

COUNCIL REGULATION (EC) No 2802/98
of 17 December 1998

on a programme to supply agricultural products to the Russian Federation

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament⁽¹⁾,

Whereas the Community has agricultural products in stock as a result of intervention measures;

Whereas there are already considerable gaps in the supply of certain agricultural products to the Russian market, which are likely to become worse in the coming months;

Whereas the international community is already mobilised to deal with this situation and the Community must also assume its responsibilities;

Whereas agricultural products should therefore be made available to the Russian Federation (hereinafter 'Russia') in order to improve its food supply position, taking account of the diversity of local situations and without compromising the trend to a free market in food; whereas moreover as an exceptional measure intervention products should be sent in the first place to Russia either as they are or after processing; whereas it should finally also be possible to mobilise agricultural products on the Community market where no intervention stocks are available;

Whereas this operation will help to improve the precarious situation of the Russian population and at the same time help to regularise the agricultural markets;

Whereas requirements to ensure that the operation is properly carried out should be laid down and provision made for the supply to be staggered; whereas particulars of the actual organisation of the operation, including product destination, are to be set out in a memorandum to be concluded between the Community and Russia; whereas under the memorandum the Russian authorities are to be responsible for selling the products on local markets at prices that do not disturb them and for using the net receipts for social measures;

Whereas the Commission should be authorised to negotiate and conclude this agreement; whereas to help achieve the ends of the operation the Commission should be authorised to take all necessary action, including deferral or suspension of supply according to the difficulties encountered, if the requirements set are no longer being met;

Whereas the Commission is calling on outside technical assistance for monitoring, auditing, control and evaluation of the proper conduct of the operation, including on the territory of the Russian Federation; whereas, for reasons of urgency, the Commission may use restricted procedures or private contracts, in particular for monitoring and control;

Whereas, despite all the precautions which have been and will be taken, the operation inevitably involves inherent risks;

Whereas rules applying to the execution of the operation should be adopted by the Commission through the procedures in force for common agricultural policy purposes;

Whereas in view of the need it is imperative that products reach their destination as soon as possible; whereas supply should begin immediately and its cost should be met by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund,

HAS ADOPTED THIS REGULATION:

Article 1

1. Under the terms of this Regulation free supply shall be made to Russia of agricultural products as referred to in Article 3 that are either available following intervention or if not so available will be mobilised on the Community market.

2. The products shall be supplied to the neediest regions as identified by joint agreement between the Community and Russia.

3. Supply shall be staggered as determined in consultation with the Russian authorities.

⁽¹⁾ Opinion delivered on 16 December 1998 (not yet published in the Official Journal).

4. The terms of the operation shall be the subject of a memorandum between the Community and Russia negotiated and concluded by the Commission. They shall include, on the responsibility of the Russian authorities, sale of the products supplied on local markets at prices whereby the regional market will not be disturbed and also the principle of exclusive allocation of the net receipts of sales to social measures. Exceptionally the products supplied may be distributed free to the neediest people of the regions concerned.

The memorandum shall also cover assistance and cooperation by the Russian authorities in any monitoring, auditing, control and evaluation activities to be carried out within Russian territory, in particular by the Court of Auditors or by outside bodies delegated by the Commission for the purpose.

Article 2

1. The products shall be supplied unprocessed or after processing in the Community.

2. The measures may also relate to foodstuffs available or which may be obtained on the market by payment with products coming from intervention stocks and belonging to the same group of products.

3. Supply costs, including transport to ports or frontier points, unloading excluded, and where appropriate, processing in the Community, shall be determined by public tendering procedure or, for reasons of urgency or routing difficulty, by restricted tendering procedure.

4. Export refunds on agricultural products shall not be granted on products supplied under this Regulation.

Article 3

The maximum quantities for free supply shall be:

— common wheat of breadmaking quality:

1 000 000 tonnes,

— rye of breadmaking quality:

500 000 tonnes,

— milled rice:

50 000 tonnes,

— pigmeat:

100 000 tonnes carcase equivalent,

— beef:

150 000 tonnes carcase equivalent,

— skimmed milk powder:

50 000 tonnes.

Article 4

1. The Commission shall be responsible for execution of the operation under the terms of this Regulation.

The Commission shall defer execution of one or more instalments of the operation or suspend it if it is not ensured that the operation is being carried out satisfactorily, in particular if the provisions of the memorandum referred to in Article 1(4) are not being respected.

It shall take all necessary action to ensure that supply is effected at the stage planned.

The Commission shall, by means of open or restricted invitations to tender or private contracts, as provided for in the Financial Regulation, call on outside technical assistance for monitoring, auditing, control and evaluation of the proper conduct of the operation, including on Russian territory.

2. Detailed rules for the application of this Regulation shall be adopted in accordance with the procedure laid down in Article 23 of Regulation (EEC) No 1766/92⁽¹⁾ or, as appropriate, the corresponding Articles of the other Regulations on the common organisation of markets.

Article 5

The book value of agricultural products from intervention shall be determined in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70⁽²⁾.

Article 6

Action under this Regulation shall be covered by Article 3 of Regulation (EEC) No 729/70, including the costs arising from the application of the last subparagraph of Article 4(1) of this Regulation.

Article 7

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

⁽¹⁾ OJ L 181, 1. 7. 1992, p. 21. Regulation as last amended by Commission Regulation (EC) No 923/96 (OJ L 126, 24. 5. 1996, p. 37).

⁽²⁾ OJ L 94, 28. 4. 1970, p. 13. Regulation as last amended by Regulation (EC) No 1287/95 (OJ L 125, 8. 6. 1995, p. 1).

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

Done at Brussels, 17 December 1998.

For the Council
The President
W. MOLTERER
