I

(Acts whose publication is obligatory)

COUNCIL REGULATION (EC) No 442/2002

of 18 February 2002

amending Regulation (EEC) No 2019/93 introducing specific measures for the smaller Aegean islands concerning certain agricultural products

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 36 and 37 thereof,

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

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

Having regard to the opinion of the Economic and Social Committee [3],

Whereas:

(1) Under Article 15 of Council Regulation (EEC) No 2019/93 [4] the Commission must submit an annual report to the European Parliament and the Council on the implementation of the measures and, at the end of the third year of application of the specific supply arrangements, a general report on the economic situation of the Aegean islands, showing the impact of the measures taken. These reports are to be accompanied, where necessary, by appropriate proposals for amendments and changes to the measures provided for in that Regulation.

(2) Analysis of the implementation of these measures points to the need for appropriate adjustments and changes, taking into account the results and experience gathered and the evolution of the context in which these measures have been applied. Regulation (EEC) No 2019/93 should therefore be amended accordingly.

(3) In particular, the specific supply arrangements have proved to be poorly suited to the milk products (yoghurt) and sugar sectors, especially as regards passing on the advantages to the end-user, while in the fruit and vegetables sector the arrangements expired at the end of 1997. These products should therefore be removed from the specific supply arrangements. On that basis the list of products referred to in the specific supply arrangements should be reviewed, taking into account the real needs of the islands concerned. The groups of islands should also be redefined on the basis of their distance from the usual ports of shipment in mainland Greece, taking into account supplies to the islands of final destination from islands of transit and of loading.

(4) The economic advantages of the specific supply arrangements must not provoke deflections of trade in the products concerned. Re-dispatching or re-exporting these products from the islands concerned should therefore be prohibited. In the case of processing, this prohibition should not apply to traditional exports and consignments.

(5) The support measures for local products for the private storage of certain local cheeses, programmes of initiatives for fruit, vegetables and flowers, and the ageing of locally produced liqueur wines have been shown to be poorly suited to the situation in these sectors on the Aegean islands due in particular to the short storage periods for the cheeses and liqueur wines and thus the negligible impact of the aid, and to the complexity of procedures and the way the proposed aid for fruit, vegetables and flowers was structured. This aid should not therefore be renewed.

(6) In order to continue to support traditional cattle farming in these islands, on the one hand, the stability of the special premium should be ensured for a specific number of male bovines also in receipt of the supplement to the special premium and the grant of the supplement to the suckler cow premium should be continued and, on the other, reference should be made to the new regulatory framework for the common organisation of the market in this sector since 1999.

(7) As regards the continued grant of aid for the cultivation of vines for the production of quality wines psr in the traditional areas of production, the references to the legislation on the common organisation of the market in this sector since 1999 should be updated.

[1] Proposal of 7 November 2001 (not yet published in the Official Journal).
[2] Opinion delivered on 5 February 2002 (not yet published in the Official Journal).
[3] Opinion delivered on 16 January 2002 (not yet published in the Official Journal).
[4] OJ L 184, 27.7.1993, p. 1. Regulation as last amended by Regulation (EC) No 1257/1999 (OJ L 160, 26.6.1999, p. 80).

(8) For the purposes of continuing to grant aid to traditional bee-keeping and contributing to the continued improvement of quality in this sector, the activities of recognised associations of bee-keepers should be encouraged and the number of hives eligible for such aid should be updated.

(9) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission [1].

(10) Article 13 of Regulation (EEC) No 2019/93, providing for derogations applicable to structural measures, has been repealed by Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations [2]. The structures of certain holdings and processing and marketing firms in the Aegean islands are seriously defective and face specific difficulties. Provision should therefore be made for derogations for certain types of investments from the provisions limiting the grant of some structural aid provided for in Regulation (EC) No 1257/1999,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 2019/93 is hereby amended as follows:

1. Articles 2 and 3 shall be replaced by the following:

'*Article 2*

Specific supply arrangements are hereby introduced for the agricultural products listed in the Annex to this Regulation, which are essential for human consumption and as inputs in agricultural production in the smaller Aegean islands as well as for processing.

A forecast supply balance shall be drawn up stating the quantity of the agricultural products referred to in the above paragraph needed to meet supply requirements each year.

Article 3

1. Under the specific supply arrangements, aid shall be granted for the supply to the smaller Aegean islands of the products referred to in Article 2.

The amount of aid shall be fixed for a group of islands taking into consideration the additional costs of marketing products in these islands, calculated from the usual ports of shipment in mainland Greece, and from the ports of islands of transit or of loading for the islands of final destination.

90 % of the amount of the aid shall be financed by the Community and 10 % by the Member State.

2. In implementing the specific supply arrangements, account shall be taken, in particular, of the following:

(a) the specific needs of the smaller Aegean islands and the precise quality requirements;

(b) traditional trade flows with ports in mainland Greece and between the islands;

(c) the economic aspect of the proposed aid;

(d) where applicable, the need not to obstruct the potential development of local products.

3. A condition for benefiting from the specific supply arrangements shall be that the advantages are actually passed on to the end-user.

4. Products covered by the specific supply arrangements may not be re-exported to third countries or re-dispatched to the rest of the Community.

5. Where the products referred to in paragraph 1 are processed in the smaller Aegean islands, the prohibition referred to in paragraph 4 shall not apply to traditional exports or to traditional shipments of the processed products to the rest of the Community. In the case of traditional exports, no refund shall be granted.';

2. the following Article shall be inserted:

'*Article 3a*

1. Detailed rules for applying this Title shall be adopted in accordance with the procedure referred to in Article 13a(2). They shall cover in particular:

(a) the grouping of the smaller Aegean islands on the basis of their distance from the usual ports of shipment in mainland Greece, and in relation to the ports of islands of transit or of loading from which the islands of final destination are usually supplied;

(b) the fixing of the amount of aid under the specific supply arrangements;

(c) the provisions to ensure effective monitoring and that the advantages are actually passed on to the end user;

(d) the introduction, if necessary, of a system of delivery licences.

2. The Commission shall draw up supply balances in accordance with the procedure referred to in Article 13a(2). It may revise those balances, and the list of products in the Annex, in accordance with the same procedure, in the light of changes in the requirements of the smaller Aegean islands.';

[1] OJ L 184, 17.7.1999, p. 23.
[2] OJ L 160, 26.6.1999, p. 80.

3. Article 4 shall be deleted;

4. Article 6 shall be replaced by the following:

'*Article 6*

1. The aid provided for in this Article shall be granted to assist traditional livestock farming activities in the beef and veal sector.

2. Fattening aid for male bovine animals, equal to an additional EUR 48,3 per head on top of the special premium provided for in Article 4 of Council Regulation (EC) No 1254/1999 (*), shall be granted to beef and veal producers.

The supplement may be granted for an animal of a minimum weight to be determined in accordance with the procedure referred to in Article 13a(2), up to a limit of 12 000 male bovines per year within the regional ceiling set in Article 4(1) and (4) of Regulation (EC) No 1254/1999. The proportionate reduction referred to in Article 4(4) of that Regulation shall not apply within that limit.

3. A supplement to the premium for maintaining suckler cows provided for in Article 6 of Regulation (EC) No 1254/1999 shall be paid to beef and veal producers each year. The amount of this supplement shall be EUR 48,3 per suckler cow held by the producer on the day on which the application is submitted.

4. Detailed rules for applying paragraphs 1, 2 and 3 shall be adopted in accordance with the procedure referred to in Article 13a(2). They may also provide for an amendment of the limit referred to in paragraph 2.

(*) OJ L 160, 26.6.1999, p. 21.';

5. Article 7 shall be deleted;

6. Article 8 shall be replaced by the following:

'*Article 8*

1. Aid per hectare shall be granted for the cultivation of potatoes for human consumption falling within CN codes 0701 90 50 and 0701 90 90 and for the cultivation of seed potatoes falling within CN code 0701 10 00, up to a limit of 2 200 hectares cultivated and harvested per year.

The amount of the aid shall be not more than EUR 603 per hectare.

2. Detailed rules for applying this Article shall be adopted in accordance with the procedure referred to in Article 13a(2).';

7. Article 9 shall be replaced by the following:

'*Article 9*

1. Aid per hectare shall be granted for the continued cultivation of vines for the production of quality wines psr in the traditional areas of production.

The following areas shall be eligible for aid:

(a) areas planted to vine varieties included among the varieties classified by the Member States as being suitable for the production of each of the quality wines psr produced in their territory, as referred to in Article 19 of Council Regulation (EC) No 1493/1999 (*), and

(b) areas where the yield per hectare is lower than a maximum to be fixed by the Member State, expressed as quantities of grapes, grape musts or wine, under the terms of Annex VI(I) to Regulation (EC) No 1493/1999.

2. The amount of the aid shall be EUR 476 per hectare per year. The aid shall be granted exclusively to producer groups or organisations initiating a measure to improve the quality of the wines produced in accordance with a programme approved by the competent authorities; the programme shall include in particular means for improving vinification, storage and distribution conditions.

3. Chapter II of Title II of Regulation (EC) No 1493/1999 shall not apply to the smaller Aegean islands.

4. Detailed rules for applying this Article shall be adopted as necessary in accordance with the procedure referred to in Article 13a(2).

(*) OJ L 179, 14.7.1999, p. 1. Regulation as last amended by Regulation (EC) No 1622/2000 (OJ L 194, 31.7.2000, p. 1).';

8. Article 10 shall be deleted;

9. Article 11 shall be replaced by the following:

'*Article 11*

1. Aid per hectare shall be granted for the maintenance of olive groves in traditional olive-growing zones, provided that the groves are kept and maintained in good production conditions.

The amount of the aid shall be EUR 145 per hectare per year.

2. Detailed rules for applying this Article shall be adopted in accordance with the procedure referred to in Article 13a(2). In particular they shall fix the conditions for the application of the aid arrangements referred to in paragraph 1, the conditions for proper maintenance of olive groves and the control provisions.';

10. Article 12 shall be replaced by the following:

'*Article 12*

1. Aid shall be granted for the production of honey of specific quality from the smaller Aegean islands, containing a large proportion of thyme honey.

The aid shall be paid, on the basis of the number of registered hives in production, to associations of beekeepers recognised by the competent authorities which undertake to implement annual programmes of initiatives designed to improve the conditions under which quality honey is produced.

The amount of the aid shall be EUR 12 per hive per year.

2. The aid referred to in paragraph 1 shall be granted for up to 100 000 hives per year.

3. Detailed rules for applying this Article shall be adopted in accordance with the procedure referred to in Article 13a(2).';

11. Article 13 shall be replaced by the following:

'*Article 13*

1. Notwithstanding Article 7 of Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations (*), the total value of the aid, expressed as a percentage of the volume of eligible investments, may be increased by a maximum 15 percentage points for investments intended in particular to encourage diversification, restructuring or a move towards sustainable agriculture on agricultural holdings in the smaller Aegean islands.

2. Notwithstanding Article 28(2) of Regulation (EC) No 1257/1999, the total value of the aid, expressed as a percentage of the volume of eligible investments, shall not exceed 65 % for investments in small and medium-sized enterprises engaged in processing and marketing agricultural products consisting mainly of local produce in sectors to be defined in the programme complement referred to in Article 18(3) of Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds (**).

3. The measures planned under this Article shall be described as part of the operational programmes as referred to in Article 18 of Regulation (EC) No 1260/1999 covering the smaller Aegean islands.

(*) OJ L 160, 26.6.1999, p. 80.
(**) OJ L 161, 26.6.1999, p. 1.';

12. the following Article shall be inserted:

'*Article 13a*

1. The Commission shall be assisted by the Management Committee for Cereals established by Article 22 of Council Regulation (EEC) No 1766/92 (*), or by one of the management committees established by the regulations on the common organisations of the market for the products concerned, hereinafter "Committee".

In the case of agricultural products covered by Council Regulation (EEC) No 827/68 (**) and products not covered by a common organisation of the market, the Commission shall be assisted by the Management Committee for Hops established by Article 20 of Council Regulation (EEC) No 1696/71 (***).

2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC shall apply.

The period referred to in Article 4(3) of Decision 1999/468/EC shall be set at one month.

3. The Committee shall adopt its rules of procedure.

(*) OJ L 181, 1.7.1992, p. 21.
(**) OJ L 151, 30.6.1968, p. 16. Regulation as last amended by Regulation (EC) No 195/96 (OJ L 26, 2.2.1996, p. 13).
(***) OJ L 175, 4.8.1971, p. 1. Regulation as last amended by Regulation (EC) No 191/2000 (OJ L 23, 28.1.2000, p. 4).';

13. Article 14 shall be replaced by the following:

'*Article 14*

The measures provided for in this Regulation, except for Article 13, shall constitute intervention intended to stabilise the agricultural markets within the meaning of Article 2(2) of Regulation (EC) No 1258/1999 (*).

(*) OJ L 160, 26.6.1999, p. 103.';

14. the following Article shall be inserted:

'*Article 14a*

The Member States shall take the measures necessary to ensure compliance with this Regulation, in particular as regards controls and administrative penalties, and shall inform the Commission thereof.

Detailed rules for applying this Article shall be adopted in accordance with the procedure referred to in Article 13a(2).';

15. Article 15 shall be replaced by the following:

'*Article 15*

1. Greece shall present an annual report to the Commission on the implementation of the measures provided for in this Regulation.

2. At the end of every five-year period of implementation of the measures provided for in this Regulation, the Commission shall submit to the European Parliament and the Council a general report on the impact of the measures taken pursuant to this Regulation, accompanied where appropriate by proposals concerning any adjustments which may prove necessary.

The first report shall be presented before the end of 2005.';

16. the Annex shall be replaced by the Annex to this Regulation.

Article 2

This Regulation shall enter into force on the 20th day following that of its publication in the *Official Journal of the European Communities*.

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

Done at Brussels, 18 February 2002.

For the Council
The President
M. ARIAS CAÑETE

ANNEX

'*ANNEX*

List of products covered by the specific supply arrangements under Title I for the smaller Aegean islands

Description	CN code
Wheat flour	1101 and 1102
Durum wheat	1001 10 00
Wheat of bread-making quality	1001 90 99
Feedingstuffs	
— cereals	
— wheat	1001
— rye	1002
— barley	1003
— oats	1004
— maize	1005
— cotton seeds	1207 20 90
— alfalfa and fodder	1214
— food industry wastes and residues	2302 to 2308
— preparations of a kind used in animal fee	2309 90'