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II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 26 July 1976

on the preparation of public budgets for 1977

(76/646/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

HAS ADOPTED THIS DECISION:

Having regard to the Treaty establishing the European Economic Community,

Article 1

Member States shall pursue economic policies which conform to the guidelines on the preparation of public budgets for 1977 set out in the Annex.

Having regard to Council Decision 74/120/EEC of 18 February 1974 on the attainment of a high degree of convergence of the economic policies of the Member States of the European Economic Community ⁽¹⁾, and in particular Articles 1 and 3 thereof,

Article 2

This Decision is addressed to the Member States.

Having regard to the proposal from the Commission,

Done at Brussels, 26 July 1976.

Whereas the Council agrees with the analysis of the economic situation contained in the Commission communication of 23 June 1976 concerning, in particular, the preparation of public budgets for 1977,

For the Council

The President

W. F. DUISENBERG

⁽¹⁾ OJ No L 63, 5. 3. 1974, p. 16.

ANNEX

ECONOMIC POLICY GUIDELINES

1. General guidelines

1.1. The Member States and the Community are faced with major economic policy problems:

- the persistence of the recovery is not yet assured;
- employment prospects are only improving slowly;
- the rate of inflation is still too high;
- the excessive divergences from one country to another are in danger of persisting.

Classical economic management instruments are not in themselves sufficient to resolve these problems and to improve the cohesion of the Community. This will entail, moreover:

- the adjustment of income claims to the macro-economic and structural constraints;
- a reorientation of medium-term policy to goals fixed jointly;
- the strict coordination of conjunctural policies in the Community in terms of these objectives;
- the implementation of appropriate structural and regional reforms.

1.2. With a view to safeguarding the current rate of economic growth within the Community and thereby improving the chances of full employment being restored in 1980, the Commission has proposed the implementation of a strategy incorporating specific targets for the Community as a whole: an average real growth rate for the Community of between 4.5 and 5 % in the gross domestic product between now and 1980 and a reduction in the rate of increase in consumer prices to not more than 4 to 5 % on average by 1980. Targets for within this period and for each country could help to smooth out economic fluctuations and influence the actions of economic agents.

1.3. From the second half of 1976 onwards, the weakening of the effects of the temporary measures to stimulate demand and the operation of the built-in stabilizers will probably provide the needed moderating effect on the growth in the economy. In addition, the monetary policy measures taken in a number of countries to counteract upheavals abroad will probably work in the same direction, in particular by making it easier for the disparities in the rates of growth of prices to be narrowed.

1.4. Beyond 1976, the attainment of the priority objective of a gradual return to an adequate rate of growth combined with economic stability calls for generally cautious economic policies making simultaneous use of the widest possible range of instruments available. Monetary and budgetary policy instruments should continue to create the general conditions conducive to an easing of price and cost pressures. Ceilings should also be imposed on the growth in liquidity to complete the guidelines adopted each year for the trend in net budgetary positions. Another essential element, which will need to take account of the specific situation in each Member State, should be an appropriate incomes policy designed to moderate the increase of prices and costs. Economic policies will have to be chosen so as to obtain a rapid reduction in unemployment and the necessary switch in the structure in domestic demand towards fixed investment and, in some countries, to exports.

1.5. Proposals have recently been put forward by the Commission to restore full employment and stability in the Community. Nonetheless, the Commission reiterates here that, as regards incomes policy and policy on savings and wealth:

- the State and the other authorities should show restraint in their budgetary management, should apply a fair fiscal policy and should enforce the rules on competition in particular during mergers of businesses;
- workers should take part in the joint effort to reduce production costs, in particular by being more flexible as regards the growth in their money wages, so as to take greater account of the potential of the economy;
- non-wage income recipients should show a corresponding moderation;
- firms should impose upon themselves a strict discipline as regards price increases;
- the governments and both sides of industry should adopt appropriate measures to promote asset-ownership by employees as well as their participation in the decision-making of their firms.

1.6. As regards budgetary policy, the Commission sets out below, in accordance with Article 3 of Decision 74/120/EEC, guidelines for the public budgets in 1977. It also stresses that monetary policy will have to contribute to the effort to reduce the rate of increase of prices through ensuring non-inflationary financing of the economic upswing. To achieve this the expansion of liquidity, which has been too rapid up to the present in several countries, will have to be moderated, especially in those where an improvement in the balance of payments is required. This action must be undertaken within a Community framework. Both internal and foreign savings will have to be channelled more effectively towards investment financing.

1.7. The exchange markets will become more stable as the erosion of domestic purchasing power in several Member States is checked and as the deficit countries' balances of payments improve. But an orderly situation in the exchange markets requires a greater convergence of monetary policy. For this interest rates will have to be kept at a relatively high level in those countries where the disequilibrium is most serious.

2. Budgetary policy guidelines

2.1. The economic outlook for the second half of 1976 and for 1977 calls for prudent budgetary management.

For 1976, the governments have taken appropriate steps to soften the stimulus given to the economy by the public budgets, by seeking to reduce or at least to stabilize the scale of the net borrowing requirement as a proportion of the gross domestic product. This line must be firmly maintained in the second half of the year, particularly in those Member States which have balance of payments difficulties.

This policy of gradually reducing public deficits will have to be pursued in 1977. It is essential for the re-establishment of equilibrium in the medium term, even if it means coordinated action on incomes. Given the requirements posed by such an objective, the relative reduction of deficits should be based not only on higher growth in tax revenue, already achieved in 1976, but in particular on appropriate curbs on public expenditure. If this strategy were unsuccessful, moderation of the growth of taxes and impositions of a like nature, generally considered necessary over the years ahead, would almost certainly remain an illusory goal. The risk would also be reduced of excessive public deficits having to be financed through the creation of too much liquidity, which, together with the growth of credit necessary for the recovery of investment, would pose dangers for the monetary equilibrium of the economy.

These general guidelines do not preclude, and may indeed necessitate, specific and limited measures of tax relief, to the extent that such measures would help restrain cost and price rises and promote the recovery of private investment in countries where such a recovery is slow to develop.

Denmark

- 2.2. The economic upswing should continue during the second half of 1976 thanks to a strengthening of investment demand together with a growth in exports and despite a reduced level of private consumption compared with a particularly high level in the early months of this year. The outlook for 1977 appears to show some slackening of growth mainly due to weaker home demand. At the same time, between now and the end of 1977 unemployment should continue to decline gradually and price and cost increases should slow down. On the other hand the current account deficit will probably greatly exceed that for 1975 both in 1976 and 1977, and will remain at a worrying level, although it should decline from the second half of 1976 onwards.

From now until the end of 1977 economic policy should have the objectives of improving the current balance of payments and the employment situation and assisting the slowing down in the rate of price increases. To achieve these aims action should be taken to restrain income growth and to cast budgetary policy in as strict a mould as economic circumstances permit. This means that rather than seeking a significant increase in the total tax burden, the policy should be strictly to limit the growth of expenditure. In such circumstances the net borrowing requirements of central government which will increase slightly in 1976/77 and reach almost 5 % of the gross domestic product could be stabilized in 1977/78 at the same absolute level and show a relative improvement. A further objective in the two fiscal years should be to increase the non-monetary means of financing the deficit as far as possible.

Germany

- 2.3. The recovery has continued to gather momentum over the past few months, and although some degree of slowing down is expected during 1976 as the direct impact of the recovery programmes begins to wear off, economic activity should still expand strongly. Growth should continue in 1977 with a progressive reduction throughout the year of the number of unemployed.

In order to achieve the desired growth and to reduce unemployment the main aims of economic policy should be to limit the rate of growth of prices and costs even further and to obtain a sufficient level of investment. This implies, besides a reasonable pricing policy on the part of firms and an appropriate growth in incomes, a monetary policy which sets limits to nominal increases. This also implies a public finance policy which endeavours to achieve a gradual reduction in the net borrowing requirement by restricting the growth of expenditure. Indeed, the second half of 1976 should see the introduction of a more restrictive line in expenditure policy by the Federal, Land and local authorities, particularly at Federal level where the budget was still providing stimulus to the economy at the beginning of the year. Despite a more substantial increase in tax revenue, however, there should be hardly any reduction, in comparison with the previous year, in the deficit of the Federal, Land and local authorities in 1976. The central government deficit should be a little under the DM 55 000 million recorded in 1975, that is about 4.5 % of the gross domestic product. Maintaining the restrictive line planned with regard to expenditure should make it possible, in 1977, to reduce this figure as a result of increased revenue due mainly to growth and without taking account of the proposed increases in value added tax. With regard to social security, on the other hand, the deficit is, if anything, likely to increase, so that efforts to economize in this sector should be pursued.

France

- 2.4. During the second half of 1976 and in 1977, economic activity will continue to receive considerable stimulus both from domestic demand (particularly private consumer demand) and from exports. The tendency for prices to rise is likely to remain strong (*risque d'être encore forte*), while the balance of payments on current accounts is improving.

Following the massive recovery programme carried out in 1975, budgetary policy in 1976 reverted to the strict management principles previously applied. Although the central government budget was balanced when it was tabled and passed, the out-turn will probably show a still sizeable deficit of about FF 15 000 million, as a result of the carry-over into 1976 of a number of measures introduced in September 1975 to support the economy, particularly the tax assistance on investment and the special capital expenditure undertaken in 1975.

For 1977, the main aim of economic policy should be to reduce significantly the rise in costs and prices, using both direct action on incomes and applying a monetary policy and a strict budgetary policy. In this latter area, the growth of central government expenditure should be reduced to a level close to the growth rate of the gross domestic product, so as to avoid providing too strong a stimulus to domestic demand, which is already sufficiently dynamic. In view of the underlying trend of revenue, this is the only possible means of achieving a return to government finance equilibrium without recourse to major tax increases in 1977, which could well lead to increased pressure on costs and prices. Under these conditions the budgetary out-turn could be close to one of balance. The financial position of social security could worsen and call for action to keep it in balance.

Ireland

- 2.5. The upturn in economic activity in the second half of 1976 should grow progressively stronger in 1977 whereas the rise in prices will not slow down until the second half of the year. Unemployment will remain at a high level. For 1977 as a whole, despite an increase in exports, the current balance of payments will probably only show a slight improvement over 1976.

The 1976 budget out-turn of central government should show a net borrowing requirement a little less than the figure of £ 679 million originally forecast, this slight improvement being due to an increase in revenue exceeding the expected additional expenditure.

In 1977 budgetary policy should aim at a further reduction in the central government net borrowing requirement as a proportion of the gross national product, in conformity with Council Decision 76/323/EEC of 15 March 1976 fixing the economic policy conditions to be observed by Ireland⁽¹⁾. This can be achieved, in conjunction with an appropriate incomes and prices policy, by a strict limitation on salaries and social transfer payments, and by a rigid scrutiny of other items of current expenditure, together with, possibly, a modest increase in the tax burden. Furthermore, the proportion of monetary financing of the borrowing requirement should be reduced.

⁽¹⁾ OJ No L 77, 24. 3. 1976, p. 15.

Italy

- 2.6. The weakening of economic activity which seems probable in the second half of 1976 should be followed in 1977 by a new upswing, whereas the increase in prices and the evolution of the balance of payments will continue to give cause for concern.

In view of the developments on the balance of payments account, budgetary policy for 1976 has again taken on a more vigorous tone. Due to an especially strong growth in revenue the net budget deficit should reach only Lit 9 600 000 million and the adjusted Treasury borrowing requirement only Lit 13 800 000 million, i.e. 10 % of the gross domestic product as against 12 % in 1975, in conformity with Council Decision 76/324/EEC of 15 March 1976 fixing the economic policy conditions to be observed by Italy ⁽¹⁾. These steps towards a more balanced management of public finance are, however, dependent not only on maintenance of the rate of public expenditure within the limits forecast, but also on an absence of delay in the receipt of expected tax revenue. They will not be possible unless the government uses all means necessary to achieve these two objectives. Particular care must be taken to see that the treasury borrowing ceiling is not exceeded since there is a risk that this could only be covered by simply increasing the money base.

Determined action appears vital in 1977 to reduce the rate of cost and price increases and to avoid a new deterioration in the balance of payments. These objectives will not be achieved unless incomes rise much less rapidly than can as yet be forecast, and unless budgetary policy seeks to moderate home demand so as to reduce further the treasury net financing requirements as a proportion of the gross domestic product. This means that the slow down foreseen in the growth of tax revenue must be offset as far as possible by the institution of effective measures to reduce tax evasion. In addition public expenditure must grow at a rate substantially less than the gross domestic product in value terms, which can be achieved by reconsidering certain expenditure items. Parallel with these measures there must be an attempt to reduce further that part of the treasury net financing requirement which is met by increasing the money base.

Netherlands

- 2.7. As a result in particular of the rapid upswing in external demand, production should increase during the second half of 1976 and in 1977 at a rate approaching the underlying growth of the trends in productive capacity, without however bringing about any appreciable fall in unemployment. There should be a substantial increase in the current balance of payments surplus. The rise in prices could well remain high and the propensity to invest inadequate unless there is a marked slowing down in the rise of costs.

Central government budgetary policy for 1976 has been marked by the deferred effect of many important measures to support the economy and combat structural unemployment introduced earlier and by the growth of large-scale current transfer expenditure. Since the growth of revenue, both fiscal and non-fiscal, has proved lower than forecast, the net borrowing requirement will be in the region of Fl 15 000 million, that is nearly 6.5 % of the gross domestic product, as compared with 3.8 % in 1975. This figure presupposes that the excess expenditure already carried out can, as forecast, be entirely offset by similar reductions. Strict management at central government level is all the more necessary as the deterioration of local authority and social security finances is tending to increase and as the financing of the public deficit as a whole will necessitate considerable recourse to monetary means.

⁽¹⁾ OJ No L 77, 24. 3. 1976, p. 16.

For 1977, it is necessary to reduce the central government net borrowing requirement so as to move towards the medium-term objective envisaged. This policy implies effective implementation of the provisions planned by the government and presented to Parliament in June 1976 to modify the medium-term trend of expenditure. This is all the more true because the measures to stimulate investment, proposed at the same time, have a significant budgetary cost. In view of the deficit of the other government sub-sectors, whose underlying deterioration can be slowed down only by reviewing a number of priorities, the public deficit as a whole will still require monetary financing, whose scale should be limited as far as is possible.

Belgium

- 2.8. In the second half of 1976, the strengthening of domestic and external demand should ensure the rapid expansion of production which should continue at a slightly slower rate in 1977. Unemployment should fall only slowly. The slowing down in cost and price increases could be jeopardized in 1977 if the measures of restraint at present in force are not renewed. The balance of payments surplus on current account could, nonetheless, remain in surplus.

In view of the slowdown in revenue growth resulting from the measures to accelerate tax collection carried out in 1975, budgetary policy in 1976 has endeavoured to bring about an appreciable reduction in the growth of expenditure, despite a further increase in unemployment expenditure and the carry-over into 1976 of investment expenditure decided on previously. Provided expenditure under the supplementary budget is contained within very strict limits, the central government net borrowing requirement could be kept down to Bfrs 140 000 million, higher in absolute terms than the 1975 figure, but the same proportion of the gross domestic product. A further deterioration in the finances of the social security and local authority sectors, and in some public undertakings, seems inevitable, so that the financing of the public deficit taken as a whole could well give rise to an increase in the monetary base.

For 1977, it is essential that determined action be continued to reduce the rate of cost and price increases. Furthermore, in the budgetary field, so as to offset as far as possible the probable worsening of the deficits of social security, local authorities and some public undertakings and to avoid excessive tensions on the financial markets, efforts should be made to achieve a relative reduction in the central government net borrowing requirement by limiting strictly the real growth of current expenditure and transfer payments. Similarly, energetic action should be undertaken to control the trend of social security benefits and the freedom of action of the local authorities so as to avoid any lasting damage to the financial structures of these sub-sectors and to the medium-term objectives sought for general government as a whole.

Luxembourg

- 2.9. The recovery in external demand should continue to support economic activity throughout the present year, though a temporary slowdown seems probable in the second half of the year and during part of 1977. The rise in prices should continue to moderate slowly.

Despite the appreciable deceleration in the growth of expenditure, the budget out-turn in 1976 will probably show a deficit of the order of 0.6% of the gross domestic product. As economic activity gradually returns to normal, revenue will for the most part not revert to such a high growth rate as in the past and the yield from corporation tax will reflect the losses suffered by the iron and steel industry in 1975. Provided there is prudent management of operating expenditure and transfers of income, the budget out-turn in 1977 should come close to achieving equilibrium, in accordance with the

desirable medium-term trend. A slight deficit could however persist as a result of the carry-over of losses which will continue to affect the yield of corporation tax. As in 1976, the long-term financing of this deficit seems assured by institutional investors.

United Kingdom

- 2.10. During the second half of 1976 the chief source of growth will continue to be exports while, apart from stocks, domestic demand will remain relatively weak. In addition the recent decline of the exchange rate will not only have an unfavourable effect on prices, which can no longer be expected to decelerate substantially, but also on the deficit on the current balance of payments which might well increase in the short term. In 1977 appreciable progress should, on the contrary, be made in these fields provided that the exchange rate is stabilized, that incomes restraint is continued, and that the money supply is suitably controlled. The rapid growth of exports combined with a modest increase in internal demand is likely to ensure a steady rate of growth.

Budgetary policy for 1976/77 has been fashioned in such a way as to exercise moderation on internal demand and on the increase in costs. Provided that the ceilings imposed on a large part of expenditure during 1976/77 are respected, the borrowing requirement of the central government and the public sector may be below the initial forecast (£ 10 400 million and £ 12 000 million respectively).

The elasticity of personal income tax should remain high and corporation tax should reverse its recent decline. Even if the public deficit does turn out to be smaller, its financing will require careful handling, given the need for a strict monetary policy.

The budgetary policy for 1977/78 should aim at a substantial reduction in the public deficit and a continuing moderation of income growth. The maintenance of strict ceilings on expenditure will be all the more necessary as the contribution to receipts of personal income tax will be less buoyant and the yield of corporation tax is subject to considerable uncertainty. The reduction in the public deficit will diminish the risk of excess liquidity jeopardizing the return to stability and external equilibrium.

FINANCIAL REGULATION

of 27 July 1976

applicable to the fourth European Development Fund

(76/647/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the ACP-EEC Convention of Lomé⁽¹⁾, signed on 28 February 1975, hereinafter referred to as 'the Convention',Having regard to Council Decision 76/568/EEC of 29 June 1976 on the association of the overseas countries and territories with the European Economic Community⁽²⁾,Having regard to Council Decision 75/250/EEC of 21 April 1975 on the definition and conversion of the European unit of account used for expressing the amounts of aid mentioned in Article 42 of the ACP-EEC Convention of Lomé⁽³⁾,Having regard to the Internal Agreement on the financing and administration of Community aid⁽⁴⁾ signed on 11 July 1975, hereinafter referred to as

'the Internal Agreement', and in particular Article 30 thereof,

Having regard to the draft Financial Regulation presented by the Commission,

Having regard to the opinion of the European Investment Bank, hereinafter referred to as 'the Bank',

Whereas pursuant to Article 1 (1) of the Internal Agreement the Member States have set up a fourth European Development Fund, hereinafter referred to as 'the EDF';

Whereas according to Article 30 of the Internal Agreement the provisions for implementing that Agreement shall be the subject of a Financial Regulation adopted, upon the entry into force of the Convention, by the Council acting by the qualified majority laid down in Article 18 (4) of the said Agreement,

HAS ADOPTED THIS FINANCIAL REGULATION:

TITLE I

FINANCIAL ARRANGEMENTS

Article 1

1. The financial contributions of the Member States shall be expressed in the European unit of account, hereinafter referred to as 'EUA', referred to in Article 3 of the Internal Agreement and defined by Decision 75/250/EEC. Each Member State shall pay the amount of its contribution in its national currency on the basis of the conversion rate calculated by the Commission pursuant to Article 2 of the said Decision.

2. The financial contributions shall be credited by each Member State to a special account entitled 'Commission of the European Communities — European Development Fund' opened with the Treasury of that Member State or the body designated by it.

3. Upon expiry of the Convention and Decision 76/568/EEC, that part of the contributions which the

Member States remain obliged to make shall be called up by the Commission, as required, on the conditions laid down in this Financial Regulation.

Article 2

1. The Council Decision provided for in the first subparagraph of Article 7 (2) of the Internal Agreement and which relates to the schedule of calls for contributions, shall be notified to the Commission by 31 October each year.

2. The annual contributions shall normally be payable:

(a) before 20 January for the requirements of the EDF as forecast for the first seven months of the year in question;

(b) on 1 July for the balance of the annual contribution.

3. Each Member State shall make the payments referred to in paragraph 2 in proportion to its contributions as fixed in Article 1 (2) of the Internal Agreement.

⁽¹⁾ OJ No L 25, 30. 1. 1976, p. 1.

⁽²⁾ OJ No L 176, 1. 7. 1976, p. 8.

⁽³⁾ OJ No L 104, 24. 4. 1975, p. 35.

⁽⁴⁾ OJ No L 25, 30. 1. 1976, p. 168.

4. Supplementary payments decided upon pursuant to the second subparagraph of Article 7 (2) of the Internal Agreement shall, unless otherwise decided by the Council, be due and be made within as brief a period as possible, which may not in any case be more than three months.

Article 3

1. In each Member State the Commission shall hold, with the bank of issue or the financial institution designated by that Member State, accounts under the same name as that opened pursuant to Article 1 (2).

2. For operations which are not currently undertaken by banks of issue or by post office giro centres, or in order to facilitate the payments which it has to make, the Commission shall open accounts at one or more banks.

3. The signatures of the Commission officials empowered to carry out operations on the EDF's accounts shall be lodged when the accounts are opened or, in the case of officials who are authorized subsequently, when they are designated.

Article 4

1. The Commission shall use the funds credited to the accounts referred to in Article 3 to make the necessary payments and transfers.

2. The Commission shall, as far as possible, make any withdrawals from the special accounts referred

to in Article 1 (2) in such a way as to maintain a distribution of its assets amongst the various currencies corresponding to the proportion in which the currencies of the Member States enter into the composition of the EUA.

Article 5

By reference to the cash requirements for executing projects and programmes, the authorizing officer shall make the transfers needed to replenish the accounts opened on behalf of the Commission in accordance with Article 32 of Protocol 2 annexed to the Convention, hereinafter referred to as 'Protocol 2', and with Article 3 of this Financial Regulation.

Article 6

1. Any transfers of assets from the currency of one Member State into that of another Member State which have been requested by the Commission for the management of the EDF shall be made at the current rate of exchange by the banks of issue or the financial institutions approved by the Member States.

2. Any exchange differences and costs shall be charged against EDF resources.

Article 7

The Commission shall communicate to the Council each year a statement of contribution payments and a progress report on EDF operations.

TITLE II

MANAGEMENT OF THE EDF

SECTION I

GENERAL PROVISIONS

Article 8

1. The EDF shall be administered financially in accordance with the principle that the authorizing officers and accounting officers are separate individuals. The appropriations shall be administered by the authorizing officers, who alone shall have the power to enter into commitments regarding expenditure, establish sums due to be collected and issue proof of revenue and payments.

2. Collection and payment operations shall be carried out by the accounting officers.

3. An authorizing officer may not exercise the functions of financial controller or accounting officer.

Article 9

Within the limit of the appropriations provided for in Article 1 of the Internal Agreement the Commission shall, without prejudice to Article 11 (2) thereof, manage the EDF on its own responsibility under the conditions laid down in the Convention, in Decision 76/568/EEC, in the Internal Agreement and in this Financial Regulation. In accordance with Article 29 (1) of Protocol 2 the Commission shall appoint the chief authorizing officer of the EDF. The latter may have recourse to deputy authorizing

officers, whom he shall appoint subject to approval by the Commission. Each decision to delegate powers shall state the duration and extent of the mandate.

Those to whom powers are delegated may act only within the limits of the powers expressly conferred upon them.

Article 10

1. The Commission shall appoint the financial controller, who shall be responsible for monitoring the commitment, for authorizing expenditure and for monitoring revenue.

2. The special rules applicable to the financial controller shall be formulated in such a way as to ensure his independence in carrying out his duties. Measures taken in respect of his appointment and promotion, disciplinary action or transfers, and the various methods of interruption or termination of his appointment shall be the subject of reasoned decisions which shall be forwarded to the Council for information.

3. The person concerned or the Commission may institute proceedings before the Court of Justice.

Article 11

The collection of revenue and the payment of expenditure shall be carried out by an accounting officer appointed by the Commission. Subject to Article 33 (2) this accounting officer alone shall be empowered to manage funds and assets. He shall be responsible for their care.

Article 12

The Commission may delegate part of the duties of the accounting officer and part of the responsibility for monitoring to authorized agents appointed by it. The rules governing responsibilities adopted under this Title shall apply to such authorized agents within the limits of the powers delegated to them.

The principles of the provisions of this Financial Regulation relating to the monitoring and payment of expenditure shall be applicable to expenditure effected by delegation. Such expenditure may not be finally entered into the EDF accounts until the Commission has verified that the expenditure has been correctly cleared and that the authorization and payment are in order, in accordance with the requirements of this Regulation.

SECTION II

REVENUE

Article 13

1. The recovery of any sum due to the EDF shall give rise to the issue, by the authorizing officer, of a revenue order.

2. Revenue orders shall be transmitted by the authorizing officer to the financial controller and shall be subject to the latter's approval. The purpose of approval by the financial controller shall be to establish that:

- (a) the revenue is correctly credited;
- (b) the revenue order is in order and in conformity with the provisions applicable to the management of the EDF, with all acts taken in implementation of those provisions;
- (c) the principles of sound financial management have been affected.

3. The financial controller may refuse his approval. The authorizing officer may, by means of a decision stating the full reasons therefor and on his sole responsibility, disregard this. The decision of the authorizing officer shall be implemented; it shall be communicated to the financial controller for information. The Commission shall inform the Audit Board provided for in Article 206 of the Treaty of each of these decisions.

4. When the authorizing officer waives the right to draw up a document establishing a debt or to recover sums due, he must inform the financial controller and the Audit Board.

When the financial controller finds that a document establishing a debt has not been drawn up or that a sum due has not been recovered, he shall inform the Commission thereof.

Article 14

1. The accounting officer shall assume responsibility for revenue orders forwarded to him by the authorizing officer.

2. The accounting officer shall do all in his power to ensure that EDF resources are recovered at the due dates and to ensure that the Community's rights are safeguarded.

3. The accounting officer shall inform the authorizing officer and the financial controller of any revenue not recovered within the time limits laid down.

Article 15

A receipt shall be issued in respect of all cash payments made to the accounting officer.

SECTION III

COMMITMENT, CLEARANCE, AUTHORIZATION AND PAYMENT OF EXPENDITURE

1. Commitment of expenditure

Article 16

1. All measures which may give rise to expenditure payable by the EDF must be preceded by a proposal for commitment of expenditure from the authorizing officer.

2. A provisional commitment may be entered into in respect of current expenditure.

3. An account shall be kept of commitments and authorizations.

Article 17

Proposals for commitments shall be referred to the financial controller. They shall in particular show the purpose of the expenditure, the estimated amount involved, the item to which it is to be charged and the name and description of the creditor. They shall be registered after approval by the financial controller.

Article 18

1. The purpose of approval by the financial controller shall be to establish that:

- (a) the expenditure has been charged to the correct item;
- (b) appropriations are available;
- (c) the expenditure is in order and in conformity with the provisions applicable to the management of the EDF and with all acts taken in implementation of those provisions, in particular the general and special clauses of the financing agreement relating to the operation;
- (d) the principles of sound financial management have been applied.

2. The financial controller shall take into account any observations made in the discharge decisions.

Article 19

1. Where the financial controller withholds his approval he shall furnish a written statement of his reasons therefor. The authorizing officer shall be notified accordingly.

Where approval is withheld and the authorizing officer maintains his proposal, the refusal shall be referred for a decision to the Commission.

2. Except where the availability of appropriations is in doubt, the Commission may, by means of a decision stating the full reasons therefor and on its sole responsibility, overrule such a refusal. This decision shall be implemented; it shall be communicated for information to the financial controller. The Commission shall inform the Audit Board of each of these decisions.

2. Clearance of expenditure

Article 20

The purpose of clearance of expenditure by the authorizing officer shall be:

- (a) to verify the existence of the rights of the creditor;
- (b) to determine or verify the existence and the amount of the debt; and
- (c) to verify the conditions under which payment falls due.

Article 21

1. Clearance of any expenditure shall be subject to the submission of supporting documents showing the creditor's claim and, where appropriate, the service rendered.

2. However, for certain categories of expenditure, advances may be granted under the conditions laid down by the Commission.

3. The Commission shall lay down the nature and contents of the supporting documents to be enclosed with the payment orders.

4. The authorizing officer empowered to clear expenditure shall personally check the supporting documents or shall, on his own responsibility, ascertain that this has been done.

3. Authorization of expenditure

Article 22

Authorization shall be the act whereby the authorizing officer, by the issue of a payment order, authorizes the accounting officer to pay an item of expenditure which he has cleared.

Article 23

The payment order shall state:

- (a) the item against which payment shall be charged;
- (b) the amount to be paid;
- (c) the name and address of the payee;
- (d) the method of payment;
- (e) the purpose of the expenditure.

The payment order shall be dated and signed by the authorizing officer.

Article 24

1. The payment order shall be accompanied by the original supporting documents, which shall bear or be accompanied by the approval of the authorizing officer confirming that the amounts to be paid are correct, the receipt of the supplies or the performance of the service. The payment order shall show the numbers and dates of the relevant approvals of commitment.

2. Copies of the supporting documents, certified as true copies by the authorizing officer, may, in some cases, be accepted in place of the originals.

Article 25

1. For payments by instalment, the first payment order shall be accompanied by documents establishing the creditor's right to payment of the instalment in question.

2. Subsequent payment orders shall refer to the supporting documents already furnished and repeat the reference number of the first payment order.

Article 26

Payment orders shall be sent to the financial controller for prior approval. This prior approval shall confirm that:

- (a) the payment order was properly issued;

- (b) the payment order agrees with the commitment of expenditure and that the amount thereof is correct;

- (c) the expenditure is charged to the correct item;

- (d) the appropriations are available;

- (e) the supporting documents are in order;

- (f) the payee is correctly described.

Article 27

Should approval be withheld, Article 19 shall apply.

Article 28

After approval, the original of the payment order, together with all supporting documents, shall be forwarded to the accounting officer.

4. Payment of expenditure

Article 29

1. Payment shall be the final act whereby the EDF is discharged of its obligations resulting from carrying out the operations financed.

2. Payment shall be made by the accounting officer within the limits of the funds available.

Article 30

In the event of a substantive error or of the validity of the discharge being contested or of failure to observe the formalities prescribed by this Financial Regulation, the accounting officer shall suspend payment.

Article 31

1. If payment is suspended, the accounting officer shall give the reasons therefor in a written statement which he shall send forthwith to the authorizing officer and, for information, to the financial controller.

2. Except where the validity of the discharge is contested the authorizing officer may, where payment is suspended, refer the matter to the Commission. The latter may require, in writing and on its own responsibility, that the withholding of payment be disregarded.

Article 32

1. Payments shall, as a general rule, be effected through a bank account or a post office giro account. The procedure for opening, administering and using such accounts shall be determined by the Commission.

2. The procedures referred to in paragraph 1 shall in particular require two signatures on cheques and on post office or bank transfer orders, one signature necessarily being that of the accounting officer or of a duly authorized administrator of advance funds; they shall, moreover, determine the expenditure whose payment must necessarily be effected either by cheque or by post office or bank transfer.

Article 33

1. For the payment of certain categories of expenditure funds for advances may be set up under the conditions laid down by the Commission.

2. The rules governing the management of the advance funds offices shall in particular concern:

- (a) the appointment of administrators of advance funds;
- (b) the nature and maximum amount of each expenditure to be incurred;
- (c) the maximum amount of the funds which may be advanced;
- (d) the procedures for the production of supporting documents and the time within which they must be produced;
- (e) the responsibility of the administrator of advance funds.

Article 34

The conversion rates to be used for the calculation in EUA of payments to be made for the purpose of the projects or programmes referred to in Title IV of the Convention and in the corresponding provisions of Decision 76/568/EEC shall be those in force on the effective date of such payments. This date shall correspond to that in which the Commission accounts referred to in Article 32 of Protocol 2 and in Article 3 were debited.

SECTION IV

RESPONSIBILITIES OF AUTHORIZING OFFICERS,
FINANCIAL CONTROLLERS,
ACCOUNTING OFFICERS AND
ADMINISTRATORS OF ADVANCE FUNDS

Article 35

Without prejudice to Article 30 (5) of Protocol 2, authorizing officers who, when establishing entitlements to be recovered, when issuing collection

orders, entering into commitments of expenditure or signing payment orders, do so without complying with this Financial Regulation, shall be liable to disciplinary action and, where appropriate, to pay compensation. The same shall apply if they omit to draw up a document establishing a claim or if they neglect to issue revenue orders or are, without justification, late in issuing them.

Article 36

Financial controllers render themselves liable to disciplinary action and, where appropriate, to payment of compensation if they allow appropriations to be exceeded or are guilty of serious negligence in carrying out their duties.

Article 37

1. Accounting officers shall be liable to disciplinary action and, where appropriate, to payment of compensation as regards payments they make in disregard of Article 31.

They shall render themselves liable to disciplinary action and to payment of compensation as regards any loss or deterioration of the monies, assets and documents in their charge where such loss or deterioration results from an intentional mistake or serious negligence on their part.

Under the same conditions, they shall be responsible for the correct execution of orders received by them in respect of the use and administration of bank and post office giro accounts, and in particular:

- (a) if the payments or recoveries made by them do not agree with the amounts on the payment orders or collection orders;
- (b) if they effect payment to a party other than the entitled payee.

2. Administrators of advance funds shall be liable to disciplinary action and, where appropriate, to payment of compensation:

- (a) if they cannot show due warrant with proper documents for payments made by them;
- (b) if they effect payments to a party other than the entitled payee.

They shall be liable to disciplinary action and to payment of compensation in respect of any loss or deterioration of the monies, assets and documents in their charge as a result of an intentional mistake or serious negligence on their part.

3. Accounting officers and administrators of advance funds shall insure themselves against any financial risks they may incur *vis-à-vis* the Commission under this Article.

The Commission shall cover the relevant insurance costs. It shall specify the categories of officials

qualifying as accounting officers or administrators of advance funds and the terms on which it shall cover the insurance costs borne by the accounting officers or administrators of advance funds in order to protect themselves against the risks involved in their duties.

4. A special indemnity shall be granted to accounting officers and administrators of advance funds.

The sums corresponding to this indemnity shall be credited each month to an account opened by the Commission on behalf of each of these officials in order to establish a guarantee fund to cover any cash or bank shortage for which the person concerned might render himself liable, in so far as such a shortage has not been covered by refunds from insurance companies.

The credit balance in these guarantee accounts shall be paid over to the persons concerned after they terminate their appointment as accounting officer or administrator of advance funds and after they have been given final discharge for their financial administration.

Article 38

The liability of authorizing officers, financial controllers, accounting officers and administrators of advance funds to payment of compensation and disciplinary action may be determined in accordance with Articles 22 and 86 to 89 of the Staff Regulations of officials of the European Communities.

Article 39

The Commission shall be allowed a period of two years from the date on which the account for revenue and expenditure is submitted to take a decision on the final discharge to be given to accounting officers for the transactions relating thereto.

TITLE III

IMPLEMENTING MEASURES

SECTION I

EXECUTION OF EDF OPERATIONS

Article 43

The Commission shall, in respect of those resources of the EDF which it administers, inform the Council

SECTION V

ACCOUNTS

Article 40

1. The accounts shall be kept, expressed in EUA, by the double entry method and on the basis of the calendar year. They shall show all revenue and expenditure between 1 January and 31 December of each year and shall include the supporting documents.

2. The revenue and expenditure account and the balance sheet shall be drawn up in EUA.

Article 41

1. Entries shall be made on the basis of an accounting system comprising a nomenclature of budgetary items which makes a clear distinction between the accounts which permit the balance sheet to be drawn up and those which permit the revenue and expenditure account to be drawn up. These entries shall be recorded in books or on cards, which must make it possible to draw up a general monthly balance.

2. The accounting system shall be set out in a Commission Decision.

SECTION VI

GENERAL PROVISIONS

Article 42

The Audit Board shall be notified of the appointment of the authorizing officer, the financial controller, the accounting officer and of the administrator of advance funds, of any delegation of powers pursuant to Articles 9 and 12 and of the accounting system referred to in Article 41.

each year of the results of invitations to tender for the preceding year. Where appropriate it shall notify the Council of any measures it has taken or proposes to take to improve the terms of competition for participation in invitations to tender issued by the EDF.

In its report, the Commission shall provide the Council with information enabling it to assess

whether the measures taken by the Commission have actually afforded all firms of the various Member States, of the ACP States and of the associated countries and territories equal opportunity of access to works and supply contracts financed by the EDF.

Article 44

Under Article 19 of Protocol 2 and the corresponding provisions of Decision 76/568/EEC, a favourable opinion from the EDF Committee shall be required for the award of contracts by direct agreement or after restricted invitations to tender and for the performance thereof through public works departments.

However, where they are justified by urgency and by unforeseen circumstances, the above exceptions to the rules governing competition may be authorized by the Commission without a prior opinion from the EDF Committee. In that event, the Commission shall immediately inform the EDF Committee thereof.

Article 45

1. Tenders for supply contracts financed by the EDF shall be drawn up and payments made, at the option of the tenderer, in EUA, in the currency of the recipient State, country or territory, in the currency of the country of his registered place of business or in that of the country producing the supplies.

2. Tenders for works contracts and for technical assistance contracts and contracts for the supervision of works financed by the EDF shall be drawn up and payments made in the currency of the recipient State, country or territory. However, the tenderer may request in his tender that a justified part of the nominal amount of his tender be paid in the currency of the country of his registered place of business on the basis of the conversion rate in force on the first day of the month preceding the month in which the date set for the opening of tenders falls. He may also draw up that part in EUA on the basis of the conversion rate stipulated above.

3. Tenders for study contracts financed by the EDF shall be drawn up and payments made at the option of the contractor either in EUA or in the currency of the country in which the contractor has his registered place of business.

However, that part of the services provided which corresponds to expenditure in the currency of the recipient State, country or territory shall be paid in that currency. Where the sums to be paid in the

various currencies are defined by reference to another currency the conversion shall be effected on the basis of the rate specified in the contract.

4. Where tenders are drawn up in EUA, payments connected with the debt shall, as appropriate, be made in the currency of a Member State or in the currency of a recipient State, country or territory specified in the contract on the basis of the equivalent value of the EUA on the day preceding payment.

5. Where payment is made in a currency other than the currency of the recipient State, country or territory or other than the currency of the country where the contractor has his registered place of business, it must be through the intermediary of an approved bank or agency, established in the country where the contractor has his registered place of business.

SECTION II

FINANCIAL COMMITMENTS

Article 46

Where the EDF's resources managed by the Commission are involved a financing agreement shall be drawn up and concluded in EUA between the Commission, acting for the Community, and the Government of the recipient State or the competent authority of the recipient country or territory for any project or programme on which a financing decision is taken.

The financing agreement shall specify the details of the EDF's financial commitment, the arrangements for and terms of the financing, and the persons or institutions responsible for supervision, payments and recoveries.

Article 47

No expenditure in excess of the amount laid down in the financing agreement may be charged to the EDF unless a decision has been taken to commit additional funds thereto under the conditions laid down in Articles 16 to 19 and in Article 56.

The request for the commitment of additional funds shall be addressed to the Commission and examined under the conditions laid down in Article 33 of Protocol 2.

Article 48

The transfer agreement referred to in Article 22 of the Convention and in the corresponding provisions of Decision 76/568/EEC shall state the data on which calculation of the annual transfer in EUA is based, the currencies in which the transfer of this amount is to be made and, where appropriate, the conditions for the reconstitution of the resources made available to the stabilization system referred to in Title II of the Convention.

SECTION III

SPECIAL LOANS

Article 49

1. A decision to grant special loans shall set the limit to the Community's commitment. Contracts relating to such loans, drawn up jointly with the Bank for the parts which concern the latter, shall be concluded by the Commission on behalf of the Community.

2. The amounts of the appropriations corresponding to each loan granted shall be expressed in EUA. If an appropriation is cancelled before all or part of the payments relating thereto have been made the unpaid part shall be regarded as not having been granted.

3. Loans shall be paid in the currency or currencies of the Member States as fixed by the Commission after consultation with the borrower. By way of derogation from Article 34, the sums paid shall be charged against the appropriations on the basis of the conversion rates in force, on the day preceding that of payment, between the EUA and the currency or currencies used for the payment.

4. Reimbursements and interest payments shall be credited to the Community's account with the Bank. The Bank shall recover such reimbursements and interest payments by virtue of special terms of reference conferred upon by the Commission, acting for the Community, after consulting the EDF Committee.

5. The amounts to be reimbursed and interest due in respect of special loans shall be expressed in EUA.

Reimbursements and interest payments shall be made in one or more of the currencies of the Member States, chosen by the borrower.

6. The rates for converting EUA into the currencies of the Member States for the purpose of paying sums due in the form of reimbursements, interest payments and any commission due shall be those in force on the 10th day preceding payment.

SECTION IV

RISK CAPITAL

Article 50

1. Any decision to grant risk capital shall set a limit in EUA to the Community's commitment and financial responsibilities and to the extent of the rights in the company attaching to such operations.

The instruments giving effect to risk capital operations shall be concluded by the Bank acting as the Community's authorized agent.

2. The Bank, acting for and on behalf of the Community, shall manage the operations referred to in paragraph 1 which have been the subject of a financing decision by the Board of Directors of the Bank.

3. Following the signing of each contract, the Bank shall communicate to the Commission the estimated dates and amounts of the calls for funds. Whenever called upon by the Bank to do so, the Commission shall pay to it the amount it needs for carrying out risk capital operations in the currency or currencies fixed by the Bank.

4. Payments relating to receipts, income and repayments in respect of risk capital operations shall be made to the Bank for the Community.

Article 51

The quasi-capital aid referred to in Article 4 of Protocol 2 and in the corresponding provisions of Decision 76/568/EEC shall serve to finance:

- primarily, fixed investments in public, private or semi-public firms,
- secondarily, specific studies for the preparation of projects and assistance for firms during the starting-up period.

Where such aid is granted to a consultancy firm it shall normally, on execution of the project, be incorporated in the capital or quasi-capital assistance to which the promoting firm may also be entitled for the execution of the project.

SECTION V

SUBSIDIZED LOANS FROM THE BANK

Article 52

1. Pursuant to Article 5 of Protocol 2 and the corresponding provisions of Decision 76/568/EEC, the aggregate amount of interest rate subsidies on loans from the Bank shall be calculated in EUA in terms of its current value on the effective date of signing of the loan contract, on the basis of a compound interest rate fixed by the Council and the Bank in agreement with the Commission.

For periods of less than one month the calculation shall be made on the basis of simple interest.

2. The Bank shall make the calculation of current value referred to in paragraph 1 by reference to the following two schedules:

- (a) an estimated schedule for paying out and repaying the loan;
- (b) an estimated schedule for the amounts required to cover the interest rate subsidies when they fall due.

The Bank shall communicate to the Commission as soon as possible the schedules and the total amount of the interest rate subsidies at their current value on the date fixed for the signing of the loan contract.

Where the actual schedule for paying out the loan proves to differ appreciably from the estimated schedule, the amount of the subsidy on the interest paid to the Bank shall be recalculated.

Should the date fixed for the signing be changed the Bank shall revise the calculation of the current value and shall forthwith communicate to the Commission the total amount of the interest rate subsidies at their current value on the new date fixed for the signing together with the appropriate grounds therefor.

3. The up-dated total amount of the interest rate subsidy shall be paid to the Bank by the Commission on the date on which the loan contract is signed.

4. If all or part of an appropriation which has been opened is cancelled or all or part of a loan which has been made is repaid in advance the Bank shall pay back into the special account opened with the Bank in the name of the Community under Article 68 an amount corresponding to that part of the appropriation which has been cancelled or that part of the loan which has been repaid, plus the compound interest, up-dated at the same rate as that stipulated in paragraph 1, for the period between the date of payment of the up-dated total amount of the interest rate subsidies and the date of repayment. The latter date may not be more than 30 days after the complete or partial cancellation or advance repayment of the subsidized loan.

5. All payments provided for in this Article shall be expressed in EUA and movements of funds relating thereto shall be made in the currencies of the Member States on the basis of the composition of the EUA.

SECTION VI

MANAGEMENT OF THE EXPORT EARNINGS STABILIZATION SYSTEM

Article 53

1. For the calculation in EUA of the reference level and of the actual earnings referred to in Article 19 (1) and (2) respectively of the Convention and in the corresponding provisions of Decision 76/568/EEC, the exchange rates applicable shall be the average rates in force in the periods to which the amounts concerned refer.

2. For the purposes of payments relating to the transfers referred to in Article 19 (3) and (6) of the Convention and in the corresponding provisions of Decision 76/568/EEC, the conversion rates to be used between the EUA and the currency or currencies used for payment shall be those in force on the day preceding payment.

3. For the purposes of payments relating to the contributions towards the reconstitution of resources referred to in Article 21 (2) of the Convention and in the corresponding provisions of Decision 76/568/EEC, the conversion rates to be used between the EUA and the currency or currencies used for payment shall be those in force on the 10th day preceding payment.

Article 54

In the event of advance use of the following year's instalment, the advances referred to in Article 19 (6) of the Convention and in the corresponding provisions of Decision 76/568/EEC shall be reduced proportionately.

SECTION VII

EXECUTIVE AGENTS

Chapter I

The chief authorizing officer

Article 55

1. The chief authorizing officer of the EDF, referred to in Article 29 of Protocol 2, shall take all measures necessary for the implementation of the provisions of Chapter 8 of Protocol 2 and of the corresponding provisions of Decision 76/568/EEC.

2. The chief authorizing officer shall ensure, before the publication of an invitation to tender, that the documents relating to tenders do not contain any direct or indirect discriminatory provisions. He shall ensure that tenders are compared under equal conditions and in particular that the import duties or taxation of the recipient State, country or territory do not constitute an obstacle to participation in invitations to tender.

3. The chief authorizing officer may suspend the publication of a notice of invitation to tender where it is found that corrections must be made to the specifications or other replacement documents. To this end, he shall inform the relevant authorities of the recipient State, country or territory of his observations.

4. The chief authorizing officer shall ensure that when a contractor is designated and a contract is awarded Articles 18 and 20 of Protocol 2 are respected.

Where he deems it appropriate, the chief authorizing officer shall consult experts chosen for their technical competence and their independence *vis-à-vis* the firms concerned by the award of the contract.

Article 56

Under Article 33 (3) of Protocol 2 and the corresponding provisions of Decision 76/568/EEC

decisions to commit the additional funds required to cover any excess expenditure incurred under a project shall be taken:

- in accordance with the procedures laid down in Articles 19 and 20 of the Internal Agreement where the excess expenditure is higher than a ceiling of 15 % of the original commitment set out in the financing decision,
- by the chief authorizing officer of the EDF where the excess expenditure is equal to or lower than the 15 % ceiling.

Chapter II

The national authorizing officer

Article 57

In the performance of his duties, the national authorizing officer shall comply with the provisions of this Financial Regulation regarding commitment, clearance and authorization of expenditure.

Article 58

Where the chief authorizing officer of the EDF is aware of delays in the procedures relating to projects financed by the EDF he shall, in conjunction with the national authorizing officer, make all contacts necessary to remedy the situation.

If, for any reason whatsoever, services have been rendered but further delay in the clearance, authorization or payment entails difficulties likely to call into question the full performance of the contract, the chief authorizing officer may take all appropriate measures to resolve these difficulties, to remedy, where necessary, the financial consequences of the resultant situation and, more generally, to enable the project or projects to be completed under the best economic conditions. He shall inform the national authorizing officer of such measures as soon as possible. If payments are thus made directly by the Commission to the beneficiary of the contract the Community shall automatically acquire that beneficiary's rights as creditor *vis-à-vis* the national authorities.

Chapter III

The Commission delegate

Article 59

During the performance of operations, the delegate shall verify on the spot and on the basis of records, that work carried out or services rendered tally with their descriptions as given in the financing agreements, contracts or estimates.

Article 60

The delegate shall comply with this Financial Regulation in the performance of his duties.

Article 61

In the event of failure to comply with this Financial Regulation, of misconduct or gross negligence in the performance of his duties, the delegate shall be answerable to the Commission.

Chapter IV

The paying agent

Article 62

In the performance of his duties, the paying agent referred to in Article 32 of Protocol 2 shall comply with this Financial Regulation.

Article 63

In the event of failure to observe the provisions in force of misconduct or of gross negligence which entail financial loss for the Community, the paying agent shall be held financially responsible under the conditions and in accordance with the terms laid down in the contract binding him to the Commission.

SECTION VIII

PRESENTING AND AUDITING ACCOUNTS

Article 64

1. The balance sheet and revenue and expenditure account, expressed in EUA, shall be adopted by the

Commission at the close of each financial year. Without prejudice to Article 31 (4) of the Internal Agreement, they shall be submitted no later than 31 March of the following financial year together with documentary evidence, for examination by the Audit Board.

2. The powers conferred upon the Audit Board shall be exercised by its members, who shall take collective action and assume collective responsibility.

The Audit Board may instruct one or more of its members to carry out certain tasks or certain audits. Any member or members so instructed may on his or their initiative seek assistance from officers of the board.

The tasks delegated to such officers must be specifically laid down and limited to the time necessary for their completion. The board itself or one of its members shall notify these tasks to the authorities with whom the relevant officers are to carry out their work.

Article 65

1. The audit carried out by the Audit Board shall be based on records and, if necessary, performed on the spot. It shall be concerned with operations and projects financed from EDF resources managed by the Commission and its purpose shall be to establish that all revenue has been received and all expenditure incurred in a lawful and regular manner with regard to the provisions applicable, and that the financial management has been sound.

2. In the performance of its task the Audit Board may, under the conditions laid down in paragraph 4, consult all documents and information relating to the financial management of the departments subject to its inspection; it has the power to hear any official responsible for revenue and expenditure operations and to use any of the auditing procedures appropriate to those departments.

3. The Audit Board shall ensure that all securities and cash on deposit or in hand are checked against vouchers signed by the depositaries or against official memoranda of cash and securities held. The board may itself carry out such checks.

4. The Commission shall provide the Audit Board with all the facilities and information which the latter deems necessary for the performance of its task.

In particular, it shall place at the disposal of the Audit Board all documents concerning the conclusion of contracts and all accounts in cash or materials, all accounting records or supporting documents and the administrative documents pertaining thereto, as well as all documents relating to revenue and expenditure.

To this end, officials subject to audit by the Audit Board shall in particular:

- (a) make available for inspection their cash in hand, any other cash, securities and all types of assets, the supporting documents in respect of their management of the funds of which they are the depositaries and any books, registers and other documents relating thereto;
- (b) present the correspondence or any other document required for the full implementation of the audits.

The information referred to under (b) may be requested only by the Audit Board or by one of its members, and such request shall be in writing.

The Audit Board shall be empowered to audit the documents in respect of EDF revenue and expenditure which are held by the Commission's departments and, in particular, by the department responsible for decisions on such revenue and expenditure.

Article 66

1. Any comments which the Audit Board considers should appear in the annual report provided for in Article 206 of the Treaty shall be communicated to the Commission.

The Commission shall forward its replies to the Audit Board. The Audit Board shall attach to its report an assessment of the soundness of the financial management.

2. The Audit Board shall conclude its report on the accounts for the preceding financial year not later than 15 July.

The revenue and expenditure account, the balance sheet and the report of the Audit Board, together with the replies to the comments, shall be submitted by the Commission to the European Parliament and the Council not later than 31 October.

3. The European Parliament and the Council may request the Audit Board to forward, in addition to the annual report, reports or analyses in respect of specific problems relating to operations which have been closed.

The Audit Board may, on its own initiative, place similar reports or analyses before the European Parliament or the Council.

Article 67

1. Before 30 April of the following year the Commission shall be given a discharge in respect of the financial management of the EDF for the past year, in accordance with Article 31 (3) of the Internal Agreement.

2. The Commission shall take all appropriate steps to act on the comments appearing in the decision giving discharge. At the request of the European Parliament or the Council it shall report on the measures taken in the light of these comments and in particular on the instructions given to those of its departments which are responsible for the management of the EDF. This report shall also be forwarded to the Audit Board.

Subject to the second sentence of the preceding paragraph the Commission must, in an Annex to the revenue and expenditure account for the next financial year, give an account of the measures taken further to the comments appearing in the decision giving discharge.

3. The revenue and expenditure account and balance sheet for each financial year and the decision giving the discharge shall be published in the *Official Journal of the European Communities*.

SECTION IX

GENERAL AND FINAL PROVISIONS

Article 68

The sums collected by the Bank either in the form of repayments, interest or charges in respect of special loans or in the form of products, revenue or repayments from risk capital operations shall be centralized in a special account opened with the Bank on behalf of the Community.

Repayments in respect of interest rate subsidies received shall also be centralized in this account.

Article 69

This Regulation shall be applicable for the same period as the Internal Agreement.

Done at Brussels, 27 July 1976.

For the Council

The President

M. van der STOEL

COMMISSION

COMMISSION DECISION

of 31 March 1976

authorizing the United Kingdom not to apply Community treatment to certain men's and boys' outer garments (suits and jackets), falling within heading No ex 61.01 of the Common Customs Tariff, originating in Taiwan and in free circulation in the other Member States

(Only the English text is authentic)

(76/648/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular the first paragraph of Article 115 thereof,

Having regard to the application to the Commission under the first paragraph of Article 115 of the Treaty, made on 24 March 1976 by the United Kingdom Government by telex from the office of its Permanent Representative to the European Communities, for authorization not to apply Community treatment to certain men's and boys' outer garments (suits and jackets), falling within heading No ex 61.01 of the Common Customs Tariff, originating in Taiwan and in free circulation in the Federal Republic of Germany,

Whereas the importation into the United Kingdom of the products in question originating in Taiwan is subject, under Council Regulation (EEC) No 1783/75 of 10 July 1975 on rules for imports of certain textile products originating in Taiwan⁽¹⁾, to a global quota for suits, jackets, blazers for men and boys, fixed for 1976 at 114 metric tons, while in the Federal Republic of Germany the importation of these same products originating in Taiwan is not subject to any quota;

Whereas the differences between the conditions governing the importation of the products in question in the Member States have created an indirect trade flow in the United Kingdom which threatens to continue and to grow;

Whereas, according to information supplied by the Government of the United Kingdom, there are serious economic difficulties in the industry manufacturing the products in question resulting in a progressive decline of production and a constant reduction of the number of workers employed in that sector;

Whereas these economic difficulties are caused largely by unequal conditions of competition with certain countries (including Taiwan) whereby such countries are enabled to export at prices lower than those of producers in the United Kingdom;

Whereas the indirect imports in question, which would be in addition to those already effected, would be likely to aggravate these economic difficulties;

Whereas it is not possible at the present time to set in motion the machinery for bringing about the necessary cooperation from the Federal Republic of Germany and the other Member States;

⁽¹⁾ OJ No L 182, 12. 7. 1975, p. 2.

Whereas authorization should be given, for a limited period, for the application of protective measures, under the first paragraph of Article 115, subject to the conditions laid down by the Commission Decision of 12 May 1971 ⁽¹⁾, and in particular Article 1 thereof,

HAS ADOPTED THIS DECISION:

Article 1

The United Kingdom is authorized not to apply Community treatment to imports of the following products:

CCT heading No	Description
ex 61.01	Men's and boys' outer garments: — Suits and jackets

where they originate in Taiwan and are in free circulation in the other Member States, and in respect of which applications for import licences were lodged after 14 March 1976.

Article 2

This Decision shall apply until new opportunities arise in the United Kingdom for the importation of the products in question from Taiwan and in any case not later than 31 December 1976.

Article 3

This Decision is addressed to the United Kingdom.

Done at Brussels, 31 March 1976.

For the Commission

Christopher SOAMES

Vice-President

⁽²⁾ OJ No L 121, 3. 6. 1971, p. 26.

COMMISSION DECISION

of 4 May 1976

on aid from the Belgian Government to the Société nationale des chemins de fer belges (SNCB) for through international railway tariffs for coal and steel

(Only the French and Dutch texts are authentic)

(76/649/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 93 thereof,

Having regard to the observations presented by the parties concerned,

Whereas since 1971 the Belgian Government has been granting aid, estimated at Bfrs 525 million in 1975, to the Société nationale des chemins de fer belges (SNCB) as compensation for financial burdens which, according to that Government, result from applying to ECSC products through international tariffs established in accordance with the Agreement of 21 March 1955 ⁽¹⁾, signed by the Member States pursuant to Article 70 of the ECSC Treaty, and Article 10 of the Convention on the transitional provisions;

Whereas the Belgian Government originally justified the granting of this aid on the basis of Article 2 (5) of Council Regulation (EEC) No 1191/69 of 26 June 1969 on action by Member States concerning the obligations inherent in the concept of a public service in transport by rail, road and inland waterway ⁽²⁾;

Whereas, as a result of objections raised on this subject by the Commission departments, the Belgian Government changed its initial position by justifying the aid on the basis of Article 3 (2) of Council Regulation (EEC) No 1107/70 of 4 June 1970 on the granting of aids for transport by rail, road and inland waterway ⁽³⁾;

Whereas on 8 October 1975 the Commission ruled that the aid granted to SNCB by the Belgian Government to compensate it for losses sustained as a result of applying international railway tariffs to the carriage of ECSC products is subject to Articles 92 and 93 of the EEC Treaty; whereas the measure in question cannot be justified on the basis either of Article 92 (2) and (3) of the Treaty or of Article 3 of Council Regulation (EEC) No 1107/70; whereas the Commission therefore called upon the Belgian Government and the Governments of the other Member States to present their observations;

Whereas, in a letter dated 14 November 1975, the Belgian Government stated that the aid in question does not affect trade between Member States and cannot distort competition by favouring certain undertakings or certain products since it does not alter the level of the transport tariffs and so is not passed on to SNCB's clients; whereas the Commission cannot share this view, since granting the aid in question enables SNCB to keep its tariffs lower than they should be and to charge its users a more favourable tariff; whereas aid granted to a single undertaking or to a single mode of transport with the purpose of reducing the rates applied for international traffic automatically affects trade between Member States in that it distorts or threatens to distort competition by favouring certain undertakings or certain products;

Whereas the Commission cannot accept the Belgian Government's view that what is involved here is compensation for a tariff obligation pursuant to Article 3 (2) of the abovementioned Regulation (EEC) No 1107/70, i.e. a tariff obligation not falling within the definition given in Article 2 (5) of Regulation (EEC) No 1191/69; whereas Article 3 (2) relates only to aid as reimbursement for the discharge of obligations inherent in the concept of a public service; whereas by virtue of the rules laid down in the Agreement of 21 March 1955 on the establishment of through international railway tariffs that Agreement does not constitute a public service

⁽¹⁾ OJ No 9, 19. 4. 1955, p. 701.

⁽²⁾ OJ No L 156, 28. 6. 1969, p. 1.

⁽³⁾ OJ No L 130, 15. 6. 1970, p. 1.

obligation pursuant to Article 3 (2) but a means of enforcing the rules on non-discrimination of Article 4 (b) and the first and second paragraphs of Article 70 of the ECSC Treaty which reflect one of the principles of the common market in coal and steel; whereas when concluding the Agreement of 21 March 1955, the Member States expressly stated in Article 18 thereof that by it they had undertaken 'only those obligations which are within the scope of the Treaty and of the Convention and which have as their purpose the implementation of those instruments';

Whereas the abovementioned rules, which are intended to implement a fundamental principle of the common market in ECSC products, apply to all parties involved in this market and also determine the commercial behaviour of transport undertakings as regards the carriage of coal and steel, irrespective of their status and their policy regarding the compilation of transport rates;

Whereas the fact that Article 10 of the Convention on the transitional provisions, which provided for the establishment for carriage within the Community of through international tariffs incorporating a degressive factor taking account of total distance, has so far been enforced only in respect of the railways is not due to any desire to class the transport services in question as a public service but is solely the result of the structure of these undertakings, each of which serves a domestic network and applies domestic tariffs, which makes it necessary, for transport between Member States, to establish international tariffs in accordance with the rules of the abovementioned provision which were defined more precisely in the 1955 Agreement so as to comply with the principle of non-discrimination enshrined in the Treaty;

Whereas the Commission cannot share the Belgian Government's view that by prescribing the application of through international tariffs in accordance with an imposed method whereby reductions are granted on the tariffs normally applying to domestic transport over the same route, the 1955 Agreement entails losses of revenue for SNCB from the international carriage of ECSC products; whereas, in the absence of an imposed structure for ECSC international tariffs, SNCB could have raised them; whereas, in the present circumstances, international transport rates are lower than the tariffs normally applying for domestic traffic in every case, irrespective of the level of the tariffs;

Whereas the Belgian Government has failed to appreciate the character and the purpose of these

measures which, as long as the general tariff situation is maintained, represent the most appropriate means of ensuring compliance with the principle embodied in the ECSC Treaty which requires transport undertakings, like coal and steel producers, to offer their clients comparable rates for comparable services on all ECSC markets within the Community; whereas the 1955 Agreement merely establishes a structure so that railway tariffs for international traffic are compiled in such a way as to guarantee the comparability of the resulting rates with domestic transport rates; whereas the Agreement does not affect the freedom of railway undertakings as regards the level of these tariffs and the differentiation of their tariff systems, in particular as a result of the state of the markets concerned; whereas SNCB has made use of this possibility by granting special tariffs for domestic traffic which are lower than the general tariffs; whereas it is at present applying 39 special tariffs, the rates of which are in many cases lower than would result under the 1955 Agreement, for international traffic with the other Community networks;

Whereas, concerning the ruling of the French Council of State in 1961 on a dispute between the French Railways (SNCF) and the French Government concerning ECSC tariffs, it should be noticed that this ruling, given on different legal grounds in a period when Regulation (EEC) No 1107/70 was not in force, cannot be treated as a precedent for the interpretation of Community instruments and moreover this ruling concerned a situation fundamentally different from the subject matter of this Decision since the SNCF was not authorized to raise its tariffs;

Whereas these considerations do not prevent the Belgian Government from granting the aid in question under Article 4 of Regulation (EEC) No 1107/70; whereas this formal distinction is an important one of principle as regards action for the progressive improvement of the situation of the railways undertaken as part of the common transport policy,

HAS ADOPTED THIS DECISION:

Article 1

The aid granted by the Belgian State to the Société nationale des chemins de fer belges (SNCB) for

through international railway tariffs for coal and steel on the basis of Article 3 (2) of Council Regulation (EEC) No 1107/70 of 4 June 1970 on the granting of aids for transport by rail, road and inland waterway, as amended by Regulation (EEC) No 1473/75 of 20 May 1975 is not compatible with the common market to the extent that it should be granted under Article 4 of the said Regulation.

The Kingdom of Belgium shall take the necessary action, as soon as possible and at the most within three months, either to terminate the aid in question or to modify its legal base in order that this aid may be granted under the provisions of Article 4 of Regulation (EEC) No 1107/70.

Article 2

This Decision is addressed to the Kingdom of Belgium.

Done at Brussels, 4 May 1976.

For the Commission

The President

François-Xavier ORTOLI

COMMISSION DECISION

of 24 May 1976

authorizing the Italian Republic not to apply Community treatment to woven fabrics of cotton other than gauze or terry towelling and similar terry fabrics, unbleached, falling within heading No ex 55.09 of the Common Customs Tariff, originating in the Republic of Brazil and in free circulation in the other Member States

(Only the Italian text is authentic)

(76/650/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular the first paragraph of Article 115 thereof,

Having regard to the application under the first paragraph of Article 115 of the Treaty, made on 12 May 1976 by the Italian Government to the Commission by telex from the office of its Permanent Representative to the European Communities, for authorization to apply protective measures to imports of woven fabrics of cotton other than gauze or terry towelling and similar terry fabrics, unbleached, falling within heading No ex 55.09 of the Common Customs Tariff, originating in the Republic of Brazil and in free circulation in the Netherlands,

Whereas the importation into the Community of the products in question originating in the Republic of Brazil is the subject of an Agreement negotiated between the Community and the Republic of Brazil which was initialled on 1 April 1976;

Whereas, under the Agreement, the Republic of Brazil has undertaken to limit as from 1 January 1976 its exports of certain textile products to the Community to certain ceilings allocated among the Member States;

Whereas the quota share allocated to Italy for the bleached and unbleached woven cotton fabrics, falling within heading No ex 55.09 of the Common Customs Tariff which are the subject of the Agreement is 3 337 metric tons;

Whereas there are serious economic difficulties in the sector of the textile industry in question, which manifest themselves in a drop in production and a high rate of unemployment;

Whereas, according to the information supplied by the Italian Government, considerable quantities of the products in question have already been imported into Italy from Brazil during the early part of this year, but, because they were exported prior to the entry into force of the provisions of the Agreement, are not to be counted against the agreed quota share, most of which has in any case already been used;

Whereas, because of this exceptional and temporary situation, it is certain that direct imports into Italy in 1976 will be greater than the annual amount provided for in the Agreement;

Whereas, in the light of all these factors, the indirect import transaction which prompted this application, although an isolated transaction, is likely at the present time to further exacerbate the above economic difficulties;

Whereas it is not possible at the present time to set in motion the machinery for bringing about the necessary cooperation from the Netherlands and the other Member States;

Whereas authorization should therefore be given for the application of protective measures under the first paragraph of Article 115, subject to the conditions laid down by the Commission Decision of 12 May 1971 ⁽¹⁾, and in particular Article 1 thereof,

HAS ADOPTED THIS DECISION:

Article 1

The Italian Republic is authorized not to apply Community treatment to imports of the following products:

⁽¹⁾ OJ No L 121, 3. 6. 1971, p. 26.

CCT heading No	Description of goods
ex 55.09	Woven fabrics of cotton other than gauze or terry towelling and similar terry fabrics, unbleached

Italian authorities at the date of adoption of this Decision.

Article 2

This Decision is addressed to the Italian Republic.

Done at Brussels, 24 May 1976.

where they originate in the Republic of Brazil and are in free circulation in the Netherlands, and in respect of which applications for import licences lodged after 4 May 1976 are being considered by the

For the Commission
Christopher SOAMES
Vice-President

COMMISSION DECISION

of 9 June 1976

authorizing the French Republic not to apply Community treatment to certain setts, flags and paving, hearth and wall tiles, falling within subheadings 69.07 ex A and B ex II and 69.08 ex A and B ex II of the Common Customs Tariff, originating in South Korea and in free circulation in the other Member States

(Only the French text is authentic)

(76/651/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular the first paragraph of Article 115 thereof,

Having regard to the application under the first paragraph of Article 115 of the Treaty, made on 29 May 1976 by the French Government to the Commission by telex from the office of its Permanent Representative to the European Communities, for authorization not to apply Community treatment to certain setts, flags and paving, hearth and wall tiles, falling within subheadings 69.07 ex A and B ex II and 69.08 ex A and B ex II of the Common Customs Tariff, originating in South Korea and in free circulation in the Netherlands,

Whereas according to this application under Article 115 France is not opening any quota for imports of the products in question originating in South Korea for 1976;

Whereas differences in the commercial policy measures applied in connection with these products by France and by the other Member States as regards South Korea are giving rise to deflection of trade;

Whereas this deflection of trade is obstructing the execution of the above commercial policy measures currently being applied by France as regards South Korea;

Whereas it is not possible at the present time to set in motion the machinery for bringing about the necessary cooperation from the other Member States;

Whereas, in order to ensure that the execution of the above commercial policy measures is not obstructed, authorization should be given, for a limited period, for the application of protective measures under the first paragraph of Article 115, subject to the conditions laid down by the Commission Decision of 12 May 1971 ⁽¹⁾, and in particular Article 1 thereof,

HAS ADOPTED THIS DECISION:

Article 1

The French Republic is authorized not to apply Community treatment to imports of the following products:

CCT heading No	Description of goods
69.07	Unglazed setts, flags and paving, hearth and wall tiles:
ex A	— Stoneware tiles and cubes for mosaics, the largest side of which does not exceed 5 cm
B ex II	— Of stoneware, excluding those with a side dimension in excess of 40 cm
69.08	Glazed setts, flags and paving, hearth and wall tiles:
ex A	— Tiles and cubes for mosaics, other than of common pottery, the largest side of which does not exceed 5 cm
B ex II	— Other, in ceramic materials other than common pottery

⁽¹⁾ OJ No L 121, 3. 6. 1971, p. 26.

where they originate in South Korea and are in free circulation in the other Member States and in respect of which applications for import licences were lodged after 20 May 1976.

Article 2

This Decision shall apply until new opportunities arise in the French Republic for the importation of the products in question from South Korea and in any case not later than 31 March 1977.

Article 3

This Decision is addressed to the French Republic.

Done at Brussels, 9 June 1976.

For the Commission

Christopher SOAMES

Member of the Commission

COMMISSION DECISION

of 24 June 1976

authorizing the United Kingdom not to apply Community treatment to certain woven fabrics of synthetic textile fibres (polypropylene), falling within subheading 51.04 ex A of the Common Customs Tariff, originating in Czechoslovakia and in free circulation in the other Member States

(Only the English text is authentic)

(76/652/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular the first paragraph of Article 115 thereof,

Having regard to the application under the first paragraph of Article 115 of the Treaty, made on 16 June 1976 by the Government of the United Kingdom to the Commission by telex from the office of its Permanent Representative to the European Communities, for authorization not to apply Community treatment to woven fabrics of synthetic textile fibres (polypropylene), falling within subheading 51.04 ex A of the Common Customs Tariff, originating in Czechoslovakia and in free circulation in the Netherlands,

Whereas for woven and knitted fabrics of man-made fibres, falling within heading No 51.04, 56.07 or ex 60.01 of the Common Customs Tariff, the United Kingdom, in accordance with the Council Decision of 18 December 1975 ⁽¹⁾, has opened in respect of Czechoslovakia an annual quota of 1 236 000 m²;

Whereas the British industry manufacturing the products in question is faced with serious economic difficulties caused largely by unequal conditions of competition with certain countries, whereby such countries are enabled to export at prices lower than those of producers in the United Kingdom;

Whereas the indirect imports which are the subject of the application would be likely to aggravate this difficult situation;

Whereas it is not possible to set in motion rapidly the machinery for bringing about the necessary cooperation from the Netherlands and the other Member States;

Whereas authorization should accordingly be given for the application of protective measures, under the first paragraph of Article 115, subject to the conditions laid down by the Commission Decision of 12 May 1971 ⁽²⁾, and in particular Article 1 thereof,

HAS ADOPTED THIS DECISION:

Article 1

The United Kingdom is authorized not to apply Community treatment to imports of woven fabrics of synthetic textile fibres (polypropylene), falling within subheading 51.04 ex A of the Common Customs Tariff, where they originate in Czechoslovakia and are in free circulation in the other Member States, and in respect of which applications for import licences lodged after 6 June 1976 are, on the date of this Decision, pending with the United Kingdom authorities.

Article 2

This Decision is addressed to the United Kingdom.

Done at Brussels, 24 June 1976.

For the Commission

Christopher SOAMES

Vice-President

⁽¹⁾ OJ No L 332, 29. 12. 1975, p. 1.

⁽²⁾ OJ No L 121, 3. 6. 1971, p. 26.

COMMISSION DECISION

of 7 July 1976

authorizing the Kingdom of Denmark and the French Republic to certify seed of certain species of cereals, under special conditions

(Only the French and Danish texts are authentic)

(76/653/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

HAS ADOPTED THIS DECISION:

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Directive of 14 June 1966 on the marketing of cereal seed ⁽¹⁾, as last amended by the Council Directive of 26 June 1975 ⁽²⁾, and in particular Article 2 (2) (d) thereof,

Having regard to the requests made by the Kingdom of Denmark and the French Republic,

Whereas as a general rule all cereal seed production must undergo official field inspections;

Whereas, however, the abovementioned Directive permits this obligation to be dispensed with under certain conditions for the production of seed of the categories 'certified seed, first generation' and 'certified seed, second generation';

Whereas it has been established that the Kingdom of Denmark and the French Republic have **satisfied** these conditions;

Whereas the request of these two countries should therefore be granted;

Whereas the measures provided for in this Decision are in accordance with the opinion of the Standing Committee on Seed and Propagating Material for Agriculture, Horticulture and Forestry,

Article 1

The Kingdom of Denmark and the French Republic are hereby authorized until 31 December 1978 officially to certify as 'certified seed, first generation' or as 'certified seed, second generation' seed of oats, barley, rice, wheat and spelt, which has not undergone an official field inspection, provided that the conditions laid down in the first and second indents of Article 2 (2) (d) of the Council Directive of 14 June 1966 are satisfied.

Article 2

The Kingdom of Denmark and the French Republic shall notify the Commission of the measures taken under this Decision. The Commission shall inform the other Member States thereof.

Article 3

This Decision is addressed to the Kingdom of Denmark and the French Republic.

Done at Brussels, 7 July 1976.

For the Commission

P. J. LARDINOIS

Member of the Commission

⁽¹⁾ OJ No 125, 11. 7. 1966, p. 2309/66.

⁽²⁾ OJ No L 196, 26. 7. 1975, p. 6.

COMMISSION DECISION

of 7 July 1976

fixing the maximum export refund for the 37th partial invitation to tender for white sugar issued in Regulation (EEC) No 2101/75

(76/654/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 3330/74 of 19 December 1974 on the common organization of the market in sugar ⁽¹⁾, as last amended by Regulation (EEC) No 1487/76 ⁽²⁾, and in particular Article 19 (4) thereof,

Whereas Commission Regulation (EEC) No 2101/75 of 11 August 1975 on a standing invitation to tender to determine levies and/or refunds on export of white sugar ⁽³⁾, as last amended by Regulation (EEC) No 1406/76 ⁽⁴⁾, requires Member States to carry out partial invitations to tender for the export of white sugar;

Whereas, pursuant to Article 9 (1) of Regulation (EEC) No 2101/75 a maximum export refund shall be fixed, as the case may be, account being taken in particular of the state and foreseeable development of the Community and world markets in sugar, for the partial invitation to tender in question;

Whereas, following an examination of the tenders submitted in response to the 37th partial invitation

to tender, the provisions set out in Article 1 should be adopted;

Whereas the measures provided for in this Decision are in accordance with the opinion of the Management Committee for Sugar,

HAS ADOPTED THIS DECISION:

Article 1

The maximum export refund for the 37th partial invitation to tender for white sugar issued in Regulation (EEC) No 2101/75 is hereby fixed at 3.995 units of account per 100 kilogrammes.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 7 July 1976.

For the Commission

P. J. LARDINOIS

Member of the Commission

⁽¹⁾ OJ No L 359, 31. 12. 1974, p. 1.

⁽²⁾ OJ No L 167, 26. 6. 1976, p. 9.

⁽³⁾ OJ No L 214, 12. 8. 1975, p. 5.

⁽⁴⁾ OJ No L 158, 19. 6. 1976, p. 24.

COMMISSION DECISION

of 9 July 1976

fixing the maximum export refund for milled long grain rice under the invitation to tender issued in Regulation (EEC) No 358/76

(76/655/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1418/76 of 21 June 1976 on the common organization of the market in rice ⁽¹⁾,

Having regard to Council Regulation (EEC) No 1431/76 of 21 June 1976 laying down general rules for granting export refunds on rice and criteria for fixing the amount of such refunds ⁽²⁾, and in particular Article 4 thereof,

Having regard to Commission Regulation (EEC) No 358/76 of 19 February 1976 on an invitation to tender for the levy and/or the refund for the export of milled long grain rice to certain third countries ⁽³⁾, as amended by Regulation (EEC) No 1458/76 ⁽⁴⁾, and in particular Articles 10 (1) and 11 thereof,

Whereas an invitation to tender for the export levy and/or refund on milled long grain rice was issued in Regulation (EEC) No 358/76; whereas the notice of invitation to tender ⁽⁵⁾, as last amended 25 June 1976 ⁽⁶⁾, associated with this Regulation specified that the total tonnage for which the export levy and/or refund could be fixed was approximately 45 000 metric tons;

Whereas Article 10 (1) of Regulation (EEC) No 358/76 allows the Commission in accordance with the procedure laid down in Article 27 of Regulation (EEC) No 1418/76, to fix a maximum export refund; whereas, when this maximum refund is being fixed, account must be taken of the criteria set out in Articles 2 and 3 of Regulation (EEC) No 1431/76; whereas Article 10 (2) of Regulation (EEC) No 358/

76 stipulates that the award is made to any tenderer whose tender indicates a rate of refund equal to or less than such maximum export refund and to any tenderer who has tendered for an export levy;

Whereas it follows from applying these rules to the present situation on the market for the rice in question that the maximum export refund should be fixed as shown in Article 1; whereas the tonnage to which this maximum applies is 323.5 metric tons;

Whereas the measures provided for in this Decision are in accordance with the opinion of the Management Committee for Cereals,

HAS ADOPTED THIS DECISION:

Article 1

The maximum export refund for milled long grain rice fixed on the basis of tenders submitted for 8 July 1976 is hereby fixed at 102.36 units of account per metric ton. The rates to be used for conversion to national currencies are those given in the Annex to this Decision.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 9 July 1976.

For the Commission

P. J. LARDINOIS

Member of the Commission

⁽¹⁾ OJ No L 166, 25. 6. 1976, p. 1.

⁽²⁾ OJ No L 166, 25. 6. 1976, p. 36.

⁽³⁾ OJ No L 44, 20. 2. 1976, p. 13.

⁽⁴⁾ OJ No L 163, 24. 6. 1976, p. 15.

⁽⁵⁾ OJ No C 41, 21. 2. 1976, p. 5.

⁽⁶⁾ OJ No C 144, 25. 6. 1976, p. 8.

ANNEX

The rates to be used for the conversion to national currencies of the export refund given
in Article 1

1 Bfr	=	0.0205519	u.a.
1 Dkr	=	0.131956	u.a.
1 DM	=	0.310580	u.a.
1 Fl	=	0.298056	u.a.
1 FF	=	0.170552	u.a.
1 £	=	1.45164	u.a.
100 Lit	=	0.0965573	u.a.

COMMISSION DECISION

of 9 July 1976

fixing, pursuant to the invitation to tender opened by Regulation (EEC) No 1391/76,
the maximum amount for the costs of delivery of skimmed-milk powder

(Only the French text is authentic)

(76/656/EEC)

THE COMMISSION OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the
European Economic Community,

Having regard to Council Regulation (EEC) No 804/
68 of 27 June 1968 on the common organization of
the market in milk and milk products ⁽¹⁾, as last
amended by Regulation (EEC) No 559/76 ⁽²⁾, and
in particular Article 7 (5) thereof,

Whereas, pursuant to Commission Regulation (EEC)
No 1391/76 of 16 June 1976 on the invitation to
tender for the costs of delivery of skimmed-milk
powder for shipment to the Arab Republic of Egypt
as food aid to the World Food Programme ⁽³⁾, the
French intervention agency has invited tenders for
the delivery of one lot of 2 021 metric tons of
skimmed-milk powder for the Arab Republic of
Egypt;

Whereas Article 5 of Commission Regulation (EEC)
No 1221/75 of 6 May 1975 concerning the
conditions for the invitations to tender for the costs
of delivery, as food aid, of skimmed-milk powder to
the World Food Programme ⁽⁴⁾, as amended by
Regulation (EEC) No 2061/75 ⁽⁵⁾, provides that in
the light of the tenders received the maximum

amount is to be fixed or the tendering procedure is
to be cancelled;

Whereas, on the basis of the tenders received the
maximum amount should be that specified below;

Whereas the measures provided for in this Decision
are in accordance with the opinion of the
Management Committee for Milk and Milk
Products,

HAS ADOPTED THIS DECISION:

Article 1

The maximum amount to be set for the purpose of
awarding a contract pursuant to Regulation (EEC)
No 1391/76 is fixed at 24 853 units of account.

Article 2

This Decision is addressed to the French Republic.

Done at Brussels, 9 July 1976.

For the Commission

P. J. LARDINOIS

Member of the Commission

⁽¹⁾ OJ No L 148, 28. 6. 1968, p. 13.

⁽²⁾ OJ No L 67, 15. 3. 1976, p. 9.

⁽³⁾ OJ No L 157, 18. 6. 1976, p. 16.

⁽⁴⁾ OJ No L 121, 14. 5. 1975, p. 17.

⁽⁵⁾ OJ No L 209, 7. 8. 1975, p. 19.

COMMISSION DECISION

of 9 July 1976

fixing, pursuant to the invitation to tender opened by Regulation (EEC) No 1392/76,
the maximum amounts for the costs of delivery of skimmed-milk powder

(Only the German text is authentic)

(76/657/EEC)

THE COMMISSION OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the
European Economic Community,

Having regard to Council Regulation (EEC) No 804/
68 of 27 June 1968 on the common organization of
the market in milk and milk products ⁽¹⁾, as last
amended by Regulation (EEC) No 559/76 ⁽²⁾, and in
particular Article 7 (5) thereof,

Whereas, pursuant to Commission Regulation (EEC)
No 1392/76 of 16 June 1976 on an invitation to
tender for the costs of delivery of skimmed-milk
powder for shipment to Sri Lanka as food aid to the
World Food Programme ⁽³⁾, the German intervention
agency has invited tenders for the delivery of 4 239
metric tons of skimmed-milk powder for Sri Lanka
as food aid to the World Food Programme;

Whereas Article 5 of Commission Regulation (EEC)
No 1221/75 of 6 May 1975 concerning the
conditions for the invitations to tender for the costs
of delivery, as food aid, of skimmed-milk powder to
the World Food Programme ⁽⁴⁾, as amended by
Regulation (EEC) No 2061/75 ⁽⁵⁾, provides that in
the light of the tenders received the maximum
amount is to be fixed or the tendering procedure is
to be cancelled;

Whereas, on the basis of the tenders received the
maximum amounts should be those specified below;

Whereas the measures provided for in this Decision
are in accordance with the opinion of the
Management Committee for Milk and Milk
Products,

HAS ADOPTED THIS DECISION:

Article 1

The maximum amounts to be set for the purpose of
awarding a contract pursuant to Regulation (EEC)
No 1392/76 shall be as follows:

- Lot A: 10 014 units of account,
- Lot B: 7 065 units of account,
- Lot C: 6 095 units of account.

Article 2

This Decision is addressed to the Federal Republic of
Germany.

Done at Brussels, 9 July 1976.

For the Commission

P. J. LARDINOIS

Member of the Commission

⁽¹⁾ OJ No L 148, 28. 6. 1968, p. 13.

⁽²⁾ OJ No L 67, 15. 3. 1976, p. 9.

⁽³⁾ OJ No L 157, 18. 6. 1976, p. 18.

⁽⁴⁾ OJ No L 121, 14. 5. 1975, p. 17.

⁽⁵⁾ OJ No L 209, 7. 8. 1975, p. 19.

COMMISSION DECISION

of 12 July 1976

on the reimbursement by the Guidance Section of the EAGGF to the Italian Republic
of aid granted during 1974 to organizations of fruit and vegetable producers

(Only the Italian text is authentic)

(76/658/EEC)

THE COMMISSION OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the
European Economic Community,

Having regard to Council Regulation (EEC) No
1035/72 of 18 May 1972 on the common
organization of the market in fruit and vegetables ⁽¹⁾,
as last amended by Regulation (EEC) No 793/76 ⁽²⁾,
and in particular Article 36 thereof,

Having regard to Council Regulation (EEC) No 449/
69 of 11 March 1969 on the reimbursement of aid
granted by Member States to organizations of fruit
and vegetable producers ⁽³⁾, and in particular Article
7 (2) thereof,

Whereas the Italian Republic has made an
application for reimbursement in respect of aid
granted during 1974 to organizations of fruit and
vegetable producers;

Whereas this application is in accordance with the
provisions of Commission Regulation (EEC) No
2264/69 of 13 November 1969 on applications for
reimbursement of aid granted by Member States to
organizations of fruit and vegetable producers ⁽⁴⁾;

Whereas an examination of the information provided
shows that eligible aid of Lit 2 113 463 117
(3 381 540.99 u.a.) was granted under the conditions
laid down in Articles 2 to 6 of Regulation (EEC) No
449/69; whereas the Guidance Section of the Fund

should therefore reimburse 50 % thereof, i.e. Lit
1 056 731 558.5 (1 690 770.49 u.a.);

Whereas the Fund Committee has been consulted on
the financial aspects and in particular as to the funds
available,

HAS ADOPTED THIS DECISION:

Article 1

The contribution by the Guidance Section of the
European Agricultural Guidance and Guarantee
Fund towards the aid granted by the Italian Republic
to organizations of fruit and vegetable producers
during 1974 shall be Lit 1 056 731 558.5
(1 690 770.49 u.a.).

Article 2

This Decision is addressed to the Italian Republic.

Done at Brussels, 12 July 1976.

For the Commission

P. J. LARDINOIS

Member of the Commission

⁽¹⁾ OJ No L 118, 20. 5. 1972, p. 1.

⁽²⁾ OJ No L 93, 8. 4. 1976, p. 1.

⁽³⁾ OJ No L 61, 12. 3. 1969, p. 2.

⁽⁴⁾ OJ No L 287, 15. 11. 1969, p. 3.

COMMISSION DECISION

of 12 July 1976

on the reimbursement by the Guidance Section of the EAGGF to the Federal Republic of Germany of aid granted during 1974 to organizations of fruit and vegetable producers

(Only the German text is authentic)

(76/659/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1035/72 of 18 May 1972 on the common organization of the market in fruit and vegetables ⁽¹⁾, as last amended by Regulation (EEC) No 793/76 ⁽²⁾, and in particular Article 36 thereof,

Having regard to Council Regulation (EEC) No 449/69 of 11 March 1969 on the reimbursement of aid granted by Member States to organizations of fruit and vegetable producers ⁽³⁾, and in particular Article 7 (2) thereof,

Whereas the Federal Republic of Germany has made an application for reimbursement in respect of aid granted during 1974 to organizations of fruit and vegetable producers;

Whereas this application is in accordance with the provisions of Commission Regulation (EEC) No 2264/69 of 13 November 1969 on applications for reimbursement of aid granted by Member States to organizations of fruit and vegetable producers ⁽⁴⁾;

Whereas an examination of the information provided shows that aid of DM 374 193 (102 238.52 u.a.) was granted under the conditions laid down in Articles 2 to 6 of Regulation (EEC) No 449/69; whereas the Guidance Section of the Fund should therefore

reimburse 50 % thereof, i.e. DM 187 096.50 (51 119.26 u.a.);

Whereas the Fund Committee has been consulted on the financial aspects and in particular as to the funds available,

HAS ADOPTED THIS DECISION:

Article 1

The contribution by the Guidance Section of the European Agricultural Guidance and Guarantee Fund towards the aid granted by the Federal Republic of Germany to organizations of fruit and vegetable producers during 1974 shall be DM 187 096.50 (51 119.26 u.a.).

Article 2

This Decision is addressed to the Federal Republic of Germany.

Done at Brussels, 12 July 1976.

For the Commission

P. J. LARDINOIS

Member of the Commission

⁽¹⁾ OJ No L 118, 20. 5. 1972, p. 1.

⁽²⁾ OJ No L 93, 8. 4. 1976, p. 1.

⁽³⁾ OJ No L 61, 12. 3. 1969, p. 2.

⁽⁴⁾ OJ No L 287, 15. 11. 1969, p. 3.

COMMISSION DECISION

of 12 July 1976

on the reimbursement by the Guidance Section of the EAGGF to the Federal Republic of Germany of aid granted to recognized producer groups in the hop sector during 1974

(Only the German text is authentic)

(76/660/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy ⁽¹⁾, as last amended by Regulation (EEC) No 2788/72 ⁽²⁾, and in particular Article 7 (1) thereof,

Having regard to Council Regulation (EEC) No 1696/71 of 26 July 1971 on the common organization of the market in hops ⁽³⁾, and in particular Article 17 (3) thereof,

Having regard to Council Regulation (EEC) No 879/73 of 26 March 1973 on the granting and reimbursement of aid accorded by the Member States to recognized producer groups in the hop sector ⁽⁴⁾, and in particular Article 14 thereof,

Whereas the Federal Republic of Germany has made an application for reimbursement in connection with all its expenditure incurred in respect of aid granted during 1974;

Whereas this application is in accordance with the provisions of Commission Regulation (EEC) No 1460/73 of 16 May 1973 on applications for reimbursement of aid granted by the Member States to recognized groups of hop producers ⁽⁵⁾, and with the provisions of Commission Regulation (EEC) No 1010/73 of 13 April 1973 defining the administrative costs of recognized groups of hop producers ⁽⁶⁾;

Whereas an examination of the information provided shows that aid amounting to DM 3 469 985 (948 083.33 u.a.) was paid under the conditions laid

down in Article 9 of Regulation (EEC) No 1696/71 and its detailed rules of application; whereas the Guidance Section of the European Agricultural Guidance and Guarantee Fund should therefore reimburse 50 % thereof, i.e. DM 1 734 992.50 (474 041.66 u.a.);

Whereas the Fund Committee has been consulted on the financial aspects and in particular as to the funds available,

HAS ADOPTED THIS DECISION:

Article 1

The contribution by the Guidance Section of the European Agricultural Guidance and Guarantee Funds towards the expenditure incurred by the Federal Republic of Germany during 1974 in respect of aid granted to recognized producer groups in the hop sector shall be DM 1 734 992.50 (474 041.66 u.a.).

Article 2

This Decision is addressed to the Federal Republic of Germany.

Done at Brussels, 12 July 1976.

For the Commission

P. J. LARDINOIS

Member of the Commission

⁽¹⁾ OJ No L 94, 28. 4. 1970, p. 13.

⁽²⁾ OJ No L 295, 30. 12. 1972, p. 1.

⁽³⁾ OJ No L 175, 4. 8. 1971, p. 1.

⁽⁴⁾ OJ No L 86, 31. 3. 1973, p. 26.

⁽⁵⁾ OJ No L 145, 2. 6. 1973, p. 1.

⁽⁶⁾ OJ No L 100, 14. 4. 1973, p. 32.

COMMISSION DECISION

of 12 July 1976

fixing, pursuant to the invitation to tender opened by Regulation (EEC) No 1446/76,
the maximum amount for the delivery of butteroil as food aid

(Only the French text is authentic)

(76/661/EEC)

THE COMMISSION OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the
European Economic Community,

Having regard to Council Regulation (EEC) No
804/68 of 27 June 1968 on the common organization
of the market in milk and milk products ⁽¹⁾, as last
amended by Regulation (EEC) No 559/76 ⁽²⁾, and
in particular Article 6 (7) thereof,

Whereas, pursuant to Commission Regulation (EEC)
No 1446/76 of 22 June 1976 on the repetition of an
invitation to tender for the supply of butteroil as
food aid to the Hashemite Kingdom of Jordan ⁽³⁾,
the French intervention agency has invited tenders
for the manufacture and delivery of a lot of 1 000
metric tons of butteroil to the Hashemite Kingdom
of Jordan;

Whereas Article 7 of Commission Regulation (EEC)
No 2247/75 of 29 August 1975 concerning
conditions for invitations to tender for the costs of
manufacture and delivery of butteroil as food aid to
certain developing countries and to the World Food
Programme ⁽⁴⁾, as amended by Regulation (EEC) No
578/76 ⁽⁵⁾, provides that in the light of the tenders
received a maximum amount is to be fixed or the
tendering procedure is to be cancelled;

Whereas, on the basis of the tenders received, the
maximum amount should be that specified below;

Whereas the measures provided for in this Decision
are in accordance with the opinion of the
Management Committee for Milk and Milk Products,

HAS ADOPTED THIS DECISION:

Article 1

The maximum amount to be set for the purposes of
awarding a contract pursuant to Regulation (EEC)
No 1446/76 shall be 2 800 414 units of account.

Article 2

This Decision is addressed to the French Republic.

Done at Brussels, 12 July 1976.

For the Commission

P. J. LARDINOIS

Member of the Commission

⁽¹⁾ OJ No L 148, 28. 6. 1968, p. 13.

⁽²⁾ OJ No L 67, 15. 3. 1976, p. 9.

⁽³⁾ OJ No L 161, 23. 6. 1976, p. 12.

⁽⁴⁾ OJ No L 229, 30. 8. 1975, p. 60.

⁽⁵⁾ OJ No L 69, 15. 3. 1976, p. 16.

COMMISSION DECISION

of 13 July 1976

fixing the maximum export refund for the 38th partial invitation to tender for white sugar issued in Regulation (EEC) No 2101/75

(76/662/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 3330/74 of 19 December 1974 on the common organization of the market in sugar⁽¹⁾, as last amended by Regulation (EEC) No 1487/76⁽²⁾, and in particular Article 19 (4) thereof,

Whereas Commission Regulation (EEC) No 2101/75 of 11 August 1975 on a standing invitation to tender to determine levies and/or refunds on export of white sugar⁽³⁾, as last amended by Regulation (EEC) No 1406/76⁽⁴⁾, requires Member States to carry out partial invitations to tender for the export of white sugar;

Whereas, pursuant to Article 9 (1) of Regulation (EEC) No 2101/75 a maximum export refund shall be fixed, as the case may be, account being taken in particular of the state and foreseeable development of the Community and world markets in sugar, for the partial invitation to tender in question;

Whereas, following an examination of the tenders submitted in response to the 38th partial invitation to tender, the provisions set out in Article 1 should be adopted;

Whereas the measures provided for in this Decision are in accordance with the opinion of the Management Committee for Sugar,

HAS ADOPTED THIS DECISION:

Article 1

The maximum export refund for the 38th partial invitation to tender for white sugar issued in Regulation (EEC) No 2101/75 is hereby fixed at four units of account per 100 kilogrammes.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 13 July 1976.

For the Commission

P. J. LARDINOIS

Member of the Commission

⁽¹⁾ OJ No L 359, 31. 12. 1974, p. 1.

⁽²⁾ OJ No L 167, 26. 6. 1976, p. 9.

⁽³⁾ OJ No L 214, 12. 8. 1975, p. 5.

⁽⁴⁾ OJ No L 158, 19. 6. 1976, p. 24.