

# Procedure file

Basic information		
CNS - Consultation procedure Regulation	<a href="#">2002/0125(CNS)</a>	Procedure lapsed or withdrawn
Common agricultural policy CAP: financing		
Subject 3.10 Agricultural policy and economies		

Key players		
European Parliament		
Council of the European Union European Commission	Commission DG <a href="#">Agriculture and Rural Development</a>	Commissioner

Key events			
10/06/2002	Legislative proposal published	<a href="#">COM(2002)0293</a>	Summary
02/09/2002	Committee referral announced in Parliament		
02/09/2002	Vote in committee		Summary
01/09/2002	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A5-0277/2002</a>	
24/09/2002	Decision by Parliament	<a href="#">T5-0413/2002</a>	Summary
06/08/2004	Additional information		Summary

Technical information	
Procedure reference	2002/0125(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Stage reached in procedure	Procedure lapsed or withdrawn
Committee dossier	CONT/5/16417

Documentation gateway					
Legislative proposal		<a href="#">COM(2002)0293</a>	11/06/2002	EC	Summary

Committee report tabled for plenary, 1st reading/single reading		<a href="#">A5-0277/2002</a>	02/09/2002	EP	
Economic and Social Committee: opinion, report		<a href="#">CES1017/2002</a> <a href="#">OJ C 061 14.03.2003, p. 0054</a>	18/09/2002	ESC	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T5-0413/2002</a> <a href="#">OJ C 273 14.11.2003, p. 0019-0066 E</a>	24/09/2002	EP	Summary
Court of Auditors: opinion, report		RCC0009/2002 <a href="#">OJ C 285 21.11.2002, p. 0001-0003</a>	25/09/2002	CofA	Summary

#### Additional information

European Commission

[EUR-Lex](#)

## Common agricultural policy CAP: financing

**PURPOSE :** In relation to the common agricultural policy, to extend the clearance period during which financial recoveries can be performed.

**CONTENT :** Under Council Regulation 1258/99/EC on the financing of the common agricultural policy, a decision to refuse financing may not involve expenditure referred to in Article 2 of that Regulation effected prior to 24 months preceding the Commission's written communication of the results of those checks to the Member State. As regards expenditure for a measure referred to in Article 3 of that Regulation, a refusal to finance may not involve expenditure in respect of which the final payment was effected prior to 24 months preceding the Commission's written communication of the results. In the light of experience, the application of this restriction poses a problem in terms of protecting the EU's financial interests, as it places the Commission in the unsatisfactory position of being unable to recover money that has been spent improperly, thus representing a financial loss to the Community budget. It is therefore proposed to extend to 36 months the maximum period between the start of application of financial corrections and the date of communication of the result of the checks referred to in Article 7(4) of Regulation 1258/99/EC to the Member State.?

## Common agricultural policy CAP: financing

The committee adopted the report by Diemut THEATO (EPP-ED, D) approving the proposal without amendment under the consultation procedure.?

## Common agricultural policy CAP: financing

The European Parliament adopted the resolution drafted by Diemut THEATO (EPP-ED, Germany) and approved the Commission's proposal without amendment.?

## Common agricultural policy CAP: financing

Under the procedure for clearing the accounts of the European Agricultural Guidance and Guarantee Fund, the Commission decides whether expenditure by the Member States' paying agencies to carry out the common agricultural policy is in conformity with the relevant regulations and can be definitively charged to the Community budget or should be disallowed. At the moment disallowance is only permitted in respect of expenditure taking place in the 24 months before the Commission notifies a Member State that expenditure appears to have been irregularly incurred. The Court has criticised the two-year time limit as unrealistically short (for example the Commission's clearance of accounts unit examines all expenditure on a three year cycle). The Commission proposes to extend the retrospective time limit from two to three years. The attached Opinion 9/2002 supports this proposal and suggests no amendments. More importantly, according to the Court, this modification will reduce the risk that weaknesses detected in Member States' systems may not be penalised simply because the Commission has not been able to cover all areas of expenditure within a two-year cycle. Indeed, the 36-month limit is more closely in line with the Commission's current capacity to check all expenditure on a cyclical basis. In its report, the Court states that the Commission should ensure that it communicates its findings to the Member States in a timely manner, unfortunately this has not always been the case. In conclusion, the Court has no proposals to amend the Commission's text. ?

## Common agricultural policy CAP: financing

As this proposal is no longer of topical interest, it has been withdrawn by the Commission.