II

*(Acts whose publication is not obligatory)*

# COUNCIL

## COUNCIL DECISION

**of 26 June 1991**

**setting up a programme of options specific to the remote and insular nature of the Canary Islands (Poseican)**

(91/314/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1911/91 of 26 June 1991 on the application of the provisions of Community law to the Canary Islands [1], and in particular Article 9 thereof,

Having regard to the amended proposal from the Commission [2],

Having regard to the opinion of the European Parliament [3],

Having regard to the opinion of the Economic and Social Committee [4],

Whereas the Canary Islands suffer from a serious structural lack of development aggravated by a number of constraints (insular nature, remoteness, small size, difficult terrain and climate) whose unchanging nature and combined impact have serious effects on their economic and social development; whereas these special constraints make it necessary to step up Community support in order to ensure that the Canary Islands are fully involved in the dynamic of the internal market; whereas this Community support takes the form of operations under the reformed Structural Funds (enjoying the priority given to the Objective 1 regions), but must also ensure that the special constraints affecting the Canary Islands are taken into account in the application of common policies, in accordance with the Community approach to the remoter regions, of which the adoption and implementation of the Poseidom programme for the French overseas departments is the first practical example;

Whereas to achieve this, the Council, pursuant to Article 9 of Regulation (EEC) No 1911/91, must adopt a multisector programme of operations involving legislative measures and financial commitments to allow for the special constraints on the Canary Islands in the application of common policies;

Whereas, for the purposes of implementing this programme, the necessary legal acts will be adopted either by the Council or by the Commission, as appropriate, before 31 December 1992; whereas the duration of the application of the measures to be adopted could, in certain cases, be linked to the process of strengthening the integration of the Canary Islands into common policies, or extend beyond this process, given the permanent constraints which are a particular feature of the Canary Islands;

Whereas this programme must be based on the twofold principle that the Canary Islands form an integral part of the Community and that the regional reality deriving from their particular geographical situation and their historical economic and fiscal system must be recognized;

Whereas, for this reason, the special measures laid down by the programme of operations must be part of the process of including the Canary Islands in the customs territory of the Community and extending to these Islands other provisions of Community law as stipulated

[1] See page 1 of this Official Journal.
[2] OJ No C 67, 15. 3. 1991, p. 12.
[3] OJ No C 158, 17. 6. 1991.
[4] Opinion delivered on 30 May 1991 (not yet published in the Official Journal).

in Regulation (EEC) No 1911/91 ; whereas these measures must accordingly take into account the special characteristics and constraints of the Canary Islands without undermining the integrity and coherence of the Community legal order ; whereas the economic effects of specific measures must remain limited to the territory of the Canary Islands without affecting directly the functioning of the common market ;

Whereas Community rules must take account of the specific nature of the Canary Islands and permit their economic and social development, particularly in those areas where the fragile nature of island territories is particularly acute, such as transport, taxation, the social sector, research and development, or the protection of the environment in view of the vulnerability of the Canary Islands to the increasing pressures of tourism ;

Whereas the exceptional geographical situation of the Canary Islands in relation to sources of supply for products used as inputs in certain food sectors, which are essential for current consumption or processing in the archipelago, entails costs that are a severe handicap for this area ; whereas there is a need, in this connection, to make special arrangements for the supply of these products within the limits of local market needs and taking accunt of local production and traditional trade flows ;

Whereas, for the same reasons and as part of the phased introduction of the Common Customs Tariff, there is a need to create the possibility of special tariff or derogations from the common commercial policy for certain sensitive products, in particular with regard to quantitative restrictions, bearing in mind the free-trade historical regime of the Canary Islands ; whereas customs arrangements may also prove to be appropriate for the regime applicable to the Canary Islands' free zones ;

Whereas the special production conditions in the Canary Islands require that particular attention be paid to applying the common agricultural policy to this region ; whereas appropriate measures are needed to assist the development of the fruit and vegetable and flowers and live plant sectors ; whereas these measures will have to promote the growing of tropical products in particular ; whereas it will also be necessary to introduce other measures to support domestic production intended for local consumption ;

Whereas certain flanking measures are required to accompany the application of the common fisheries policy to the Canary Islands in order to take account of the particular features of local production ;

Whereas the preparation, implementation, monitoring and evaluation of the measures provided for by its programme require a partnership between the Commission and the competent national and regional authorities ; whereas this partnership must permit complementarity between the measures laid down in the programme and those applied at national and regional level ;

Whereas the competent national and regional authorities must take account of the measures and operations under this programme in drafting future regional development plans ; whereas the Commission, within the scope of its powers, will take steps to ensure that this programme is consistent with the operations of the Structural Funds and other Community financial instruments,

HAS DECIDED AS FOLLOWS :

*Article 1*

1. Pursuant to Article 9 of Regulation (EEC) No 1911/91, an action programme for the Canary Islands (Programme of options specific to the remote and insular nature of the Canary Islands), hereinafter referred to as the 'Poseican programme' and set out in the Annex, is hereby established. This programme shall cover legislative measures and financial commitments.

2. Within the context of the powers conferred upon it by the Treaty, the Council shall adopt the provisions necessary for the execution of this programme and invite the Commission to submit the relevant proposals as soon as possible.

*Article 2*

The financial resources required to implement the measures relating to agricultural structures appearing in this programme shall be determined in the annual budgetary procedures.

*Article 3*

This Decision shall take effect on 1 July 1991.

*Article 4*

This Decision shall be published in the *Official Journal of the European Communities.*

Done at Luxembourg, 26 June 1991.

*For the Council*

*The President*

R. STEICHEN

*ANNEX*

# PROGRAMME OF OPTIONS SPECIFIC TO THE REMOTE AND INSULAR NATURE OF THE CANARY ISLANDS (POSEICAN)

## TITLE I

### General principles

1. The Poseican programme will be based on the twofold principle that the Canary Islands form an integral part of the Community and that the regional reality, characterized by the special features and constraints specific to the region concerned as distinct from the Community as a whole, must be recognized.

2. Implementation of the measures and operations set out in the Poseican programme will in principle be carried out before 31 December 1992, through the adoption either by the Council or by the Commission, as appropriate, of the necessary legal acts, in accordance with the provisions and procedures laid down in the Treaty.

3.1. The Poseican programme will help attain the general aims of the Treaty by contributing to the achievement of the following specific objectives :

— the realistic integration of the Canary Islands into the Community by establishing an appropriate framework for the application of common policies in this area,

— the full involvement of the Canary Islands in the dynamic of the internal market by making optimum use of existing Community regulations and instruments,

— assisting the Canary Islands to catch up economically and socially, principally through Community financing of the specific measures contained in the Poseican programme.

3.2. The competent national and regional authorities will take into account the specific measures and operations contained in the Poseican programme when drawing up future regional development plans. Within the scope of its powers, the Commission, for its part, will take steps to ensure that the operations conducted under the Poseican programme are consistent with the operations of the Structural Funds and other Community financial instruments.

3.3 The drafting, implementation, monitoring and evaluation of the operations and measures contained in the Poseican programme will be carried out in partnership by the Commission and the national and regional authorities concerned. Efforts will be made to ensure that the Poseican programme operations and those conducted at national and regional levels complement each other as far as possible.

4. The measures and operations contained in the Poseican programme fall within the framework of the inclusion of the Canary Islands in the customs territory of the Community and the extension to these Islands of Community law in force and should enable the specific nature and constraints of the Canary Islands to be taken into account without undermining the integrity and coherence of the Community legal order.

## TITLE II

### Application of common policies in the Canary Islands

5. Directives or other measures adopted in connection with the internal market and other common policies will have to take account of the special characteristics of the Canary Islands and promote their economic and social development, particularly in the fields of transport and taxation, social matters, research and technological development (without prejudice to the Community framework programme on this topic) and protection of the environment.

## TITLE III

### Specific measures to mitigate the effects of the exceptional geographical situation

6.1. Within six months from the date on which this Decision takes effect, the Council or the Commission, as appropriate, will adopt the measures laid down in paragraphs 6.2 to 6.7 which are intended to alleviate the impact of the additional costs involved in maintaining supplies of agricultural products resulting from the remote and insular nature of the Canary Islands.

6.2. In the case of essential agricultural products for consumption or processing in the archipelago, this Community action will consist, within the limits of local market requirements, taking into account local production and traditional trade flows and ensuring that the proportion of products supplied by the Community is preserved, in :

— exempting from levies and/or customs duties products originating in non-member countries ; in this connection special attention will be paid to supplying the Canary Islands from nearby developing countries,

— permitting, on equivalent terms, the supply of Community products taken into intervention storage or available on the Community market.

The principles underlying the application of this system will be as follows :

(a) with regard to the supply of inputs needed to sustain certain processing and/or packaging industries making products for the local market, this system should allow these industries to obtain supplies direct from markets in non-Community or Community countries, up to the amounts stipulated in forecast supply balances, so that the goods produced can meet the requisite specifications, notably as regards quality. In the case of sugar in particular, the system must allow traditional trade flows to be maintained ;

(b) in the case of supplies of other essential products, in order to ensure that these measures have an impact on the level of production costs and consumer prices, a system will be set up to monitor this impact up to the end-user stage. Should the impact be judged inadequate, the supply of unprocessed cereals may be replaced, in quantities to be determined at the appropriate time, by the equivalent in flour form;

(c) in view of the complexity and diversity of supply circuits in the Canary Islands, the Commission will be required to review the operation of the provisions adopted on the basis of the principles set out above with a view to making any adjustments needed. The first review will be carried out at the end of the first year of application of these provisions.

To help maintain local cereal production, no co-responsibility levy will be charged.

6.3. Temporary restrictions may be applied, at sensitive times, on a phasing-out basis, to potatoes delivered to the Canary Islands for a period of 10 marketing years.

6.4. Community aid to olive oil consumption will apply to the Canary Islands on the terms in force in the Community as constituted on 31 December 1985.

6.5. To avoid any deflection of trade, products covered by the measures referred to in paragraph 6.2 may not be re-dispatched in an unaltered state to other parts of the Community. Where the products in question are processed in the Canary Islands, this ban shall not apply to the traditional export of Canary Island products to the rest of the Community.

6.6. Imports of raw or other tobaccos for use in the manufacture of tobacco and originating in non-member countries will be exempt from customs duty up to the amount required by the tobacco industry in the Canary Islands to cater for local consumption and existing trade flows in manufactured tobacco and with due account for supply possibilities offered by Community producers and the ACP States.

6.7. To promote the development of stockfarming to meet local market needs, a system of aid for the purchase of breeding animals originating in the Community will be set up. Until such time as local production has developed to a satisfactory level, this system may be accompanied by temporary measures, with a phased reduction in quantities, to facilitate the purchase of animals for fattening (cattle and pigs) and the procurement of certain processed meat-based products (pigmeat, beef/veal or poultry). These measures will combine exemption from levies for the products in question originating in non-member countries and aid for the procurement of such products from other parts of the Community, to give such products access on equivalent terms. The situation will need to be reviewed after the system has been in operation for four years.

7.1. At the request, with supporting documents, of the competent Spanish authorities, specific tariff measures or derogations from the common commercial policy will be considered regarding quantitative restrictions in particular, on a case-by-case basis, for certain sensitive products, as follows:

— measures to take account of particular problems in a given sector of local production intended for local consumption or tourism, with a view to maintaining an exemption equivalent to that applied prior to the entry into force of Regulation (EEC) No 1911/91,

— measures to allow access for consumer goods such as textiles, clothes, optical and electronic equipment or means of transport.

7.2. The measures referred to in paragraph 7.1 must be carefully tailored to the Canary Islands' domestic market to avoid any deflection of trade. The application of such measures must, in principle, be limited to the transitional period provided for under Article 6 of Regulation (EEC) No 1911/91 for the gradual adoption of the Common Customs Tariff to the Canary Islands. In the year preceding the expiry of this period the Commission will evaluate the measures adopted and review the situation.

8. Inward processing operations carried out in the Canary Islands' free zones will not be subject to the economic conditions attaching to these arrangements.

## TITLE IV

### Specific measures to support Canary Island products

9. In view of the economic and social importance of bananas for the Canary Islands and the objective of a fair standard of living for producers, the Commission will, without waiting for the adoption of common rules, decide on structural action to assist this sector. With a view to improving the conditions of production and competition, such action will include measures concerning research, harvesting, presentation and processing, transport, storage, marketing and commercial promotion.

10.1. Within six months of the date on which this Decision takes effect, the Council or the Commission, as appropriate, will adopt the measures referred to in points 10.2 to 10.6.

10.2. Measures for the fruit and vegetable and flowers and live plants sectors may take the form of:

— temporary aid per hectare for programmes carried out by producers and producer groups or organizations to diversify production and/or improve product quality; these programmes, from which tomato growing would be excluded, should serve to develop tropical products in particular. Additional aid may be granted in cases where these programmes include technical assistance measures,

— aid for the marketing of tropical products where the volume of trade does not exceed 10 000 tonnes for each product, under marketing season contracts between Canary Island producers and operators in other parts of the Community,

— the funding of an economic analysis and forward planning study of the processed fruit and vegetable sector (particularly tropical fruit and vegetables).

10.3. Other measures to help support domestic product for local consumption may take the form of:

— specific aid per hectare for potato-growing, within the limits of the present areas under cultivation,

— to satisfy the consumer habits for wines produced in the archipelago, exemption from compulsory distillation and non-application of voluntary distillation laid down by Community legislation and non-application of the grubbing premium,

— in the dairy sector, the setting of the quota at a level which will allow reasonable development of production in the Canary Islands without, however, disrupting traditional trade flows,

— in the case of animal products for the local market, specific aid for producers' groups or organizations for training and technical assistance programmes,

— specific aid to support products of traditional Canary Island stockfarming and intended for local consumption.

10.4. To encourage farmers in the Canary Islands to supply high quality products and to promote the marketing of these products, the Community may finance the design and promotion of a logo.

10.5. Council Directive 77/93/EEC of 21 December 1976 on protective measures against the introduction into the Member States of organisms harmful to plants or plant products [1], as last amended by Directive 90/506/EEC [2], will be adapted to accommodate the specific plant health situation in the Canary Islands.

10.6. Special exceptions may be made, on the basis of duly substantiated requests from the Spanish authorities, to provisions restricting or preventing the granting of certain types of structural aid to reflect the special characteristics of agriculture in the Canary Islands.

11.1. In the case of fishery products, a reinforced system of aid will be established in favour of producers' organizations, which must be set up within five years of the date on which Council Regulation (EEC) No 1911/91 enters into force; this aid will apply for five years following the date on which these organizations are recognized.

11.2. In view of the special situation of the sardine market and the problem of the price of this product in the Canary Islands, a conversion factor specific to sardines marketed within the Canary Islands will be applied in accordance with Article 12 (2) of Council Regulation (EEC) No 3796/81 of 29 December 1981 on the common organization of the market in fishery products [3], as last amended by Regulation (EEC) No 2886/89 [4]. Within two years of the introduction of the market organization in the Canary Islands, the Commission will investigate the possibility of applying arrangements to bring prices into line. As the Community price system can only apply if the products put on sale are accessible to all the operators concerned, Spain and the Community will take the necessary steps to ensure that the sardine marketing structures in the Canary Islands are adapted to meet this condition.

11.3. The Community will endeavour, within the scope of its powers in international trade, to obtain improvements from its partners in order to facilitate Community exports of cephalopods to the countries concerned.

## TITLE V

### Final provision

12. The Commission will report annually to the European Parliament and the Council on progress in the implementation of the Poseican programme and, where appropriate, propose any adjustment measures that are necessary to achieve the objectives defined in Title I.

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[1] OJ No L 26, 31. 1. 1977, p. 20.
[2] OJ No L 16, 22. 1. 1991, p. 29.
[3] OJ No L 379, 31. 12. 1981, p. 1.
[4] OJ No L 282, 2. 10. 1989, p. 1.