

Procedure file

Basic information		
CNS - Consultation procedure Regulation	2001/0264(CNS)	Procedure completed
EAGGF Guarantee section: scrutiny by the Member States of financing transactions (amend. Regulation (EEC) No 4045/89)		
Subject 3.10.13 European Agricultural Guidance and Guarantee Fund, EAGGF and EAGF		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control		04/12/2001
		PSE CASACA Paulo	
	Committee for opinion	Rapporteur for opinion	Appointed
	JURI Legal Affairs and Internal Market		07/01/2002
		UEN CROWLEY Brian	
	AGRI Agriculture and Rural Development		04/12/2001
		PPE-DE SCHIERHUBER Agnes	
Council of the European Union	Council configuration Agriculture and Fisheries	Meeting 2468	Date 28/11/2002
European Commission	Commission DG Agriculture and Rural Development	Commissioner	

Key events			
13/11/2001	Legislative proposal published	COM(2001)0663	Summary
10/12/2001	Committee referral announced in Parliament		
02/09/2002	Vote in committee		Summary
02/09/2002	Committee report tabled for plenary, 1st reading/single reading	A5-0275/2002	
24/09/2002	Debate in Parliament		
24/09/2002	Decision by Parliament	T5-0433/2002	Summary
26/11/2002	Modified legislative proposal published	COM(2002)0682	Summary

28/11/2002	Act adopted by Council after consultation of Parliament		
28/11/2002	End of procedure in Parliament		
05/12/2002	Final act published in Official Journal		

Technical information

Procedure reference	2001/0264(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	EC Treaty (after Amsterdam) EC 037
Stage reached in procedure	Procedure completed
Committee dossier	CONT/5/15439

Documentation gateway

Legislative proposal	COM(2001)0663 OJ C 051 26.02.2002, p. 0366 E	13/11/2001	EC	Summary
Committee report tabled for plenary, 1st reading/single reading	A5-0275/2002	02/09/2002	EP	
Text adopted by Parliament, 1st reading/single reading	T5-0433/2002 OJ C 273 14.11.2003, p. 0024-0116 E	24/09/2002	EP	Summary
Modified legislative proposal	COM(2002)0682	26/11/2002	EC	Summary

Additional information

European Commission	EUR-Lex
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Final act

[Regulation 2002/2154](#)
[OJ L 328 05.12.2002, p. 0004-0005](#) Summary

EAGGF Guarantee section: scrutiny by the Member States of financing transactions (amend. Regulation (EEC) No 4045/89)

PURPOSE : to amend Regulation 4045/89/EEC on scrutiny by Member States of transactions forming part of the system of financing by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund. CONTENT : over the years, but in particular during the modification process to redefine the rural development measures excluded (Regulation 2311/2000/EC), several Member States have raised the issue of the minimum number of scrutinies required by the legislation. For some (particularly Italy and Spain with some 600 scrutinies each) the minimum number poses problems in completing scrutinies in time and handicaps the development of new approaches and more in-depth examinations. The minimum number of scrutinies is determined as 50% of the number of undertakings receiving over EUR 100 000 in aid. This figure has not changed since 1994. Inflation percentages 1994-2001 are calculated at around 4% cumulating to some 35%. Setting the calculation parameter for the minimum number at EUR 150 000 avoids having to change the Regulation again within a few years. To have greater flexibility to allow, on a more regular basis, a reduction in the minimum number of scrutinies and to enhance the performance of joint actions the proposal to the Council includes an addition to Article 7 which would decrease the minimum number by a maximum of 25%. Furthermore, the reporting requirement in respect of mutual assistance requests (Article 7) is simplified (quarterly reporting on a summary basis). The Regulation does not require any financial involvement of the Community and the proposal thus without financial consequences.?

EAGGF Guarantee section: scrutiny by the Member States of financing transactions (amend. Regulation (EEC) No 4045/89)

The committee adopted the report by Paulo CASACA (PES, P) broadly approving the Commission proposal, subject to a few amendments (under the consultation procedure). It wanted to change the legal basis of rules on monitoring agricultural spending, and proposed that this should be Article 280 rather than Article 37, thereby giving the protection of the Community's financial interests the importance it deserved. Another amendment, which flowed directly from Parliament's resolution on the 2000 discharge, called for the identity of undertakings and the amount of funding received by them under the EAGGF to be made public, in the interests of transparency. The committee also called for the Commission to audit at least one of the scrutinies carried out by each Member State, so as to ensure that scrutiny procedures are properly harmonised. Finally, it added a clause stipulating that the Commission should perform a direct audit of funding which is supranational and European in nature.?

EAGGF Guarantee section: scrutiny by the Member States of financing transactions (amend. Regulation (EEC) No 4045/89)

The European Parliament adopted a resolution drafted by José Paulo Martins CASACA (PES, Portugal) on the transactions financed by the EAGGF Section. (Please refer to the document dated 02/09/02). Parliament made it clear in the recitals that a reduction in the number of scrutinies, reflecting the selection of undertakings on the basis of risk analysis techniques and enhanced mutual assistance, should not give rise to a deterioration in the quality of the scrutinies.?

EAGGF Guarantee section: scrutiny by the Member States of financing transactions (amend. Regulation (EEC) No 4045/89)

The Commission incorporated the following amendments in its proposal: - the recital on the reduction in the number of scrutinies; - scrutinies of rural development measures not explicitly excluded from the scope of such scrutinies, pursuant to the Annex to Regulation 2311/2000/EC, must pay particular attention to the special conditions governing the implementation of such measures and projects; - checks showing that documents relating to aid payments are accurate.?

EAGGF Guarantee section: scrutiny by the Member States of financing transactions (amend. Regulation (EEC) No 4045/89)

PURPOSE : to amend Regulation 4045/89/EEC on scrutiny by Member States of transactions forming part of the system by financing by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund. **COMMUNITY MEASURE** : Council Regulation 2154/2002. **CONTENT** : the Council adopted the Regulation on scrutiny by Member States of transactions forming part of the system of financing by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund (EAGGF). This Regulation aims at adjusting the value of aid subject to scrutiny, in line with inflation, introducing joint scrutiny action enabling the minimum number of scrutiny operations to be reduced by up to a maximum of 25%, simplifying reporting requirements for mutual assistance requests. The scrutiny request shall be met not later than 6 months after its receipt. The results of the scrutiny shall be communicated without delay to the requesting Member State and to the Commission. The communication to the Commission shall be on a quarterly basis within 1 month after the end of each quarter. **ENTRY INTO FORCE** : 8 December 2002. The regulation shall apply from the control period 2003/2004.?