

WRITTEN QUESTION E-2923/01

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to the Commission

Subject: Infringements of Community law through the illegal withholding of Community aid, practices pursued by the Agricultural Bank of Greece, and late payment of Community aid

The practice applied by certain agricultural cooperatives of illegally withholding Community aid and making late payments to beneficiaries is a chronic problem severely affecting Greek farmers. The Agricultural Bank of Greece (ATE) sustains and shields these practices with its new interventionist system of managing and paying out Community aid, illegally and unduly profiting from Community funds intended for third parties. In addition, the bank is creating unfair competition, distortion of competition and illegal monopolistic credit practices, thereby perpetuating the outmoded structures of Greek agriculture. An example of this policy is the following power of attorney which farmers are required to sign: The Producer....: being aware of the procedures and consequences under current national and Community legislation, authorises: 1. the OP-EAS Mesolongi-Navpaktos, of which he is a member (a) to take all necessary measures to pay, by crediting to his account by magnetic means, the advances and subsidies payable under the relevant EEC Regulations and decisions of the Ministry for Agriculture, and (b) to take all necessary measures to debit from his account, through the ATE, his liabilities to third parties, in particular (i) ELGA (Greek agricultural insurance), (ii) to the Directorate for Finance, any tax due, (iii) to third parties, any unduly paid amounts, and (iv) to OP-EAS Mesolongi-Navpaktos, any commission it may be entitled to for the above work, as set out in each case by decision of the General Assembly or the Executive Committee, and to pay them to the relevant agencies (Directorate for Finance, Directorate for the Administration of Agricultural Produce, etc.) 2. the ATE to proceed (a) to credit the account as set out in paragraph (1a) above, and to debit the account as set out in paragraph (1b) above, and to credit and debit those amounts to or from the relevant accounts, the relevant agencies or third parties, 3. Confers on OP-EAS Mesolongi-Navpaktos the right, after payment of the above amounts, to withhold his liabilities towards it by debiting his account through the ATE, 4. Authorises the ATE to grant him the more favourable terms granted to those beneficiaries to whom the subsidy is paid by mechanical means, automatically (e.g. by way of interest) or at his request (e.g. by way of credit card) according to the service provided, whenever he should need.'

1. Is the system of payment of Community aid under the above power of attorney in breach of Community provisions, and what measures will the Commission take to bring the ATE's operating procedures into line with Community rules?

2. Is it consistent with Regulation 1259/1999/EC<sup>1</sup> for the organisations which are to pay out Community aid to withhold amounts on the grounds of performing administrative services at the time of payment, and what action will the Commission take to ensure that Community aid is paid in full to the beneficiaries without any amount being withheld in Greece?

3. What is the total financial loss (reductions) of Community funds from the EAGGF to Greece in the last three years (1999-2000) as a result of the failure to pay Community aid to beneficiaries within the prescribed time pursuant to Regulation 296/96/EC<sup>2</sup>?

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<sup>1</sup> OJ L 160, 26.6.1999, p. 113

<sup>2</sup> OJ L 39, 17.2.1996, p. 5