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(Acts whose publication is obligatory)

COUNCIL REGULATION (EC) No 1873/2002

of 14 October 2002

setting the limits to the Community financing of work programmes drawn up by approved operators' organisations in the olive sector provided for in Regulation (EC) No 1638/98 and derogating from Regulation No 136/66/EEC

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 37 thereof,

Having regard to the proposal from the Commission [1],

Having regard to the opinion of the European Parliament [2],

Whereas:

(1) Under Article 4a(1) of Council Regulation (EC) No 1638/98 of 20 July 1998 amending Regulation No 136/66/EEC on the establishment of a common organisation of the market in oils and fats [3], Member States producing olive oil may withhold, within certain limits, a portion of the aid payable to producers of olive oil and/or table olives, with a view to providing Community funding for work programmes drawn up by approved producers' organisations, approved interbranch organisations and other approved operators' organisations or by their associations in one or more of the areas provided for in that paragraph. Pursuant to the first indent of Article 4a(3) of that Regulation, the ceiling on that aid should be set.

(2) In order to be effective, such work programmes need a forecast budget which is not affected by the volume of olive oil or table olives, as the case may be, produced each year in each Member State. The ceiling on Community funding should therefore be based on fixed parameters such as the unit amount of production aid as referred to in Article 5(2) of Regulation No 136/66/EEC [4], and the national guaranteed quantities referred to in paragraph 3 of that Article.

(3) In order to prevent market distortions, there should be a system preventing the total of amounts withheld by Member States from the production aid for olive oil or table olives pursuant to Article 5(9) and Article 20d(1) of Regulation No 136/66/EEC and Article 4a(1) of Regulation (EC) No 1638/98 from exceeding the limit fixed in this Regulation pursuant to Article 4a(1) of Regulation (EC) No 1638/98.

(4) In order to encourage the work programmes of approved organisations during the 2002/2003 and 2003/2004 marketing years, Member States should be allowed to concentrate the resources from the other amounts withheld from production aid as referred to in Article 5(9) and Article 20d(1) of Regulation No 136/66/EEC on those programmes. To that end, the Member States should be allowed to reduce, or even abolish, such withholding of amounts on condition of commensurately increasing the resources available for the work programmes of approved organisations. The Commission should be empowered to set the time limit within which this option may be exercised,

HAS ADOPTED THIS REGULATION:

Article 1

From the 2002/2003 marketing year, the ceiling on the share of the aid reserved pursuant to Article 4a(1) of Regulation (EC) No 1638/98 for each Member State shall be equal to 3 % of the amount arrived at by multiplying its national guaranteed quantity, as fixed in Article 5(3) of Regulation No 136/66/EEC, by the unit amount of the production aid in euro per tonne, as fixed in Article 5(2) of that Regulation.

Article 2

By way of derogation from Article 1, for the 2002/2003 and 2003/2004 marketing years the percentage of 3 % referred to in that Article shall be reduced, where applicable after applying Article 3 of this Regulation, by the percentage points laid down in Article 5(9) and Article 20d(1) of Regulation No 136/66/EEC.

[1] Proposal of 1 July 2002 (not yet published in the Official Journal).
[2] Opinion delivered on 24 September 2002 (not yet published in the Official Journal).
[3] OJ L 210, 28.7.1998, p. 32. Regulation amended by Regulation (EC) No 1513/2001 (OJ L 201, 26.7.2001, p. 4).
[4] OJ 172, 30.9.1966, p. 3025/66. Regulation last amended by Regulation (EC) No 1513/2001.

Article 3

By way of derogation from Article 5(9) and Article 20d(1) of Regulation No 136/66/EEC, for the 2002/2003 and 2003/2004 marketing years, each Member State may, before a date to be fixed, either reduce the percentages referred to in those paragraphs or not apply those provisions, provided that it allocates the funds thus released to the share of the aid reserved pursuant to Article 4a(1) of Regulation (EC) No 1638/98.

The date referred to in the first paragraph shall be fixed by the Commission in accordance with the procedure referred to in Article 38 of Regulation No 136/66/EEC.

Article 4

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

It shall apply from 1 November 2002.

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

Done at Luxembourg, 14 October 2002.

For the Council

The President

M. FISCHER BOEL