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*(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.