Basic information

2006/0093(CNS) CNS - Consultation procedure Regulation	Procedure completed
Outlying and remote regions: specific measures for agriculture in favour of the smaller Aegean islands Amending Regulation (EC) No 1782/2003 2003/0006(CNS) Repealed by 2010/0370(COD) Amended by 2008/0065(CNS) Amended by 2008/0104(CNS) **Subject** 3.10.03 Marketing and trade of agricultural products and livestock 4.70.06 Outlying and outermost regions, overseas countries and territories **Geographical area** Mediterranean Sea area	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AGRI Agriculture and Rural Development	DAUL Joseph (PPE-DE)	21/06/2006

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	The committee decided not to give an opinion.	
REGI Regional Development	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	2750	2006-09-18

European Commission

Commission DG	Commissioner
Agriculture and Rural Development	FISCHER BOEL Mariann

Key events

Date	Event	Reference	Summary
02/06/2006	Legislative proposal published	COM(2006)0264	Summary
12/07/2006	Vote in committee		Summary
17/07/2006	Committee report tabled for plenary, 1st reading/single reading	A6-0244/2006	
05/09/2006	Decision by Parliament	T6-0326/2006	Summary
05/09/2006	Results of vote in Parliament		
05/09/2006	Committee referral announced in Parliament		
18/09/2006	Act adopted by Council after consultation of Parliament		
18/09/2006	End of procedure in Parliament		
26/09/2006	Final act published in Official Journal		

Technical information

Procedure reference	2006/0093(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation (EC) No 1782/2003 2003/0006(CNS) Repealed by 2010/0370(COD) Amended by 2008/0065(CNS) Amended by 2008/0104(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 036 EC Treaty (after Amsterdam) EC 037
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/6/37522

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE376.313	22/06/2006	
Committee report tabled for plenary, 1st reading/single reading		A6-0244/2006	17/07/2006	
Text adopted by Parliament, 1st reading/single reading		T6-0326/2006	05/09/2006	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2006)0264	02/06/2006	Summary
	COM(2011)0919		

Follow-up document		21/12/2011	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EU	Implementing legislative act	32006R1914 OJ L 365 21.12.2006, p. 0064-0075	20/12/2006	Summary

Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act

Regulation 2006/1405
OJ L 265 26.09.2006, p. 0001-0007 Summary

Outlying and remote regions: specific measures for agriculture in favour of the smaller Aegean islands

2006/0093(CNS) - 18/09/2006 - Final act

PURPOSE: to offer special agricultural support measures to the Aegean islands.

LEGISLATIVE ACT: Council Regulation 1405/2006/EC laying down specific measures for agriculture in favour of the smaller Aegean islands and amending Regulation 1782/2003/EC.

CONTENT: this Regulation lays down specific measures needed to help remedy the difficulties faced by the Aegean islands due to their remote geographical location. The term “smaller island”, in this instance, refers to any island in the Aegean sea other than Crete and Evia. The Community support programme includes specific supply arrangements and specific measures to assist local lines of agricultural production. An annex to the Regulation lists all the agricultural products applying to the application of the provisions laid out in this Regulation.

Specific supply measures:

The Greek authorities are to draw up, annually, a “supply balance” report in which the quantity of the agricultural products needed to meet the supply requirements are stated. The supply balance report will require Commission approval before it is implemented. A separate balance may be drawn up to help meet the needs of undertakings, packaging and processing products and for traditional consignments to the rest of the Community or for export. The amount of aid is fixed and takes account of additional costs associated with marketing, specific needs, traditional trade flows and the economic aspect of the proposed aid. Products may be exported to third countries or to the Community under certain conditions, including reimbursement of aid received under the specific supply arrangements. Further, it will be possible for the smaller Aegean islands to export those products which have benefited from the specific supply arrangements to third countries or to the rest of the Community. No export refund shall be granted for the products thus exported.

Measures to assist local agricultural products:

The support programme contains measures to ensure the continuity of local lines of agricultural production. The programme will be established at the geographical level deemed most appropriate by the Greek authorities. The programme, which has to be compatible with Community law and the Common Agricultural Policy, will list:

- a quantified description of the current agricultural production situation;

- a description of the strategy proposed – including the priorities selected, the objectives quantified and an appraisal showing the expected economic, environmental and social impact;
- a schedule for the implementation of the measures and a general indicative financing table showing the resources that may be adopted;
- proof of compatibility and consistency;
- steps taken to ensure an efficient and effective implementation of the programme;
- a designated authority responsible for implementing the programme.

Accompanying measures:

For agricultural products to which Articles 87, 88 and 89 of the Treaty apply, the Commission may authorise operating aid. In addition, Greece may grant additional financing for the implementation of the support programme.

Financial provisions:

For the “Community support programme” as well as the “specific supply arrangements” the Community will finance the measures up to a maximum annual amount of EUR 23.93 million. For the annual specific supply arrangements, the amount may not exceed EUR 5.47 million.

Lastly, no later than the 15 February each year, Greece must communicate the appropriations it intends to use in the following year. No later than 30 June each year it must also report on the implementation of the measures to the Commission. No later than 31 December 2011, the Commission will submit a general report on the impact of action taken under this Regulation.

ENTRY INTO FORCE: 3 October 2006.

APPLICATION: 1 January 2007. Provisions on state aid, additional Greek funding, the draft support programme and implementing rules will apply as from 1 January 2007.

Outlying and remote regions: specific measures for agriculture in favour of the smaller Aegean islands

2006/0093(CNS) - 02/06/2006 - Legislative proposal

PURPOSE : to rationalise, with a view to improve their effectiveness, the measures applicable to the Aegean Islands, in particular through the establishment of programmes providing for the application of the specific supply arrangements and of measures in favour of local agricultural production in a form which is to most appropriate to the needs of the region concerned.

PROPOSED ACT : Council Regulation.

CONTENT : Council Regulation 2019/93/EEC introduces specific measures for the smaller Aegean islands concerning certain agricultural products. These measures have proven to be effective in promoting agriculture and securing supplies to these islands.

On the other hand, the administration of these arrangements leaves something to be desired. The management of the two strands of the scheme, i.e. the specific supply arrangements and support for local lines of production in the smaller Aegean islands, has proven 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 several (micro-) measures established by the said Council regulation. It is not possible to adjust these measures without an inter-institutional legislative procedure, which slows down Community action and hampers attempts to react as quickly as possible to specific situations in the smaller Aegean islands, even though often only modest sums are involved.

In this respect, it is, therefore, proposed to change the philosophy behind the way assistance is provided for these smaller islands; by encouraging participation in decision making and speeding up the response to their specific needs.

This Regulation provides for the submission by Greece of one programme concerning the smaller Aegean islands. This programme will include a section on the specific supply arrangements for those agricultural products which are essential in the smaller Aegean islands 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.

For further information concerning the financial implications of this measure, please refer to the financial statement.

Outlying and remote regions: specific measures for agriculture in favour of the smaller Aegean islands

2006/0093(CNS) - 20/12/2006 - Implementing legislative act

ACT: Commission Regulation 1914/2006/EC laying down detailed rules for applying Council Regulation 1405/2006/EC laying down specific measures for agriculture in favour of the smaller Aegean islands.

CONTENT: this Regulation lays down detailed rules for implementing Regulation 1405/2006/EC, particularly as regards the programme relating to specific supply arrangements for the smaller Aegean islands as provided for in Chapter II of that Regulation and measures to support local production in those islands as provided for in Chapter III of that Regulation.

ENTRY INTO FORCE: 24.12.2006.

APPLICABLE FROM: 01.01.2007.

Outlying and remote regions: specific measures for agriculture in favour of the smaller Aegean islands

2006/0093(CNS) - 05/09/2006 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Joseph **DAUL** (EPP-ED, FR), by 555 votes in favour to 25 against with 19 abstentions, and approved the Commission's proposal.

Outlying and remote regions: specific measures for agriculture in favour of the smaller Aegean islands

2006/0093(CNS) - 21/12/2011 - Follow-up document

In accordance with Regulation (EC) No 1405/2006, the Commission presents its first report on the impact of the 2006 reform of the scheme of specific measures for agriculture in favour of the smaller Aegean islands.

To recall, the smaller Aegean islands benefit from a specific aid scheme to promote local production and to help with the supply of essential products, namely the PIME scheme (Petites Iles de la Mer Egée - small Aegean islands). Specific measures in favour of the PIME were introduced with Council Regulation (EEC) No 2019/93, which was repealed and replaced by Council Regulation (EC) No 1405/2006 when the PIME scheme was reformed.

Programming and partnership approach since the reform: the report states that the increased flexibility towards the gradual adaptation of the programme to actual local needs by means of annual amendments is judged very positively. In a context of market and climatic risks specific to these regions, it means that the support measures can be adapted rapidly to the actual requirements of the islands. Since its initial approval in 2006, the PIME programme has been amended twice, in 2008 and in 2010.

Whilst there has been a decrease in the administrative burden since 2007, national and local authorities still consider the administration of this scheme to be too complex, given the number of islands and the lack of administrative staff on some islands (rendering checks difficult in particular). Overall, the cost of administering the PIME scheme remains high in comparison with the financial scale of the aid provided under the scheme (especially for the SSA and regarding the issue of small consignments).

Specific supply arrangements (SSA): overall, the SSA have had a positive impact with regard to improving the frequency and the regularity of supply to the islands throughout the year (regular supply of cattle feed) despite occasional shortages due to limited transport and stock capacities. However, the arrangements are less effective for the most remote islands, compared to the islands that are close to mainland Greece.

In general, since the 2006 reform, the PIME have been making less use of the SSA, due to Greece's decision to restrict the SSA budget so as to divert the funds to SLP measures.

Supporting Local Production (SLP): the three sectors of olive, honey and Chios mastic account for two thirds of the envelope for SLP measures. Since the 2006 reform, SLP measures have maintained farmers' income by covering part of their production costs. In a context where economic opportunities are few and far between and farms very small-scale, this aid helps maintain activities which might otherwise no longer be attractive for farmers. **Greece considers it vital to maintain aid coupled to production**, given the importance of the traditional production activities and of the quality products with high value-added in economic, social and environmental terms but also culturally (quality products that encapsulate the islands' identity).

Without the possibility of partial coupling, there would be a **serious risk that farmers would stop producing some crops,** particularly as regards the olive oil sector which is the predominant crop on the islands.

Financial implementation: apart from the additional national financing of EUR 547 000, the aid provided by this scheme consists of 100% EU funding. Following the 2006 reform, Greece decided to restrict the SSA budget (by reducing the volumes of products eligible under the scheme) in order to divert the funds to SLP measures. Despite this choice, the annual SSA budget appears to have been well used in the PIME over the period in question (average implementation rate: 94%). Some SLP measures have exhausted the allocated financial resources in the last few years, but with an average implementation rate of 88%, there is room for manoeuvre financially.

Proposed amendments to EU legislation:

- amending Article 12(3) has been proposed, so as to increase the annual SSA upper limit – in the context of the existing financial allocation – so that the funds earmarked for the SSA can be used more broadly and so as to allow a more flexible redistribution of funds between the SLP measures and the SSA without increasing the overall budget. This would enable the funds to be reallocated to ensure the availability of funds to cover the additional expenditure required for the requirements of the most remote islands;

- the Commission has also proposed amending Article 17(2) of the Regulation to postpone the deadline for submitting the annual implementation report to the Commission from 30 June to 31 July so as to enable the Greek authorities to include the final expenditure on SLP measures.

Recommendations to Greece: the report makes several suggestions regarding:

- addressing the patchy administrative cover throughout this very fragmented collection of islands so as to meet the needs of all the beneficiaries eligible to receive aid under this scheme and to enable a more extensive control of its implementation;

- setting up a system capable of reliable data collection for all the sectors concerned by the SLP measures so as to allow regular monitoring both by the national administration and by the Commission;

- extending the existing classification series (group A for the closest islands, group B for the most remote islands) by adding one or possibly two island groups for the very remote islands (the most remote of the group B islands). This new classification would enable the transport costs to be better taken into account. A better coverage of needs as well as a more tangible impact on consumer prices would be ancillary benefits.

Given the trend observed since 2006 of allocating SSA according to product area (Greece's choice of giving priority to supplying feed products), it is the latter's responsibility to refine the scheme's priorities by taking into account the importance of stockbreeding on the islands, as well as by improving the monitoring of the products entering and exiting the PIME geographic area.

Conclusion: the Commission considers that the financial envelope allocated to PIME has enabled the broad objectives of the scheme to be met. Both the Commission and the Member State must continue their efforts to improve the implementation of the scheme and succeed in compensating for the additional costs of maintaining traditional farming activities in the islands.