OPINION No 8/98

on a proposal for a Council Regulation (EC) establishing an agri-monetary system denominated in euro (reference 98/0214), and a proposal for a Council Regulation (EC) relating to transitional measures concerning the introduction of the use of the euro under the common agricultural policy (reference 98/0215)

(98/C 368/02)

THE COURT OF AUDITORS OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community and in particular Article 188c(4) thereof,

Having regard to Council Regulation (EC) No 974/98 of 3 May 1998 concerning the introduction of the euro [1],

Having regard to the Commission proposals of 10 June 1998 [2],

Having regard to the request dated 7 July 1998 from the Council for consultation of the Court of Auditors concerning the abovementioned proposals, which the Court received on 23 July 1998,

Whereas the introduction of the euro also requires the adaptation of many constituent parts of the Financial and/or Agricultural Regulation, in particular Regulation (EC) No 296/96 [3], as regards the payment of advances, the declaration of expenditure incurred by Member States, etc.,

HAS ADOPTED THIS OPINION:

The Commission's two proposals call for the following observations.

1. The proposed simplification of the present agri-monetary system should allow, as the Court pointed out in its Annual Report for the financial year 1995 [4], greater unification of aid amounts and improved control of agricultural expenditure. Nevertheless, the latter will also depend, eventually, on the level at which aid is set.

2. The absence of proposals concerning the other constituent parts of the Financial and/or Agricultural Regulation, in particular for Regulation (EC) No 296/96, means that the overall cohesion of the system proposed cannot be checked.

3. Proposal 98/0214 contains a provision (Article 8) which offers non-participating Member States the option of paying the beneficiaries, when settling expenditure incurred in respect of agricultural policy measures, in euro. A Member State which opts for this possibility must then take the necessary steps to ensure that in the event of a variation in the external value of its national currency (a devaluation or a revaluation) the recipient does not receive an amount higher than would otherwise have been paid in the national currency (and thus leading to inequality in the treatment of recipients in the various Member States). This provision therefore implies the need for greater complexity in the monitoring and control of such expenditure.

4. The text of these two proposals should be reviewed in the interests of clarity, particularly in view of the Commission's commitment to simplifying the Agricultural Regulation and making it more accessible.

This opinion was adopted by the Court of Auditors in Luxembourg at the Court meeting of 14 and 15 October 1998.

For the Court of Auditors

Bernhard FRIEDMANN

President

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(1) OJ L 139, 11.5.1998.
(2) COM(1998)367 final, 98/0214(CNS) and 98/0215(CNS).
(3) OJ L 39, 17.2.1996.
(4) OJ C 340, 12.11.1996, paragraphs 2.19-2.34