5. Fruit and vegetable sector Art.13(4), R. 130/55 | Commitments | 87 299 539 | | | | | 87 299 539 | | | | |
| | Payments | 87 299 539 | | | | | 87 299 539 | | | | |
| 6. African Swine Fever R.347/68 | Commitments | 3 152 051 | | | | | 3 152 051 | | | | |
| | Payments | 3 151 222,94 | | | | | 3 151 222,94 | | | | 826,06 |
| 7. Pig numbers survey R.330/68 | Commitments | 3 600 000 | 938 160 | 111 870 | | 1 013 850 | 1 404 000 | 20 250 | 111 870 | | |
| | Payments | 3 600 000 | 938 160 | 111 870 | | 1 013 850 | 1 404 000 | 20 250 | 111 870 | | |
| 8. Raw tobacco sector Art.12(1), R. 1150/66 | Commitments | 15 000 000 | | | | | 15 000 000 | | | | |
| | Payments | 15 000 000 | | | | | 15 000 000 | | | | |
| 9. Integration of Luxembourg agriculture R.347/70 | Commitments | 7 500 000 | | | | | | 7 500 000 | | | |
| | Payments | 7 500 000 | | | | | | 7 500 000 | | | |
| 10. Slaughtering of cows R.155/69 | Commitments | 47 473 900,20 | 25 467 402,61 | 3 407 126,43 | | 15 359 708,61 | 818 400 | 153 798,58 | 2 267 443,97 | | |
| | Payments | 47 473 900,20 | 25 467 402,61 | 3 407 126,43 | | 15 359 708,61 | 818 400 | 153 798,58 | 2 267 443,97 | | |
| 11. Grafting of fruit trees R.117/68 | Commitments | 35 432 198,35 | 10 436 335,04 | 3 601 630,00 | | 8 983 468,97 | 7 758 228,71 | 91 087,04 | 4 561 448,59 | | |
| | Payments | 35 432 198,35 | 10 436 335,04 | 3 601 630,00 | | 8 983 468,97 | 7 758 228,71 | 91 087,04 | 4 561 448,59 | | |
| 12. Organizations of fruit and vegetable producers R. 1035/72 | Commitments | 9 505 968,37 | 3 266 856,84 | 251 490,00 | 15 953,83 | 524 306,36 | 5 386 491,38 | | | 60 869,96 | |
| | Payments | 9 505 968,37 | 3 266 856,84 | 251 490,00 | 15 953,83 | 524 306,36 | 5 386 491,38 | | | 60 869,96 | |
| 13. Producers' orgs. in the fishing industry R. 214/70 | Commitments | 184 015,20 | 44 811,45 | | | 70 574,40 | | | | 68 629,35 | |
| | Payments | 184 015,20 | 44 811,45 | | | 70 574,40 | | | | 68 629,35 | |
| 14. Community citrus fruits R.2511/69 | Commitments | 1 778 169,19 | | | | 163 939,30 | 1 614 229,89 | | | | |
| | Payments | 1 778 169,19 | | | | 163 939,30 | 1 614 229,89 | | | | |
| TOTAL | Commitments | 281 925 811,31 | 41 776 193,94 | 7 628 738,43 | 15 953,83 | 28 128 541,64 | 189 567 969,58 | 7 777 033,62 | 7 209 658,56 | 129 499,31 | 2 821 874,06 |
| | Payments | 279 103 501,25 | 41 776 193,94 | 7 628 738,43 | 15 953,83 | 28 128 541,64 | 186 430 347,92 | 7 777 033,62 | 7 209 658,56 | 129 499,31 | 2 821 874,06 |

ANNEXE G.XIII

Amounts committed and payments made for common measures at 31.12.1976

| EAGGF Guidance Section | | (C.u.a.) | | | | | | | | | |
|--|-------------|----------------|---------------|--------------|--------------|---------------|--------------|--------------|------------|--------------|----------------|
| | | Total | Germany | Belgium | Denmark | France | Ireland | Italy | Luxembourg | Netherlands | United Kingdom |
| 1. Farm modernization Directive 72/159 | Commitments | 10 416 498.31 | 7 366 286.06 | 64 720.20 | 694 765.00 | | 672 696.30 | | 500.00 | 1 165 585.43 | 451 925.32 |
| | Payments | 10 416 498.31 | 7 366 286.06 | 64 720.20 | 694 765.00 | | 672 696.30 | | 500.00 | 1 165 585.43 | 451 925.32 |
| 2. Cessation of farming Directive 72/150 | Commitments | 53 105.67 | 49 868.54 | 223.38 | | | 1 367.63 | | | 741.57 | 902.55 |
| | Payments | 53 105.67 | 49 868.54 | 223.38 | | | 1 367.63 | | | 741.57 | 902.55 |
| 3. Socio-economic Guidance Directive 72/161 | Commitments | 2 361 154.48 | 1 098 235.35 | | 11 984.27 | 1 021 603.87 | 7 340.83 | | | | 222 020.16 |
| | Payments | 2 361 154.48 | 1 098 235.35 | | 11 984.27 | 1 021 603.87 | 7 340.83 | | | | 222 020.16 |
| 4. Less-favoured areas Directive 75/168 | Commitments | 36 018 154.44 | 5 159 071.70 | | | 10 296 038.85 | 2 899 120.28 | | | | 17 663 923.61 |
| | Payments | 36 018 154.44 | 5 159 071.70 | | | 10 296 038.85 | 2 899 120.28 | | | | 17 663 923.61 |
| 5. Non producers Reg. 1692/71 | Commitments | 1 537 373.67 | 1 285 312.15 | | | 138 804.31 | | | | | 115 257.21 |
| | Payments | 1 537 373.67 | 1 285 312.15 | | | 138 804.31 | | | | | 115 257.21 |
| 6. 1975 Structural Survey Directive 75/138 | Commitments | 6 625 492.97 | 960 000.00 | 390 617.98 | 194 004.74 | 730 238.32 | 521 139.23 | 3 420 326.76 | 20 610.57 | 226 656.80 | 361 895.57 |
| | Payments | 6 625 492.97 | 960 000.00 | 390 617.98 | 194 004.74 | 730 238.32 | 521 139.23 | 3 420 326.76 | 20 610.57 | 226 656.80 | 361 895.57 |
| 7. Fruit trees survey Directive 71/286 | Commitments | 729 900.00 | 42 000.00 | 15 000.00 | | 196 000.00 | | 441 600.00 | 300.00 | 35 000.00 | |
| | Payments | 729 900.00 | 42 000.00 | 15 000.00 | | 196 000.00 | | 441 600.00 | 300.00 | 35 000.00 | |
| 8. Conversion to beef production R/1353/73 | Commitments | 39 989 281.72 | 4 463 169.94 | 868 988.97 | 1 428 365.43 | 10 021 566.69 | 878 134.22 | | 86 709.54 | 1 161 681.63 | 21 020 665.30 |
| | Payments | 39 989 281.72 | 4 463 169.94 | 868 988.97 | 1 428 365.43 | 10 021 566.69 | 878 134.22 | | 86 709.54 | 1 161 681.63 | 21 020 665.30 |
| 9. Salt cod-fishing R.2722/72 | Commitments | 9 532 912.62 | 2 868 852.15 | | | 6 714 062.47 | | | | | |
| | Payments | 6 637 950.75 | 2 868 852.15 | | | 3 769 098.60 | | | | | |
| TOTAL | Commitments | 107 311 905.88 | 23 292 795.89 | 1 139 550.53 | 2 329 119.44 | 29 118 314.51 | 4 979 798.49 | 3 861 926.76 | 108 120.11 | 2 587 665.43 | 39 824 614.72 |
| | Payments | 104 363 942.01 | 23 292 795.89 | 1 139 550.53 | 2 329 119.44 | 26 173 350.64 | 4 979 798.49 | 3 861 926.76 | 108 120.11 | 2 587 665.43 | 39 824 614.72 |

ANNEXE 0.XIII

Utilisation of 1976 appropriations order title 8 : situation at 31.12.1976

| Art. | Item | Nomenclature | Appropriations authorized in 1976 Budget (1) | Transfers in 1976 (2) | Available appropriations col. 1 + 2 (3) | Situation as at 31 December 1976 | | | | | |
|------|------|---|--|-----------------------|---|----------------------------------|-------------------|---|--|---------------------------------|-----------------------------|
| | | | | | | Commitments made (4) | Payments made (5) | Appropriations not committed col. 3 - 4 (6) | Automatic carry-forward col. 4 - 5 (7) | Non-automatic carry-forward (8) | Appropriations not used (9) |
| | | | U.A. | U.A. | U.A. | U.A. | U.A. | U.A. | U.A. | U.A. | U.A. |
| 800 | | CHAPTER 80 Projects for the improvement of agricultural structures provided for under Article 13 of Regulation (EEC) 17/64 1976 projects TOTAL CHAPTER 80 | 141 200 000 | + 94 270 000 | 235 470 000 | 235 469 999.62 | - | 0.38 | 235 469 999.62 | - | 0.38 |
| 810 | | CHAPTER 81 Common measures for the reform of agricultural structures (pursuant to the Council Resolution of 25 May 1971) | | | | | | | | | |
| | 8100 | Modernization of farms | 29 000 000 | - 19 172 500 | 9 827 500 | 6 964 498.31 | 6 964 498.31 | 2 863 001.69 | - | 2 863 001.69 | - |
| | 8101 | Cessation of farming and re-allocation of land for structural improvement | 6 000 000 | - 5 939 000 | 61 000 | 45 552.29 | 45 552.29 | 15 447.71 | - | 15 447.71 | - |
| | 8102 | Vocational guidance and training | 6 000 000 | - 3 433 700 | 2 566 300 | 1 599 284.98 | 1 599 284.98 | 967 015.02 | - | 967 015.02 | - |
| | 8103 | Mountain and hill farming and farming in certain less favoured regions | 50 000 000 | -13 146 000 | 36 854 000 | 36 018 154.44 | 36 018 154.44 | 835 845.56 | - | 835 845.56 | - |
| | 8104 | Forestry measures for the improvement of agricultural structures | - | - | - | - | - | - | - | - | - |
| | | Total Article 810 | 91 000 000 | -41 691 200 | 49 308 800 | 44 627 490.02 | 44 627 490.02 | 4 681 309.98 | - | 4 681 309.98 | - |
| | | TOTAL CHAPTER 81 | 91 000 000 | -41 691 200 | 49 308 800 | 44 627 490.02 | 44 627 490.02 | 4 681 309.98 | - | 4 681 309.98 | - |
| 820 | | CHAPTER 82 Common measures concerning the marketing and processing of agricultural products (pursuant to the Council Resolution of 25 May 1971) | | | | | | | | | |
| | 8200 | Producer groups and associations thereof | - | - | - | - | - | - | - | - | - |
| | 8201 | Pro producer groups | 1 500 000 | + 307 300 | 1 807 300 | 811 270.49 | 996 029.51 | 996 029.51 | - | 811 270.49 | - |
| | 8202 | Marketing and processing of agricultural products | - | - | - | - | - | - | - | - | - |
| | | Total Article 820 | 1 500 000 | + 307 300 | 1 807 300 | 811 270.49 | 996 029.51 | 996 029.51 | - | 811 270.49 | - |
| | | TOTAL CHAPTER 82 | 1 500 000 | + 307 300 | 1 807 300 | 811 270.49 | 996 029.51 | 996 029.51 | - | 811 270.49 | - |

| Art. | Item | Nomenclature | Appropriations authorized in 1976 Budget | Transfers in 1976 | Available appropriations col. 1 + 2 | Situation as at 31 December 1976 | | | | | |
|------|------|---|--|-------------------|-------------------------------------|----------------------------------|---------------|---------------|----------------------|-------------------|---|
| | | | | | | (1) | (2) | (3) | Commitments made (4) | Payments made (5) | Appropriations not committed col. 3 - 4 (6) |
| | | <u>CHAPTER 83</u> | <u>U.A.</u> | <u>U.A.</u> | <u>U.A.</u> | <u>U.A.</u> | <u>U.A.</u> | <u>U.A.</u> | <u>U.A.</u> | <u>U.A.</u> | <u>U.A.</u> |
| | | <u>Common measures in particular sectors</u> | | | | | | | | | |
| | | <u>Fisheries sector</u> | | | | | | | | | |
| 830 | 8300 | Conversion in the salt cod-fishing sector | 1 300.000 | - 700.000 | 600.000 | - | - | 600.000 | - | 600.000 | - |
| | 8301 | Conversion in the deep-sea fishing sector | - | - | - | - | - | - | - | - | - |
| | 8302 | Conversion in the in-shore fishing sector | - | - | - | - | - | - | - | - | - |
| | | <u>Total Article 830</u> | 1 300.000 | - 700.000 | 600.000 | - | - | 600.000 | - | 600.000 | - |
| 831 | | <u>Beef and veal sector</u> | | | | | | | | | |
| | 8310 | Premiums to encourage the development of beef and veal production | 16 000.000 | 10.500.500 | 26.500.500 | 15.011.212,87 | 15.011.212,87 | 11.489.287,13 | - | 11.489.287,13 | - |
| | 8311 | Premiums for the re-constitution of livestock herds | 45 300.000 | - 45.300.000 | - | - | - | - | - | - | - |
| | | <u>Total Article 831</u> | 61.300.000 | - 34.799.500 | 26.500.500 | 15.011.212,87 | 15.011.212,87 | 11.489.287,13 | - | 11.489.287,13 | - |
| 832 | | <u>Fruit and vegetable sector</u> | | | | | | | | | |
| | 8320 | Statistical survey of fruit trees | - | - | - | - | - | - | - | - | - |
| | 8321 | Re-organization of horticultural production under glass | 3 500.000 | - 3 500.000 | - | - | - | - | - | - | - |
| | | <u>Total Article 832</u> | 3.500.000 | - 3.500.000 | - | - | - | - | - | - | - |
| 833 | | <u>Priority regions sector</u> | | | | | | | | | |
| | | Development operations in priority regions | - | - | - | - | - | - | - | - | - |
| | | <u>Total Article 833</u> | - | - | - | - | - | - | - | - | - |
| 834 | | <u>Farm structure sector</u> | | | | | | | | | |
| | | Farm structure survey | 5 200.000 | - | 5 200.000 | 2 669 492.97 | 2 534 507.03 | 2 534 507.03 | - | 2 534 507.03 | - |
| | | <u>Total Article 834</u> | 5.200.000 | - | 5.200.000 | 2.665.492,97 | 2.665.492,97 | 2.534.507,03 | - | 2.534.507,03 | - |
| | | <u>TOTAL CHAPTER 83</u> | 71 300.000 | - 38.999.500 | 32 300.500 | 17 676 705,4 | 17 676 705,84 | 14 623.794,16 | - | 14 623.794,16 | - |

| Art. | Item | Nomenclature | Appropriations authorized in 1976 Budget | Transfers in 1976 (2) | Available appropriations col. 1 + 2 (3) | Situation as of 31 December 1976 | | | | | |
|------|------|---|--|--------------------------|--|----------------------------------|----------------------|--|---|------------------------------------|--------------------------------|
| | | | | | | Commitments made (4) | Payments made (5) | Appropriations not committed col. 3 - 4 (6) | Automatic carry-forward col. 4 - 5 (7) | Non-automatic carry-forward (8) | Appropriations not used (9) |
| 830 | | <u>CHAPTER 82</u> | <u>U.A.</u> | <u>U.A.</u> | <u>U.A.</u> | <u>U.A.</u> | <u>U.A.</u> | <u>U.A.</u> | <u>U.A.</u> | <u>U.A.</u> | <u>U.A.</u> |
| | | Appropriations set aside previous financial years to finance expenditure in Chapters 81 to 83 | - | - | - | - | - | - | - | - | - |
| | | <u>TOTAL CHAPTER 82</u> | - | - | - | - | - | - | - | - | - |
| | | <u>CHAPTER 83</u> | | | | | | | | | |
| 890 | | Producer groups in the fruit and vegetable sector | 2 000.000 | - | 2 000.000 | 303.146,37 | 303.146,37 | 1 696 853,63 | - | 1.696.853,63 | - |
| 891 | | Premiums for slaughtering cows and for non-marketing of milk | 2.000.000 | - | 2.000.000 | 1.834.093,49 | 1.834.093,49 | 165.906,51 | - | 165.906,51 | - |
| 892 | | Premiums for grubbing fruit trees | 8.000.000 | - 7 806 500 | 193 500 | 193 342,70 | 193.342,70 | 157,30 | - | - | 157,30 |
| 893 | | Improvement in citrus fruit sector | 7.000.000 | - 5 221 800 | 1.778 200 | 1.778.169,19 | 1.778.169,19 | 30,81 | - | - | 30,81 |
| 894 | | Producer groups in the fisheries sector | 1.000.000 | - 858.300 | 141.700 | 141.665,02 | 141.665,02 | 34,98 | - | - | 34,98 |
| | | <u>TOTAL CHAPTER 83</u> | <u>20 000.000</u> | <u>- 13.886 600</u> | <u>6 113 400</u> | <u>4.250 416,77</u> | <u>4 250 416,77</u> | <u>1 862 983,23</u> | <u>-</u> | <u>1 862 760,14</u> | <u>223,09</u> |
| | | <u>TOTAL TITLE 8</u> | <u>325.000.000</u> | <u>-</u> | <u>325.000.000</u> | <u>302 835 822,74</u> | <u>67 305 883,12</u> | <u>22 164 117,25</u> | <u>235 469 959,62</u> | <u>22 163 623,79</u> | <u>223,47</u> |

ANNEXE O. XIV

Utilisation of appropriations of financial years prior to 1976

| I. Appropriations for the financing of projects (In ECU) | Appropriations carried forward from 1975 to 1976 | | Situation at 31 December 1976 | | | Appropriations to be carried forward to 1977 | | |
|---|--|-----------------------|-------------------------------|---------------------------|--|--|-----------------------|---------------------------|
| | Automatic (1) | Non-automatic (2) | Commitments made (3) | Payments made in 1976 (4) | Appropriations to be allocated to reserves (5) | Automatic (6) | Non-automatic (7) | Total carried forward (8) |
| Carried forward to | | | | | | | | |
| 1976 (1975 inst. II) | | 104 601 966.24 | 101 601 961.80 | 1 859 383.59 | 1.44 | 101 735 581.21 | - | 101 735 581.21 |
| 1975 (1975 inst. I) | 107 995 033.76 | | 107 995 033.76 | 2 915 056.11 | | 100 016 907.65 | | 100 016 907.65 |
| (1974 inst. II) | 137 764 625.22 | | 136 521 022.74 | 15 399 597.32 | | 117 621 411.42 | | 117 621 411.42 |
| (1974 re-allocated to 1976) | | | 923 026.48 | | | 923 016.43 | | 923 016.43 |
| 1974 (1974 inst. I) | 83 153 794.38 | | 82 607 601.33 | 13 75 308 | | 70 882 293.33 | | 70 882 293.33 |
| (1974 re-allocated to 1976) | | | 526 183.05 | | | 546 193.05 | | 545 193.05 |
| (1973) | 136 724 953.18 | | 135 800 357.18 | 23 4 5 997.07 | | 113 974 542.39 | | 113 974 542.39 |
| (1973 re-allocated to 1976) | | | 2 923 625.92 | | | 2 923 625.92 | | 2 923 625.92 |
| 1973 (1972) | 99 575 478.42 | | 98 078 719.85 | 15 217 223.41 | | 82 141 526.44 | | 82 141 526.44 |
| (1972 re-allocated to 1976) | | | 1 105 997.72 | | | 1 105 997.72 | | 1 105 997.72 |
| 1972 (1971) | 118 076 821.26 | | 113 277 695.43 | 18 573 165.09 | | 94 780 534.54 | | 94 780 534.54 |
| (1971 re-allocated to 1976) | | | 4 353 743.29 | | | 4 383 735.79 | | 4 383 735.79 |
| 1971 (1970) | 81 034 983 | | 75 954 111.05 | 19 732 497 | | - | 56 561 618 | 56 561 618 |
| (1970 re-allocated to 1976) | | | 4 732 250.00 | | | - | 4 732 269 | 4 732 269 |
| 1970 (69, inst. II, III, IV) | | 31 846 997 | 42 077 907 | 18 25 723 | | - | 23 120 852 | 23 120 852 |
| (69, II, III re-allocated to 1976) | | | 9 508 172 | | | - | 9 508 172 | 9 508 172 |
| 1969 (69, inst. I) | | 2 092 415 | 954 751 | 710 644 | | - | 244 121 | 244 121 |
| (69, I re-allocated to 1976) | | | 137 913 | | | - | 137 910 | 137 910 |
| (68, inst. Ia and II) | | 13 497 213 | 8 392 821 | 2 271 008 | | - | 6 121 795 | 6 121 795 |
| (68, Ib, II re-allocated to 1976) | | | 2 776 325 | | | - | 2 776 326 | 2 776 326 |
| 1968 (68, inst. I) | | 3 353 918 | 2 361 493 | 1 225 950 | | - | 937 543 | 937 543 |
| (68, inst. I re-allocated to 1976) | | | 790 455 | | | - | 790 455 | 790 455 |
| (1967) | | 2 915 401 | 1 151 117 | 558 475 | | - | 592 642 | 592 642 |
| (67, re-allocated to 1976) | | | 639 522 | 561 643.61 | | - | 224 813.39 | 224 813.39 |
| 1967 (1966) | | 2 616 382.06 | 1 497 411.06 | 474 581.78 | | - | 1 012 829.28 | 1 012 829.28 |
| (66, re-allocated to 1976) | | | 118 971 | 115 971 | | - | - | - |
| 1966 (1965) | | 101 627 | 16 271 | 15 277 | | - | - | - |
| (65, re-allocated to 1976) | | | 22 230 | 23 350 | | - | - | - |
| TOTAL I | 766 325 029.12 | 175 832 209.30 | 940 345 749.19 | 142 598 827.93 | 1.44 | 691 025 425.54 | 106 661 415.67 | 797 746 841.21 |
| II. Appropriations for the financing of common measures and special measures | | | | | | | | |
| Carried forward to 1975 | | | | | | | | |
| Item 8100 | | 2 305 673.28 | 2 305 673.28 | 2 325 673.28 | | | | |
| 8102 | | 171 904.33 | 171 904.33 | 171 504.33 | | | | |
| 8200 (74) | 1 325 625.66 | - | 1 325 375.08 | 165 843.07 | | 959 762.61 | | 959 762.61 |
| 8300 (75) | 2 688 150.74 | - | 2 682 704.41 | 677 503.15 | 5 646.35 | 1 985 201.26 | | 1 985 201.26 |
| 8201 | | 474 013.85 | 474 013.66 | 474 021.66 | | 2.19 | | |
| 8310 | | 28 137.91 | - | - | | 28 137.91 | | |
| 8340 | | 2 438 780.59 | 2 438 780.59 | 2 438 780.99 | | | | |
| 8900 | | 2 990 786.41 | 1 776 411.42 | 1 776 421.42 | 244 364.99 | | | |
| 8910 | | 203 982.38 | 203 982.38 | 203 982.38 | | | | |
| TOTAL II | 3 813 176.44 | 8 613 109.15 | 11 179 124.15 | 2 211 170.28 | 247 951.44 | 2 944 963.87 | | 2 944 963.87 |
| (1) Total I + II + III | 770 138 865.56 | 184 415 518.45 | 951 524 873.34 | 150 313 028.26 | 717 552.88 | 694 030 389.41 | 106 661 415.67 | 800 691 805.08 |

(1) Appropriations committed on 31 December 1975
 (2) Appropriations committed after being automatically carried forward for five years, and appropriations not committed at 31 December 1975
 (3) minus appropriations cancelled for aid not used for individual projects

Cash position at 31.12.1976

| | | Advances granted from 1.01.1976 to 31.12.1976 | Availability at 31.12.75 | Expenditure from 1.01.1976 to 31.12.76 | Availability at 31.12.1976 |
|----------------|------------|---|----------------------------------|---|---------------------------------|
| | | a | b | c | a + b - c |
| BELGIUM | FB ua | 1 349 500 000.00 26 990 000.00 | 103 181 472.00 2 063 629.44 | 1 321 897.00 26 437 940.74 | 130 784 435.00 2 615 688.70 |
| DENMARK | DKr ua | - 3 585 633.72 - 478 084,50 | 3 984 482,24 531 264,30 | 398 848.52 53 179.80 | 0 0 |
| GERMANY | DM ua | 96 184 800.00 26 280 000,00 | 13 171 737,83 3 598 835,47 | 78 898 421.92 21 556 945.88 | 30 458 115.91 8 321 889.59 |
| FRANCE | FF ua | 174 956 985.00 31 500 000.00 | 33 807 723.70 6 086 886,42 | 180 680 889.30 32 530 556.06 | 23 083 819.59 5 056 330.34 |
| IRELAND | £ ua | 2 480 001.98 5 952 000.00 (1) | - - | 1 438 282.05 3 451 874.05 | 1 041 719.93 2 500 125.83 |
| ITALY | Lit. ua | 11 625 000 000,00 18.600 000.00 | 4 219 768 538.00 6 751 629.66 | 9 993 323 365.00 15 989 317.38 | 851 445 173.00 9 362 312 ,00 |
| LUXEMBOURG | Flux ua | 60 550 000.00 1 211 000.00 | 4 791 900.00 95 838.00 | 64 642 478.00 1 292 849,56 | 699 422.00 13 988,44 |
| NETHERLANDS | Fl ua | 29 430 600.00 8 130.000,00 | 2 066 313.69 570 804,89 | 34 413 919.73 9 506 607.66 | - 2 917 006,04 - 805 802.77 |
| UNITED KINGDOM | £ ua | - - | 391 709,81 940 102.79 | 354 885.18 851 723.75 | 36 824,63 88 379.04 |
| | ua | 118 184 915.50 | 20 638 990.97 | 111 670 995.01 | 27 152 911.45 |

(1) Amount rounded up to 0.01 u.a.

TABLE A2

EXPENDITURE DECLARED BY MEMBER STATES

| Member State | Declared Expenditure in u.a. | | | | TOTAL (a + b + c) = d | Advances granted (e) (1) | Difference or Member States availabilities in cash (e-d) |
|----------------|------------------------------|----------------------|--------------|--|--------------------------|--------------------------------|---|
| | Cereals (a) | Milk products (b) | Sugar (c) | | | | |
| BELGIUM | 7 986 614,30 | 16 731 166,48 | 1 720 159,96 | | 26 437 940,74 | 29 053 629,44 | 2 615 688,70 |
| DENMARK | - | - | 53 179,80 | | 53 179,80 | 53 179,80 | 0 |
| GERMANY | 3 758 417,15 | 17 267 154,65 | 531 374,08 | | 21 556 945,88 | 29 878 835,47 | 8 321 889,59 |
| FRANCE | 15 818 883,98 | 16 711 672,10 | - | | 32 530 556,08 | 37 586 886,42 | 5 056 330,34 |
| IRELAND | - | 3 451 874,16 | - | | 3 451 874,16 | 5 952 000 | 2 500 125,84 |
| ITALY | 15 989 317,38 | - | - | | 15 989 317,38 | 25 351 629,66 | 9 362 312,28 |
| LUXEMBOURG | - | 1 292 849,56 | - | | 1 292 849,56 | 1 306 838 | 13 988,44 |
| NETHERLANDS | 1 037 807,22 | 8 468 800,44 | - | | 9 506 607,66 | 8 700 804,89 | - 805 802,77 |
| UNITED KINGDOM | - | 851 723,75 | - | | 851 723,75 | 940 102,79 | 88 379,04 |
| EEC | 44 591 040,03 | 64 775 241,14 | 2 304 713,84 | | 111 670 995,01 | 138 823 906,47 | 27 152 911,46 |

(1) Including balance available at 31 December 1975

Table A.3

APPROPRIATIONS CARRIED FORWARD TO THE FINANCIAL YEAR 1977

| TOTAL 1976 APPROPRIATIONS | COMMITMENTS | | | Expenditure com- mitted and charged as payments | Regular- ization | Carried forward | | APPROPRIATI CANCELLED |
|------------------------------|---|--|--------------------|--|---------------------|-----------------|----------------------|--------------------------|
| | Advances to Member States Article 115 of Financial Regulation | Article 40 of Financial Regulation | Direct payments | | | Automatically | Not Automatically | |
| a | b | c | d | e | f | g | h | i |
| 354 457 597.54 | 138 823 906.36 | 145 000 000 | 4 278 090.06 | 111 670 995.48 | 107 414.90 | 172 152 910.88 | 17 150 000 | 149 098 186. |
| (1) | (2) | (3) | (2) | (3) | (4) | | | (5) |

$a = d + e + f + g + h + i$

(1) Including item 9240 for 1 000 000 u.a.

(2) Including 71 619.18 u.a. for item 9240.

(3) Including 292 800 u.a. for item 9240.

(4) Indonesia, Bangladesh and India affairs regularized in 1976 (the expenditure had been declared before 1976 but it had only been accepted as chargeable to the Community budget in 1976).

(5) Including 635 580.82 of item 9240.

TABLE A 4
Community Food Aid
Financed from the Community Budget
(Food Aid Chapter)

| Financial year | Products | Quantities m.t. | Amount u.s. | TOTALS u.s. |
|--------------------|--------------------------------|-------------------|---------------------------------|----------------|
| 1972 | <u>Cereals and rice</u> | | | |
| | 1968/69 Scheme | | | |
| | Bengali refugees | 301 000,000 | 18 842 681,00 (1) | 23 750 210,00 |
| 1971/72 Scheme | 50 000,000 | 4 907 529,00 (1) | | |
| | | | | |
| 1973 | <u>Cereals and rice</u> | | | |
| | 1969/70 Scheme | 335 500,000 | 22 148 041,85 (1) | |
| | 1971/72 Scheme | 180 234,000 | 20 392 530,63 (2) | |
| | 1972/73 Scheme | 264 900,000 | 34 915 656,66 (2) | |
| | <u>Sugar</u> | | | |
| | 1st Convention | 8 212,000 | 1 398 374,25 (2) | |
| | <u>Milk products</u> | | | |
| | (Bought on market) | 3 020,000 | 2 145 266,96 (2) | |
| | <u>Egg products</u> | 500,000 | 1 485 831,61 (1) | |
| | <u>Milk products</u> | 34 580,875 | 21 178 366,23 (1) | |
| | <u>Sugar (1st Convention):</u> | 3 939,320 | 1 052 111,09 (1) | 104 716 179,28 |
| 1974 | <u>Cereals and rice</u> | | | |
| | 1970/71 Scheme | 4 500,000 | 105 572 966,09 (2) | |
| | 1971/72 Scheme | 103 765,000 | | |
| | 1972/73 Scheme | 168 612,000 | | |
| | 1973/74 Scheme | 448 500,000 | | |
| | <u>Milk products</u> | | | |
| (bought on market) | 4 852,700 | 652 675,57 (3) | 106 225 641,66 | |
| 1975 | <u>Cereals and rice</u> | | | |
| | 1968/69 Scheme | 401,000 | | |
| | 1970/71 Scheme | 469,500 | | |
| | 1971/72 Scheme | 20 001,000 | | |
| | 1972/73 Scheme | 25 888,000 | | |
| | 1973/74 Scheme | 126 637,000 | | |
| | 1974/75 Scheme | 509 081,000 | | |
| | <u>Skimmed milk powder</u> | | | |
| | Programmes prior to 1975 | 26 668,000 | 163 979 335,46 (2) | |
| | 1975 Programme | 24 106,000 | | |
| | <u>Butteroil</u> | | | |
| | Programmes prior to 1975 | 25 437,000 | 1 289 730,65 (3) | |
| | 1975 Programme | 6 411,000 | | |
| <u>Sugar</u> | | | | |
| - 1st Convention | 4 094,000 2 000,000 | 748 000,00 (4) | | |
| <u>Cereals</u> | | | | |
| 1970/71 Scheme | 348 070,500 | 25 135 288,68 (1) | 191 152 354,79 98 121,01 (5) | |
| 1976 | <u>Cereals and rice</u> | | | |
| | 1972/73 Scheme | 5 000,000 | | |
| | 1973/74 Scheme | 4 863,000 | | |
| | 1974/75 Scheme | 120 419,000 | | |
| | 1975/75 Scheme | 160 620,000 | | |
| | <u>Butteroil</u> | | | |
| | 1974 Programme | 400,000 | | |
| | 1975 Programme | 31 994,000 | 111 670 995,01 (2) | |
| | 1976 Programme | 7 110,000 | | |
| | <u>Skimmed milk powder</u> | | | |
| | 1974 Programme | 9 630,000 | | |
| 1975 Programme | 26 544,000 | | | |
| 1976 Programme | 21 028,000 | 4 206 470,88 (3) | | |
| <u>Sugar</u> | | | | |
| 1975 Programme | 6 153,000 | | 115 877 465,89 | |

EXPLANATORY NOTES TO TABLE A 4

- (1) Final figures corresponding to aid decisions or Commission decisions on the clearance of accounts.
- (2) Provisional figures corresponding to the monthly statements of the Member States.
- (3) Direct payments to certain countries or agencies receiving lump-sum contributions towards the cost of forwarding or distributing goods.
- (4) Equivalent of 2000 tons of sugar paid for in cash.
- (5) Correction of the figures shown under (2) following the clearance of accounts for the financial year 1973.

Table A I gives an overall view of food aid granted by the Community in each financial year since the beginning of the scheme.

This table covers only aid entered under the "food aid" heading of the Community budget, and excludes Community food aid in milk products financed up to 31.12.1974 by the EAGGF, Guarantee Section.

Up to and including the 1974 financial year, the amounts correspond to the value of the goods in the case of milk products, sugar and egg products, while the figures given for cereals are net of refunds. From 1975 onwards, all figures excluded refunds.

TABLE A 5

COMMUNITY FOOD AID - APPROPRIATIONS - 1976 BUDGET.

(in u.a.)

| Art. | Items | Programme | Appropriations carried forward from 1975 | 1976 Appropriations | | | TOTAL | Advances to Member States (including balance on 31.12.1975) |
|------|-------|-----------------------------|--|---------------------|-------------------|-------------------|-----------------------|---|
| | | | | Entries | Amending budget | Transfers | | |
| | | | a | b | c | d | e = a+b+c+d | f |
| 920 | 9200 | <u>CEREALS</u> Bef. 1976 | 25.401.171,68 | p.m. | - | + 9.713.822,70 | 35.114.994,38 | |
| | 9201 | 1976 | - | 97.970.000 | - | - 4.083.822,70 | 93.886.177,30 | |
| 921 | | <u>MILK PRODUCTS</u> | | | | | | |
| | 9210 | Bef. 1976 | 37.073.246,06 | p.m. | - | +36.962.658,30 | 74.035.904,36 | |
| | 9211 | LEP 1976 | - | 36.500.000 | 40.630.000 | - 192.658,30 | 76.787.341,70 | |
| | 9212 | Butteroil 1976 | - | 68.950.000 | - | - | 68.950.000 | |
| 922 | | <u>SUGAR</u> | | | | | | |
| | 9220 | Bef. 1976 | 2.353.179,80 | p.m. | - | + 34.399 | 2.387.578,80 | |
| | 9221 | 1976 | - | 2.330.000 | - | - 34.399 | 2.295.601 | |
| 923 | | <u>OTHER PRODUCTS</u> | - | p.m. | - | - | - | |
| 924 | | <u>OTHER EXPENDITURE</u> | - | 1.000.000 | - | - | 1.000.000 | |
| | | TOTAL | 64.827.597,54 | 206.600.000 | 40.630.000 | 42.400.000 | 354.457.597,54 | 138.823.906,36 |

COMMISSION OF THE EUROPEAN COMMUNITIES

ADDENDUM to Dec.
COM(77) 591 final.

COM(77) 591 final/2.

Brussels, 29 November 1977.

SIX FINANCIAL REPORT
on the
EUROPEAN AGRICULTURAL GUIDANCE
AND GUARANTEE FUND
YEAR 1976

COM(77) 591 final/2.

SUMMARY OF THE SIXTH FINANCIAL REPORT

Title I: The Guarantee Section

1. The EAGGF Guarantee Section is responsible for financing expenditure arising from the common policy on agricultural markets and prices, including expenditure resulting from currency fluctuations.

The year 1976 was marked by adjustments in certain financially important sectors. In the milk and milk products sector, in particular, increased expenditure in 1976 (over 2 milliard u.a.) compared with 1975 (1150 M u.a.) and the accumulation of stocks of skimmed milk powder led the Community to introduce short-term measures for the disposal of skimmed milk powder and to put forward a programme for the period 1977-80 with a view to the progressive achievement of a balance in this market. The rules governing the wine sector were substantially revised in order to bring the intervention measures (especially as regards distillation) more into line with market needs.

2. In the other sectors, there was a considerable increase in expenditure on fruit and vegetables (244.4 M u.a. in 1976 compared with 88.3 M u.a. in 1975) as the result of a heavy crop of apples and tomatoes, and in monetary compensatory amounts (505 compared with 406 M u.a.) arising from the downward movement of the pound and the lira. On the other hand, expenditure fell in the sugar, beef and veal and pigmeat sectors because of an improvement in the markets in these products.

Expenditure was also affected by the decision to increase agricultural prices for the 1976/77 marketing year by an average of 7.7%.

3. Total provisional expenditure in 1976 was, at 5 570 M u.a., higher than in 1975 (4 718.7 M u.a.). The original appropriations (5 160.3 M u.a.) were increased by 717.4 M u.a. in a supplementary budget adopted in September 1976. However, 265.3 M u.a. was still available at the end of the financial year because of delays in execution or in the payments for certain operations; 148.6 M u.a. were carried forward to 1977 and 116.7 M u.a. cancelled.

4. In spite of the efforts made there is still a considerable backlog in the clearance of accounts. Priority has been given to dealing with the periods preceding the definitive system (1967/68 - 70) and then to 1973, the first year after the entry of the new Member States. The work should be completed in 1977 or 1978.

Title II: The Guidance Section

5. The Guidance Section is concerned with financing the Community policy of improvement of agricultural structures. For this purpose it finances:

- a) common measures (Article 6 of Regulation No 729/70) and certain special measures which are intended, among other things, to improve the functioning of certain common market organizations and whose financial characteristics resemble those of common measures;
- b) individual projects for improving agricultural structures (Regulation No 17/64) through the granting of capital subsidies.

The available appropriations, 325 M u.a. per year, go in the first instance to the financing of common and special measures. The remainder is used to finance individual projects and in 1976 this still formed the bulk of the work of the Guidance Section.

6. Expenditure in 1976 on common measures, at 69.4 M u.a., was well up on 1975 (33.8 M u.a.). It went mainly on hill farming and farming in certain less-favoured areas (36 M u.a.), conversion in the beef and veal sector (15 M u.a.) and the modernization of farms (9.3 M u.a.). On the other hand, expenditure on special measures fell (6.2 M u.a. against 11.5 M u.a. in 1975).

7. For individual projects the Commission decided to grant aid in 1976 as follows:

- a) on 30 April 1976 in respect of the second instalment for 1975: a total of 692 projects obtained aid amounting to 212.6 M u.a. from the Fund in 1975.
- b) in respect of the two instalments for 1976 the Commission decided on 29 July and 30 December 1976 to grant a total of 264.2 M u.a. for 808 projects.

For the first time the Commission was able to take its decisions in due time and thus make good the lags in the granting of aid; this process necessitated all the greater effort on the part of the Commission staff in that the amounts granted were especially high.

8. With regard to payments for individual projects, the time lag after a decision is taken to grant aid is of necessity long, but varies according to Member State. The longest time lag is found in Italy, which is also the country with the largest number of projects which are not executed.

With the development of common measures, there is increased activity to provide Community financing for these measures.

Title III: Verifications and irregularities

9. The Guarantee Section was engaged mainly on the systematic verifications required in preparation for the clearance of the accounts for the periods 1967/68 - 70 and 1973. It also made various inspection visits. Selective controls were also carried out on problems specific to beef and veal and on refunds varying according to destination.

In the Guidance Section, inspection visits were made in respect of 10 individual projects. Other visits were made in respect of two special measures and one common measure in several Member States.

10. In 1976 there was improved co-operation between Member States in the campaign against irregularities. The effort undertaken in this field included the preparation by the EAGGF of a 'compendium of irregularities' distributed to the departments responsible in the Member States to alert them to fraudulent practices with which they might be confronted. The terms of reference of the Special Committee of Inquiry were extended; it devoted itself to the wine sector. The measures taken and the results obtained so far in this campaign were communicated to the Council and the European Parliament by the Commission on 31 December 1976.

Irregularities affecting the Guarantee Section in 1976 related mainly to the cereals and beef and veal sectors, and mainly to monetary compensatory amounts. A total of 5.6 M u.a., of which 1.7 M u.a. have so far been recovered, was involved in the 258 cases.

Irregularities affecting the Guidance Section related mainly to premiums for the non-marketing of milk and for the conversion of dairy herds. One hundred of the 337 cases reported for the years 1971 to 1976 are still pending and represent a total of 0.4 M u.a. still to be recovered.

Title IV: Financing of food aid

11. The system for the Community financing of expenditure arising from the supply of agricultural products as food aid, as laid down in Council Regulation No 2681/74, provides that all expenditure shall be entered under the chapter on food aid, with the exception of the portion corresponding to refunds, which continues to be financed by the EAGGF, Guarantee Section.

The monthly advances which were the subject of Commission decisions totalled 138.8 M u.a. in 1976, including 20.6 M u.a. carried forward from 1975. Of this total, 111.7 M u.a. were committed in 1976 and charged as expenditure, mainly for aid in the form of milk products from public stocks (64.8 M u.a.), cereals (44.6 M u.a.) and sugar (2.3 M u.a.). The percentage utilization of appropriations was 80% compared with 87% in 1975 due to the advances decided in December 1975 not giving rise to expenditure in the same month.