European Agricultural Guidance and Guarantee Fund (EAGGF) - 'Guarantee' section: amendment of Regulation (EEC) No 1883/78 laying down general rules for the financing of interventions

2007/0005(CNS) - 11/06/2007 - Final act

PURPOSE: to finance the additional costs related to interventions by the European Agricultural Guidance and Guarantee Fund, Guarantee Section.

LEGISLATIVE ACT: Council Regulation (EC) No 734/2007 of 11 June 2007 amending Regulation (EEC) No 1883/78 laying down general rules for the financing of interventions by the European Agricultural Guidance and Guarantee Fund, Guarantee.

CONTENT: the Council adopted a regulation introducing a temporary amendment of the financing conditions by the European Agriculture Guidance and Guarantee Fund (EAGGF) for the cost of the funds mobilised by EU Member States for public storage operations. The United Kingdom abstained and Slovakia voted against.

Article 5 of Regulation (EEC) No 1883/78 provides that the interest charges incurred by Member States in mobilizing the funds used to purchase public intervention products are to be financed by the Community at a uniform interest rate.

This Regulation provides that that in the cases where the average interest rate, in the course of the third month following the reference period utilised for the establishment of the uniform interest rate, is more than twice the uniform interest rate for a given Member State, provision should be made for the application of a correcting mechanism. In such cases, for the financial years 2007 and 2008, the Commission will cover the amount which corresponds to the interest rate borne by this Member State minus the uniform rate of interest fixed by the Commission.

The measure is intended to alleviate in 2007 and 2008 the additional costs for such operations incurred by member states with very high internal interest rates (Hungary, which also used to have the main concentration of maize bulk storage, is one of them).

ENTRY INTO FORCE: 29/06/2007. The Regulation will apply to expenditures incurred from 01/10/2006.