

Case T-509/93

Glencore Grain Ltd

v

Commission of the European Communities

(Emergency aid provided by the Community to the States of the former Soviet Union — Invitation to tender — Action for annulment)

Judgment of the Court of First Instance (Second Chamber), 8 November
2000 II - 3699

Summary of the Judgment

1. *Acts of the institutions — Statement of reasons — Obligation — Scope (EC Treaty, Art. 190 (now Art. 253 EC))*
2. *Agriculture — Common agricultural policy — Food aid — Loans granted by the Community to the Republics of the former Soviet Union to finance purchases and supplies — Implementing rules — Recognition by the Commission that contracts are in compliance with the applicable Community provisions — Condition relating to price — Scope — Commission's discretion — Judicial review — Limits (Commission Regulation No 1897/92; Council Decision 91/658)*

1. The statement of reasons required by Article 190 of the Treaty (now Article 253 EC) must be appropriate to the act at issue and must disclose in a clear and unequivocal fashion the reasoning followed by the institution which adopted the measure in question in such a way as to enable the persons concerned to ascertain the reasons for the measure and to enable the competent Community Court to exercise its power of review. The requirement to state reasons must be evaluated according to the circumstances of each case, in particular the content of the measure in question, the nature of the reasons given and the interest which the addressees of the measure, or other parties to whom it is of direct and individual concern, may have in obtaining explanations. It is not necessary for the reasoning to go into all the relevant facts and points of law, since the question whether the statement of reasons meets the requirements of Article 190 of the Treaty must be assessed with regard not only to its wording but also to its context and to all the legal rules governing the matter in question.

(see para. 35)

2. The condition relating to price when contracts are awarded is a fundamental term of the operation of the machinery of the Community loan introduced by

the Community in the context of food and medical aid to the Soviet Union and its constituent Republics. Inasmuch as it guaranteed the optimum use of the funds made available, it was designed to protect both the Community as lender and those Republics as recipients of the food aid.

Since Regulation No 1897/92 adopting detailed rules for the implementation of the loan granted by Decision 91/658 as food and medical aid to the Soviet Union and its constituent Republics requires the contracts to offer the most favourable purchase terms, the price proposed must be assessed in the light of all the contractual conditions, in particular those concerning delivery.

In carrying out that overall assessment, the Commission enjoys a discretion. In those circumstances, review by the Community judicature must be limited to verifying whether the procedural rules have been complied with, the contested decision is properly reasoned, and the facts have been accurately stated, and whether there has been a manifest error of assessment of the facts or a misuse of powers.

(see paras 46, 50-51)