



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 03.06.1997
COM(97) 261 final

97/ 0152 (CNS)

Proposal for a
COUNCIL REGULATION (EC)

**amending Regulation (EEC) No 3650/90 on measures to strengthen the application
of the common quality standards for fruit and vegetables in Portugal**

(presented by the Commission)

EXPLANATORY MEMORANDUM

Subject: Amendment to Regulation (EEC) No 3650/90 on measures to strengthen the application of the common quality standards for fruit and vegetables in Portugal

Between the first and the second stages of the transitional period for fruit and vegetables, the Portuguese authorities presented a programme of measures in accordance with Council Regulation (EEC) No 3650/90 and Commission Regulation (EEC) No 268/91. That programme was approved by the Commission in April 1992 with a view to improving the application of the common quality standards for fresh fruit and vegetables and strengthening the arrangements for checking compliance with the latter. The time limit for implementation was to last five years and thus expires in April 1997.

By letter of 14 October 1996, the Portuguese authorities requested the Commission to extend the time limit for the programme in question to 31 December 1999. Financial implementation of the programme has fallen far behind the schedule laid down. According to the Portuguese authorities, the reasons for the delay in implementation lie in the reorganization of the Portuguese administration as a result of changes to government structure as well as internal legal problems relating to the recruitment of inspectors.

However, the Portuguese programme has already resulted in a vertical inspectorate being set up in Portugal and the activities provided for in the programme could be fully implemented without major problems on condition that further time is allowed. Regulation (EEC) No 3650/90 provides for a Community financial contribution amounting to 80% of eligible expenditure. An extension of the programme would not result in any change in the overall budget as approved by the Commission in 1992 but owing to the non-utilization of Community appropriations, it would require that part of the commitment and payment appropriations not used by the Portuguese authorities during the initial implementation period for the programme (cf. financial analysis) be included in the 1998 and 1999 Community budgets.

The reform of the common organization of the market in fruit and vegetables pursuant to Council Regulation (EC) No 2200/96 places special emphasis on the trade standards and compliance therewith. The application of such standards is compulsory and also affects the producer (organizations), intra and extra-Community trade and consumers.

The Commission considers that it is especially important to extend the programme in question. Although experience has highlighted the cumbersome procedures involved in introducing an operational inspectorate, the latter is likely to ensure that compliance with quality standards for fresh fruit and vegetables in Portugal is sufficiently observed and it requires Community support to be extended for a reasonable additional period.

Given budget requirements, the Portuguese request should be acceded to and an extension of two and a half years granted for implementation, expiring on 30 September 1999, the financial schedule and latest applications for Community financing needing to be presented by 15 November 1999 so as to enable the situation to be fully settled in the 1999 budget.

In view of the fact that financing has hitherto covered the period from April of one year to April in the following year, this will continue to apply until April 1999, the last period running from 5 April to 30 September 1999 (six months).

Proposal for a
Council Regulation (EC) No
of
**amending Regulation (EEC) No 3650/90 on measures to strengthen the application
of the common quality standards for fruit and vegetables in Portugal**

THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Treaty establishing the European Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas a programme of measures to improve the application of the common quality standards for fruit and vegetables and to strengthen the arrangements for checking compliance with those standards must be implemented in Portugal over a five-year period in accordance with Council Regulation (EEC) No 3650/90¹;

Whereas the Portuguese programme was approved by the Commission on 4 April 1992 and whereas Portugal has fallen behind in implementing the measures provided for in that programme, which expires on 4 April 1997, for reasons connected with restructuring of the administration;

Whereas on 14 October 1996 the Portuguese authorities requested the Commission for an extension of the programme to 31 December 1999;

Whereas, in order to allow Portugal to continue implementing the measures already approved by the Commission, the time limit for implementation of the programme should be extended to 30 September 1999 and all measures, including Community financing, should be fully settled by 15 November 1999,

¹ OJ No L 362, 27.12.1990, p. 22.

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 3650/90 is hereby amended as follows:

1. In the first subparagraph of Article 1(1), the words "over a five-year period" are replaced by "by 30 September 1999".
2. Article 3(1) is replaced by the following:

"1. The Community shall contribute 80% of eligible expenditure as defined pursuant to Article 4 incurred in carrying out the measures referred to in Article 2.
The programme provided for in Article 1 must be fully implemented by 30 September 1999 and settled, including Community financing, by 15 November 1999."

Article 2

This Regulation shall enter into force on the day of its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at

For the Council

FINANCIAL STATEMENT

Proposal for a Council Regulation (EC) No .../97 amending Regulation (EEC) No 3650/90 on measures to strengthen the application of the common quality standards for fruit and vegetables in Portugal.

1. **BUDGET ITEM: B2 - 511 INSPECTION IN AGRICULTURE**
2. **APPROPRIATIONS FOR THIS ITEM FOR THE CURRENT FINANCIAL YEAR:**
Commitment appropriations: ECU 33 million
Payment appropriations: ECU 24 million
3. **AUTHORIZED CARRY-OVER:**
– Not automatic: none
4. **EXPENDITURE ARISING FROM THE PROPOSED COMMISSION DECISION (ESTIMATE): ECU 4.617 MILLION**

For the current and subsequent (if necessary) financial years:

- For the appropriations for the budget items referred to:

	Commitment appropriations	Payment appropriations
1997:	P.M.	1.539
1998	0.6	1.539
1999	1.048	1.539
Total	1.648	4.617

5. **OTHER FINANCIAL IMPACT OF THE DECISION: /**
6. **CALCULATION METHOD: SEE EXPLANATORY NOTE**
7. **BASIC REGULATION: : COUNCIL REGULATION (EEC) No 3650/90**

Opinion of the Director-General for budgets:

Comments:

The Portuguese authorities would like to be able to make use of the balance of the initial sum provided for in the Regulation, ECU 4.617 million. This means that the payment appropriations will have to be made available again and additional commitment appropriations will have to be made available for the sum requested, minus the balance still available: ECU 4.617 - 2.969 = 1.648 million.

**FINANCIAL CONSEQUENCES OF THE PORTUGUESE AUTHORITIES' REQUEST
FOR AN EXTENSION IN THE TIME LIMIT FOR IMPLEMENTATION**

I. Original Budget:

The original financial statement provided that the funds for the measures were to come from heading B2-511 of Chapter B2-51 of the budget with execution as follows:

<u>Year</u>	<u>CA/PA (ECU million)</u>
1991	-
1992	1.1
1993	1.1
1994	1.1
1995	1.1
1996	1.1
1997	0.6
Total	5.5

II. Utilization of Appropriations by the Portuguese Authorities:

In early 1997, the Portuguese authorities had used the appropriations made available as follows:

<u>Year</u>	<u>Forecast utilization (CA/PA)</u>	<u>Actual utilization (CA/PA)</u>
1992	1 100 000	52 846
1993	1 100 000	59 929
1994	1 100 000	325 442
1995	1 100 000	262 194
1996	1 100 000	132 893
Total	5 500 000	883 304 (18%)

Theoretical balance on expiry: ECU 4 616 696

III. Present Budget Situation:

It is clear that for reasons they put forward, the Portuguese authorities have used only a small percentage of the appropriations made available each year, which, at least as regards payment appropriations, involves a loss to the Community budget.

The Portuguese authorities now wish to continue to be allocated the unused sums, despite the way the Community budget functions and appropriations lost hitherto, which should therefore be included in the 1998 and 1999 budgets.

Luckily, the situation is not as negative as it appears, since in order to cover the larger part of the Portuguese programme, commitments amounting to ECU 4.5 million were made and commitment appropriations amounting to ECU 2.969 million remain, expiring on 31 December 1997 (b97, 93, sin, 003172), which could be extended to 31 December 1999 to cover part of the theoretical balance of ECU 4 616 696 requested by the Portuguese authorities.

From the viewpoint of commitment appropriations, the situation is therefore as follows:

Balance to be covered in 1997, 1998 and 1999	ECU 4 616 696
Commitment remaining	ECU 2 969 000
Appropriations requested in 1998 PDB	ECU 600 000
Appropriations required in 1999 PDB	ECU 1 047 696

However, from the viewpoint of payment appropriations, the appropriations hitherto unused by the Portuguese authorities must be reconstituted or they must be requested from the budget authority.

This implies identifying:

In the 1997 budget	ECU 600 000
In the 1998 budget	ECU 2 008 348
In the 1999 budget	ECU 2 008 348.

ISSN 0254-1475

COM(97) 261 final

DOCUMENTS

EN

03

Catalogue number : CB-CO-97-249-EN-C

ISBN 92-78-20626-1

Office for Official Publications of the European Communities

L-2985 Luxembourg