Basic information

2004/0247(CNS) CNS - Consultation procedure Regulation	Procedure completed
Outermost regions: specific supply arrangements for agricultural products which are essential for human consumption, for the manufacture of other products or as agricultural inputs Repealed by 2010/0256(COD) Amended by 2006/0173(CNS) Amended by 2008/0103(CNS) Amended by 2008/0104(CNS) Amended by 2009/0138(COD) **Subject** 3.10.02 Processed products, agri-foodstuffs 3.10.03 Marketing and trade of agricultural products and livestock 4.70.06 Outlying and outermost regions, overseas countries and territories **Geographical area** France Portugal Spain	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AGRI Agriculture and Rural Development	FREITAS Duarte (PPE-DE)	20/01/2005

Committee for opinion	Rapporteur for opinion	Appointed
INTA International Trade	ASSIS Francisco (PSE)	18/11/2004
BUDG Budgets	CASACA Paulo (PSE)	31/01/2005
REGI Regional Development	FERNANDES Emanuel Jardim (PSE)	14/03/2005

Council of the European Union

Council configuration	Meetings	Date
General Affairs	2705	2006-01-30
Agriculture and Fisheries	2702	2005-12-20

European Commission	Commission DG	Commissioner
	Agriculture and Rural Development	

Key events

Date	Event	Reference	Summary
28/10/2004	Legislative proposal published	COM(2004)0687	Summary
01/12/2004	Committee referral announced in Parliament		
15/06/2005	Vote in committee		
17/06/2005	Committee report tabled for plenary, 1st reading/single reading	A6-0195/2005	
07/07/2005	Decision by Parliament	T6-0306/2005	Summary
07/07/2005	Results of vote in Parliament		
07/07/2005	Debate in Parliament		
30/01/2006	Act adopted by Council after consultation of Parliament		
30/01/2006	End of procedure in Parliament		
14/02/2006	Final act published in Official Journal		

Technical information

Procedure reference	2004/0247(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Repealed by 2010/0256(COD) Amended by 2006/0173(CNS) Amended by 2008/0103(CNS) Amended by 2008/0104(CNS) Amended by 2009/0138(COD)
Legal basis	EC Treaty (after Amsterdam) EC 036 EC Treaty (after Amsterdam) EC 299-p2 EC Treaty (after Amsterdam) EC 037
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/6/24793

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	INTA	PE355.500	20/04/2005	

Committee opinion	REGI	PE355.784	01/06/2005	
Committee opinion	BUDG	PE355.400	13/06/2005	
Committee report tabled for plenary, 1st reading/single reading		A6-0195/2005	17/06/2005	
Text adopted by Parliament, 1st reading/single reading		T6-0306/2005 OJ C 157 06.07.2006, p. 0414-0497 E	07/07/2005	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2004)0687	28/10/2004	Summary
Commission response to text adopted in plenary	SP(2005)2923	14/07/2005	
Follow-up document	COM(2010)0501	24/09/2010	Summary
Follow-up document	SEC(2010)1093	24/09/2010	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofR	Committee of the Regions: opinion	CDR0509/2004 OJ C 231 20.09.2005, p. 0075-0082	14/04/2004	
EU	Implementing legislative act	32006R0793 OJ L 145 31.05.2006, p. 0001-0055	12/04/2006	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Regulation 2006/0247
OJ L 042 14.02.2006, p. 0001-0019 Summary

Outermost regions: specific supply arrangements for agricultural products which are essential for human consumption, for the manufacture of other products or as agricultural inputs

2004/0247(CNS) - 07/07/2005 - Text adopted by Parliament, 1st reading/single reading

Parliament adopted the report by Duarte **FREITAS** (PPE-DE, PT) by 59 votes in favour to 14 against and 3 abstentions for specific measures for agriculture in the outermost regions of the Union. Parliament has included a certain number of improvements to the text.

Parliament suggests that the Commission should propose the necessary derogations to the Council to enable rural development programmes to be implemented, taking account of the specific features of the outermost regions.

In order to meet local consumption needs in the French overseas departments, duty-free imports from third countries of equine, bovine, bubaline, ovine and caprine animals intended for fattening should be authorised subject to certain conditions and up to a maximum annual limit. With a view to improved quality in beef production in the Azores, aid should be granted for the supply of male breeding stock of beef cattle breeds to the region, under certain conditions and up to a maximum limit to be determined. With a view to improved quality in beef production in the Azores, aid shall be granted for the supply of male breeding stock of beef cattle breeds to this region, under the conditions and up to the maximum amount to be defined.

The annual financial limits set for support under the specific supply arrangements should take account of aid for supply and the amounts corresponding to exemptions from duties granted under this scheme over a set period.

Parliament also suggested that the Commission should apply an effective policy to promote SMEs in the agri-foodstuffs sector in the outermost regions to enable them to maintain their traditional exports and increase trade with neighbouring third countries.

Outermost regions: specific supply arrangements for agricultural products which are essential for human consumption, for the manufacture of other products or as agricultural inputs

2004/0247(CNS) - 24/09/2010 - Follow-up document

The Commission presents its first report on the impact of the POSEI reform of 2006, in accordance with Regulation (EC) No 247/2006 laying down specific measures for agriculture in the outermost regions of the Union.

It is recalled that the 2006 reform did not modify the main objectives and instruments of the scheme. Its main novelty was the adoption of a programming approach and the transfer of responsibility on designing and modifying programmes adapted to local needs to Member States, who managed and monitored the programmes. The objective of this innovation was to introduce a higher level of flexibility in the management of the Specific Supply Arrangements (SSA) and Support Local Production (SLA) and to simplify the procedures for their modification.

The report states that in the first implementation years, the **POSEI scheme has proven successful in terms of programming approach** (undoubtedly more flexible and closer to the local needs), in guaranteeing the supply of essential products by mitigating the additional costs for their delivery, in supporting the revenue of farmers in the outermost regions and in developing certain agricultural sectors.

The evaluation study shows that the reform has improved the administrative efficiency since the increased budget has induced an effect of economy of scale. However, the programming approach produces a heavy **administrative burden** both for national/regional authorities and for the Commission's services.

Based on its analysis and the current situation, the Commission considers that the **financial envelope** allocated to POSEI has enabled the broad objectives of the scheme to be met.

The role of Member States in the implementation of the POSEI scheme is crucial. Member States should reflect on a more targeted reallocation of available resources to support merging sectors and productions that have shown more difficulties than others.

Both the Commission and Member States must continue their efforts towards the best possible implementation of the scheme and in particular pursue the objectives food self-sufficiency and diversification from the traditional export production sectors, in order to ensure the viability of the agricultural activity also in case of targeted market crises. Employment in agriculture, which should be maintained and increased where possible, quality of the production and preservation of the environment are also essential objectives.

Recommendations to Member States: the report makes the following key recommendations:

- Member States are asked quickly to establish appropriate control systems to **verify the proper transmission of the SSA advantage to end-user.** This has been difficult to check particularly with respect to products that have been introduced in a processing chain;
- Member States should adjust the level of the SSA aid for those products that are also produced locally in such a way as to give **priority to the development of the local production**. The level of aid determined for the supply of some products in certain regions (e.g. meat and milk products in the Canary Islands and Madeira) creates competition with the local production of the same products. Local production can barely develop;
- Member States should examine the reasons for the limited success of the measures that do not attain their objectives and propose an improved strategy of support in their programmes. The report notes in this context that, whilst more production of meat and milk has been registered in the livestock sector in Reunion and in the Azores, the meat and milk sectors do not have the same positive results in Madeira and the Canaries. Difficulties have been noted also in the fruit and vegetables sector in the French departments, in the Azores and the Canaries.

The flexibility granted to Member States to manage their programme can be very effective in dealing with particular situations. In order to assist sectors in difficulty, Member States may reallocate the POSEI envelope within the programme and even grant additional aid, thanks to more flexible provisions concerning State Aid to the outermost regions. In the context of these strategic choices, Member States should **privilege measures favouring the maintenance and creation of local employment.**

Proposed amendments to EU legislation: it is proposed to recast Council Regulation (EC) No 247/2006 to update and simplify some provisions and to align it to the new requirements of the TFEU:

- amendments will be made to include the possibility of free trade in SSA processed products among the French DOM;
- there will be an increase in the maximum annual SSA ceilings for France and Portugal - within the existing financial allocations - so as to release pressure on the part of the envelopes reserved to SSA and to allow additional products to be introduced in the forecast supply balances of the outermost regions in need without increasing the overall budget;

Lastly, to reduce the administrative burden and to allow Member States more time to determine the actual needs and finalise a strategic approach for the subsequent year, the Commission proposes to postpone the deadline for the submission of the annual programme modifications for the following year from 1 August to 30 September.

Outermost regions: specific supply arrangements for agricultural products which are essential for human consumption, for the manufacture of other products or as agricultural inputs

2004/0247(CNS) - 28/10/2004 - Legislative proposal

PURPOSE : to lay down specific measures on agriculture to remedy the difficulties caused by the remoteness, insularity and distant location of the regions of the Union.

PROPOSED ACT : Council Regulation.

CONTENT : on 28 June 2001, the Council, adopted a reform of the support schemes for agriculture in the EU's outermost regions. These measures have proved effective in promoting agriculture in and securing supplies to these regions. On the other hand, the administration of these arrangements leaves something to be desired: the management of the two strands of the Posei schemes, i.e. the specific supply arrangements and support for local lines of production in the outermost regions, has proved somewhat inflexible. Adapting the supply balances to take account of even small fluctuations in demand requires the Commission to adopt legislation. The arrangements for supporting local lines of production are, moreover, fragmented into 56 (micro-)measures established by Council regulations. It is not possible to adjust these measures without an interinstitutional legislative procedure, which slows down Community action and hampers attempts to react as quickly as possible to specific situations in the outermost regions, even though often only modest sums are involved.

That is why it is proposed to change the philosophy behind the way assistance is provided for these regions: by encouraging participation in decision-making and speeding up the response to their specific needs.

This draft Regulation provides for the submission by the Member States of one programme per outermost region. These programmes will include a section on the specific supply arrangements for those agricultural products which are essential in the outermost regions for human consumption, as agricultural inputs or for processing, and another section on support for local production.

The Regulation does not affect the sources of financing or the intensity of Community support.

The Community will finance the programme under the EAGGF Guarantee Section at 100% up to an annual ceiling established in the Council Regulation. Part of this aid will have to be reserved for local agricultural production. The amounts have been calculated on the basis of the average expenditure on financing the specific supply arrangements during the reference period 2001–2003 and on the basis of expenditure ceilings applicable to support for local production.

FINANCIAL IMPLICATIONS :

- Budget line concerned : 05 02 11 04; appropriations : EUR 268 million.

- Expenditure charged to the budget : EUR 289,3 million per year.

It should be noted that the appropriations for other lines of Title 05 are also concerned, especially as regards those payments which are made in the outermost Regions in the context of certain direct aid regimes throughout the Union. These payments notably concern beef, sheep and goat premiums (EUR 41,8 million) and arable crops (EUR 1,9 million), currently financed respectively from within the appropriations of 05 03 02, 05 03 03 and 05 02 03.

Outermost regions: specific supply arrangements for agricultural products which are essential for human consumption, for the manufacture of other products or as agricultural inputs

2004/0247(CNS) - 30/01/2006 - Final act

PURPOSE: to lay down specific measures for agriculture in the outermost regions of the Union.

LEGISLATIVE ACT: Council Regulation 247/2006/EC laying down specific measures for agriculture in the outermost regions of the Union.

CONTENT: this Regulation has been agreed in order to lay down specific measures on agriculture in order to remedy the difficulties caused by the remoteness, insularity, distant location and small surface of the EU's outermost regions. In order to offer them affordable agricultural products, the Regulation establishes specific supply arrangements for a number of products and which can be found in Annex I of the Regulation. The agricultural products listed are those deemed essential for human consumption as well as for the manufacture of other products.

A number of provisions have been put in place to prevent the exportation of the specific products back into the Community or with other third countries. However, the dispatch or exportation of those products from the outermost regions have been authorised in cases where the advantage is reimbursed and in cases where the products are traded between the two outermost Portuguese regions. In addition, account has been taken of traditional trade flows with third countries in all of the outermost regions and as such exports of processed products corresponding to the traditional exports for all of those regions has been authorised. In other measures, the Regulation allows for the restructuring of the sugar processing sector in the Azores and special arrangements have been made regarding the specific supply arrangements for milk-based products destined for the Canary Islands.

In order to encompass all of the requirements, the Regulation has been structured along the following lines:

- Specific supply arrangements: Title II, refers to forecasting the supply balance, the operation of the arrangements, export to third countries and dispatch to the rest of the Community, provisions on sugar, milk-based preparations and import of rice into the Reunion Islands.

- Measures to assist local agricultural products: Title III, refers to support programmes; their compatibility, content and the monitoring thereof.

- Accompanying measures: Title IV, refers to matters such as defining a specific graphic symbol for quality agricultural products, rural development, state aid, plant health programmes, wine and milk products, livestock farming and state aid for tobacco production.

- Financial provisions: Title V. The measures provided for under this heading constitute the level of intervention needed to stabilises the agricultural markets. The Community will finance the measures provided in Title II and III of the Regulation up to an annual maximum as follows:

    - French overseas departments: EUR 84.7 million.
    - Azores and Madeira: EUR 77.3 million
    - Canary Islands: EUR127.3 million.

The amounts allocated to the programmes provided for in Title II may not exceed:

    - French overseas departments: EUR 20.7 million
    - Azores and Madeira: EUR 17.7 million
    - Canary Islands: EUR 72.7 million.

ENTRY INTO FORCE: 15 February 2006.

Outermost regions: specific supply arrangements for agricultural products which are essential for human consumption, for the manufacture of other products or as agricultural inputs

2004/0247(CNS) - 12/04/2006 - Implementing legislative act

ACT : Commission Regulation 793/2006/EC laying down certain detailed rules for applying Council Regulation 247/2006/EC laying down specific measures for agriculture in the outermost regions of the Union.

CONTENT : In view of the changes introduced by Regulation 247/2006/EC and the experience gained, and in the interests of legislative simplification, the Commission repeals a number of implementing Regulations and replaces them with this single Regulation. This Regulation lays down detailed rules for implementing Regulation 247/2006/EC, particularly as regards the programmes relating to specific supply arrangements for the outermost regions, measures to support local production in those regions and accompanying measures.

The Regulation has been structured along the following lines:

Specific supply arrangements: Title II refers to the forecast supply balances. Detailed implementing rules are laid down for drawing up and amending the forecast supply balances for products eligible under the specific supply arrangements. Detailed rules are also laid down for fixing the amount of aid for the supply of products under the specific supply arrangements. The rules take account of the additional costs of supply to the outermost regions due to their remote and insular nature, which constitute a burden that severely handicaps them. The Regulation lays down rules for supplies through imports from third countries, and Community supply. It deals with import licenses, the fixing of granting of aid and exemption and aid certificates. Common provisions are laid down regarding, inter alia, passing on the advantage to end-users. The benefits granted in the form of exemption from import duties and aid for Community products must be passed on so that they are reflected in production costs and in the prices paid by the end-users. Checks will ensure that the benefits are actually passed on.

Measures to assist local products: Title III refers to marketing outside the production area as well as aid applications and on the spot checks. Rules are laid down on reductions and exclusions, and recovery of unduly paid amounts.

Accompanying measures: Title IV deals with the graphic symbol and the importation of tobacco into the Canary Islands. Detailed rules are adopted on the graphic symbol, which is aimed at ensuring greater awareness and consumption of processed and unprocessed quality agricultural products specific to the outermost regions of the Community.

ENTRY INTO FORCE: 03/06/2006. The Regulation shall apply for each Member State concerned as from the date on which the Commission notifies its approval of the relevant Member State 's programme, in accordance with Article 24(2) of Regulation 247/2006/EC.