Basic information

2010/0256(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Outermost regions: specific measures for agriculture Repealing Regulation (EC) No 247/2006 2004/0247(CNS) Amended by 2013/0141(COD) Amended by 2018/0218(COD) Amended by 2019/0254(COD) Amended by 2025/0104(COD) **Subject** 2.10.01 Customs union, tax and duty-free, Community transit 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	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AGRI Agriculture and Rural Development	MATO Gabriel (PPE)	27/10/2010
	Shadow rapporteur ALVES Luís Paulo (S&D) LYON George (ALDE) HÄUSLING Martin (Verts /ALE) WOJCIECHOWSKI Janusz (ECR)	

Committee for opinion	Rapporteur for opinion	Appointed
INTA International Trade	DE SARNEZ Marielle (ALDE)	26/10/2010
BUDG Budgets	LA VIA Giovanni (PPE)	04/10/2010
REGI Regional Development	HOARAU Elie (GUE/NGL)	28/10/2010

Committee for opinion on the legal basis	Rapporteur for opinion	Appointed

	JURI Legal Affairs	MAŠTÁLKA Jiří (GUE/NGL)	01/07/2011

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	3033	2010-09-27
Agriculture and Fisheries	3225	2013-02-25
Agriculture and Fisheries	3042	2010-10-26

European Commission

Commission DG	Commissioner
Agriculture and Rural Development	CIOLOŞ Dacian

Key events

Date	Event	Reference	Summary
24/09/2010	Legislative proposal published	COM(2010)0498	Summary
27/09/2010	Debate in Council		Summary
07/10/2010	Committee referral announced in Parliament, 1st reading		
26/10/2010	Debate in Council		
26/09/2011	Vote in committee, 1st reading		
04/10/2011	Committee report tabled for plenary, 1st reading	A7-0321/2011	Summary
04/02/2013	Debate in Parliament		
05/02/2013	Decision by Parliament, 1st reading	T7-0035/2013	Summary
05/02/2013	Results of vote in Parliament		
25/02/2013	Act adopted by Council after Parliament's 1st reading		
13/03/2013	Final act signed		
13/03/2013	End of procedure in Parliament		
20/03/2013	Final act published in Official Journal		

Technical information

Procedure reference	2010/0256(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Repealing Regulation (EC) No 247/2006 2004/0247(CNS) Amended by 2013/0141(COD)

	Amended by 2018/0218(COD) Amended by 2019/0254(COD) Amended by 2025/0104(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 043-p2 Treaty on the Functioning of the European Union TFEU 042-p1
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/7/03904

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE452.866	09/06/2011	
Committee opinion	INTA	PE460.663	29/06/2011	
Committee opinion	REGI	PE462.637	01/07/2011	
Amendments tabled in committee		PE467.064	12/07/2011	
Specific opinion	JURI	PE469.828	13/07/2011	
Committee opinion	BUDG	PE469.824	12/09/2011	
Committee report tabled for plenary, 1st reading/single reading		A7-0321/2011	04/10/2011	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0035/2013	05/02/2013	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00067/2012/LEX	13/03/2013	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2010)0498	24/09/2010	Summary
Commission response to text adopted in plenary	SP(2013)239	04/04/2013	
Follow-up document	COM(2016)0797	15/12/2016	Summary
Follow-up document	COM(2019)0436	27/09/2019	Summary
Follow-up document	COM(2021)0765	07/12/2021	

National parliaments

	Parliament			

Document type	/Chamber	Reference	Date	Summary
Contribution	IT_SENATE	COM(2010)0498	18/11/2010	
Contribution	PT_PARLIAMENT	COM(2010)0498	22/11/2010	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0356/2011	17/02/2011	

Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act

Regulation 2013/0228
OJ L 078 20.03.2013, p. 0023 Summary

Delegated acts

Reference	Subject
2013/2940(DEA)	Examination of delegated act

Outermost regions: specific measures for agriculture

2010/0256(COD) - 15/12/2016 - Follow-up document

The Commission presented a report on the implementation of the scheme of specific measures in agriculture in favour of the outermost regions of the Union (POSEI).

Specific measures for agriculture have been implemented through the programme called POSEI (Programme of options specific to the remote and insular nature of the outermost regions) with a view to supporting the economic and social development of the outermost regions (OR) and to facilitate access to the benefits of the single market.

The POSEI scheme is aimed at the French overseas departments and regions (Guadeloupe, Martinique, French Guiana, La Réunion and, since 2014, Mayotte) and also covers the Canary Islands, the Azores and Madeira.

Two categories of measures have been implemented under the programmes, namely **Specific Supply Arrangements** (SSAs) and **Support for Local Production** (SLP). The measures must comply with European legislation and be compatible with the common agricultural policy (CAP) and other EU policies.

This implementation report concerns the application of the scheme during the period 2006 to 2014.

Evaluation of the scheme: the report states that the **overall performance of the POSEI programmes over the period 2006-2014 is rather positive** and that the programmes address directly all the challenges faced by the outermost regions through a major contribution to farmers' incomes:

- the POSEI programme has contributed to maintaining the **traditional "diversification products"** in these regions and to an adequate supply of agricultural products. The POSEI programme contributed to (i) the maintenance of production in the four outermost regions in the banana sector; (ii) the maintenance of production and cultivated areas in the sugar sector; (iii) the maintenance of milk and meat production in the Azores; (iv) the maintenance of wine production in Madeira;
- SSAs **reduced the difference in prices of products** supported in the outermost regions in relation to the mainland, and the SLPs facilitated the maintenance of agricultural production activities;
- the programme supported the **employment** of around 140 000 people in the value chain of all the outermost regions and contributed greatly to income;
- POSEI programmes have **contributed to the overall objectives of the CAP**. Coherence between POSEI programmes and rural development programmes (RDPs) is strong. The analyses show that the needs of the outermost regions are not fully covered by the current CAP measures.

On the basis of this assessment, the report recommends that the **current basic Regulation (EU) No 228/2013 be maintained**. An **amendment to Regulation (EU) No 180/2014** should be made in order to clarify and simplify the preparation of programme reports.

Recommendations: Member States should adapt their programmes in order to improve the effectiveness of the application of measures and of programme design and to enhance complementarity with other CAP aids, in particular to increase the competitiveness of local production.

The Commission recommends that Member States:

- define, within their programme, a **clearer strategy**, highlighting the general objectives and quantifying the specific objectives with appropriate indicators;
- ensure a **better distribution of aid** between different types of farms or sectors in certain ORs in order to mitigate income differences between beneficiaries and sectors and to increase coverage of specific needs;
- pursue the **development of sustainable agricultural practices**, including by strengthening non-price competitiveness. It is recommended that i) product differentiation is developed through non-price competitiveness (brown sugar, sustainable bananas, fresh milk, PDO wine, etc.) compared to conventional products for which the ORs have no comparative advantage; (ii) exchanges of good practices with other ORs are strengthened.
- **improve reporting** by including more information on national supports;
- ensure the **actual payment of the complementary national support,** particularly if this aid represents a high percentage of the total allocation.

Outermost regions: specific measures for agriculture

2010/0256(COD) - 27/09/2019 - Follow-up document

The Commission presented a report on the exercise of the power to adopt delegated acts conferred on the Commission by :

- Regulation (EU) No 228/2013 of the European Parliament and of the Council laying down specific measures for agriculture in the outermost regions of the Union;

- Regulation (EU) No 229/2013 of the European Parliament and of the Council lays down specific measures agriculture in favour of the smaller Aegean islands.

The power to adopt delegated acts is conferred on the Commission for a period of five years from 21 March 2013. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power is tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.

Exercise of Delegation

(1) Regulation (EU) No 229/2013

The Commission has adopted one delegated act on the basis of Articles 12(2), 19(4), 21(3), 27(2) and 30(4): Commission Delegated Regulation (EU) No 179/2014.

This delegated act concerns: (i) rules for the register of operators, (ii) rules for the amount of aid awarded for the marketing of products outside the production region, (iii) rules regarding the marketing aid for tomatoes and for rice, (iv) rules for the use of the logo, the right to use it and the conditions for reproducing and using it, for conditions for the exemption from import duties for young male bovine animals and for the maximum amount to finance studies, demonstration projects, training or technical assistance measures.

Neither the European Parliament nor the Council issued any objection to the Delegated Regulation. After the expiry of the two-month period, the Commission Delegated Regulation was published in the Official Journal of the European Union and entered into force on 7 March 2014.

Article 26(4) empowers the Commission under certain conditions to adopt delegated acts to allow in the French overseas departments of Martinique, Guadeloupe and French Guiana the production of UHT milk reconstituted from milk powder originating in the Union. The empowerment has not been used, because France has not demonstrated any expediency of allowing the production of UHT milk reconstituted from milk powder originating in the Union for the French overseas departments of Martinique, Guadeloupe and French Guiana.

(2) Regulation (EU) No 228/2013

The Commission adopted one delegated act on the basis of Articles 11(2), 15(4) and 18(4): Commission Delegated Regulation (EU) No 178/2014. This delegated act provides for rules regarding the register of operators, for the amount of aid for marketing outside the production region and for the maximum amount to finance studies, demonstration projects, training or technical assistance measures.

Neither the European Parliament nor the Council issued any objection to the Delegated Regulation. After the expiry of the two-month period, the Commission Delegated Regulation (EU) 178/2014 was published in the Official Journal of the European Union and entered into force on 7 March 2014.

Conclusions

The Commission concluded that it has exercised its delegated powers correctly. However, it cannot be excluded that the empowerments will be needed in future.

Outermost regions: specific measures for agriculture

2010/0256(COD) - 05/02/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 579 to 82, with 35 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council laying down specific measures for agriculture in the outermost regions of the Union.

Parliament adopted its position at first reading following the ordinary legislative procedure. The amendments adopted in plenary are the result of a compromise reached between the European Parliament and the Council. They amend the Commission's proposal as follows:

Legal basis: in accordance with the request by Members, the proposal is also based on Article 349 of the Treaty on the Functioning of the European Union (TFEU).

Specific objectives: the specific measures help to meet the following objectives: (a) securing the long-term future and development of the 'livestock' and 'crop- diversification' sectors in the outermost regions, including the production, processing and sale of local products ; (b) maintaining the development and strengthening the competitiveness of traditional agricultural activities in the outermost regions, including the production, processing and marketing of local crops and products. In addition, the specific supply arrangements **must not harm local production or its growth**.

Modification of the POSEI programmes: the Member States may, after consulting the socio-economic partners concerned, submit to the Commission duly substantiated proposals for amendments to measures to bring them more into line with the requirements of the outermost regions and the strategy proposed.

Operation of the arrangements: as requested by the Parliament, the amended text provides that products from third countries shall provide an equivalent level of guarantees to those produced under the Union's veterinary and plant health standards.

Impact of economic advantage: benefiting from the specific supply arrangements resulting from the exemption of import duty or the awarding of aid shall be subject to the condition that the impact of the economic advantage is passed on up to the end user. An amendment states that the **advantage shall be equal to the amount of the exemption from import duties or to the amount of the aid**. No security shall be required when applying for import licences, exemption certificates or aid certificates. However, to the extent necessary to ensure the proper application of this Regulation, the competent authority may require a security to be lodged equal to the amount of the advantage.

Export to third countries and dispatch to the rest of the Union: the text states that the term 'regional trade' shall be understood as trade, for each outermost region, with third countries belonging to the same geographical area as those outermost regions, and with countries with which there are historical trade links. The Commission shall adopt implementing acts establishing a **list of those countries**, taking into account objective requests made by the Member States following consultation with the sectors concerned

Processing operations which may give rise to traditional or regional trade exports or traditional dispatches shall fulfil, mutatis mutandis, the processing conditions applicable under inward processing arrangements and the procedure for processing under customs control provided for in the relevant Union legislation, with the exception of all usual forms of handling .

Controls and penalties: except in cases of force majeure or exceptional climatic conditions, if an operator fails to comply with the commitments made as regards certificates, the competent authority shall: (a) recover the advantage granted to operator; (b) temporarily suspend or revoke the operator's registration, depending on the seriousness of the non-compliance. Moreover, where operators do not carry out the planned import or entry, their entitlement to apply for licences or certificates shall be suspended by the competent authority for a period of 60 days following expiry of that licence or certificate.

Plant health: Members called for programmes on the control of organisms harmful to plants or plant products to be extended to the outermost regions. The Union's contribution may cover up to 75% of eligible expenditure.

Wine: by way of derogation from Article 85f of Regulation (EC) No 1234/2007, the transitional planting rights regime shall apply to the Canary Islands until 31 December 2012.

Financial resources: a new measure states that for the financial year 2013, the Union shall grant an **additional financing for the banana sector** of the outermost regions up to the maximum amounts as follows:

- Overseas Departments of France: EUR 18.52 million.
- Azores and Madeira: EUR 1.24 million;
- Canary Islands: EUR 20.24 million.

Reports: the Commission shall submit, every five years, a general report showing the impact of the action taken under this Regulation, including in the **banana and milk sectors**, accompanied, if applicable, by appropriate proposals. The report shall include a specific chapter in the analyses, studies and assessments it carries out in the context of trade agreements and the common agricultural policy for any topic in which the outermost regions have a particular interest.

Delegated acts: in order to ensure the proper functioning of the regime established by this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission to enable it to supplement or modify certain non-essential elements of the present Regulation. The power shall be conferred on the Commission for a period of five years from the entry into force of the Regulation.

Committee procedure: the Commission shall be assisted by the Management Committee for Direct Payments established by Regulation (EC) No 73 /2009 and by the Standing Committee on Plant Health established by Council Decision 76/894/EEC. Those Committees are committees within the meaning of Regulation (EU) No 182/2011.

Review: the Commission shall review these arrangements before the end of 2013 and if necessary come forward with appropriate proposals for a revised POSEI scheme.

Outermost regions: specific measures for agriculture

2010/0256(COD) - 13/03/2013 - Final act

PURPOSE: the adoption of measures for agriculture in the outermost regions of the Union.

LEGISLATIVE ACT: Regulation (EU) No 228/2013 of the European Parliament and of the Council laying down specific measures for agriculture in the outermost regions of the Union and repealing Council Regulation (EC) No 247/2006.

CONTENT: the Regulation introduces **specific measures in the agricultural sector to remedy the difficulties caused by peripherality**, linked to their extreme remoteness, specifically their isolation, insularity, small surface areas, mountainous terrain and climate and their economic dependency on a small number of products. It covers the following regions: Guadeloupe, French Guyana, Martinique, Réunion, Saint Barthelemy, Saint Martin, the Azores, Madeira and the Canary Islands.

This new Regulation falls within the framework of the alignment of the EU's legislation with the Lisbon Treaty as regards implementing acts and delegated acts (Articles 290 and 291 of the Treaty).

In parallel, because Council Regulation (EC) No 247/2006 had been amended a number of times, this exercise provided the opportunity to recast the Regulation as a whole to ensure it corresponds more closely with the measures currently applied by Member States.

Objectives: the specific measures shall help to meet the following objectives:

- guaranteed supply to the outermost regions of products essential for human consumption or for processing and as agricultural inputs by mitigating the additional costs incurred due to their extreme remoteness, without harming local production and the growth thereof;
- securing the **long-term future** and development of the 'livestock' and 'crop-diversification' sectors in the outermost regions, including the production, processing and sale of local products;
- maintaining the development and strengthening the competitiveness of **traditional agricultural activities** in the outermost regions, including the production, processing and marketing of local crops and products.

Programmes of Options Specifically Relating **to Remoteness and Insularity (POSEI) Programmes:**

The new text highlights the central role played by POSEI programmes which comprise two main aspects: (i) **specific supply arrangements** to compensate for peripherality; and (ii) **specific measures to assist local agricultural production**. The POSEI programme shall be established at the geographical level which the Member State concerned deems to be the most appropriate. Only products of sound, fair and marketable quality shall benefit from the specific supply arrangements. **Products from third countries** shall provide an equivalent level of guarantees to those produced under the Union's veterinary and plant health standards.

Impact of economic advantage: benefiting from the specific supply arrangements resulting from the awarding of aid shall be subject to the condition that the impact of the economic advantage is passed on up to the end user.

The advantage shall be equal to the amount of the exemption from import duties or to the amount of the aid. No security shall be required when applying for import licences, exemption certificates or aid certificates. However, the competent authority may require a security to be lodged equal to the amount of the advantage.

Controls and penalties: products which are the subject of specific supply arrangements shall be subject to administrative checks at the time that they are imported into or enter the outermost regions, as well as when they are exported or dispatched.

Except in cases of force majeure or exceptional climatic conditions, if an operator, as referred to in Article 12, fails to comply with the commitments made in accordance with Article 12, the competent authority, without prejudice to any penalties applicable under national law, shall: (a) recover the advantage granted to operator; (b) temporarily suspend or revoke the operator's registration, depending on the seriousness of the non-compliance.

Financial allocation: in respect of each financial year, the Union shall finance the measures provided for in the Regulation, up to an annual sum equivalent to:

- in the **French overseas departments:** EUR 278.41 million (of which a maximum amount of EUR 26.9 million for specific supply measures);
- **Azores and Madeira:** EUR 106.21 million (of which a maximum amount of EUR 21.2 million for specific supply measures);
- **Canary Islands:** EUR 268.42 million (of which a maximum amount of EUR 72.7 million for specific supply measures).

Banana sector: for the financial year 2013, the Union shall grant **an additional financing of EUR 40 million** for the banana sector of the outermost regions up to the maximum amounts as follows:

- in the French overseas departments: EUR 18.52 million;
- Azores and Madeira: EUR 1.24 million;
- Canary Islands: EUR 20.24 million.

This new specific measure seeks to enable the banana sector in outermost regions to adapt to the reduction in customs duties on this product following the recent trade agreements concluded in the area.

Review: the Commission shall review these arrangements before the end of 2013, in view of their overall effectiveness and the new CAP policy framework, and if necessary come forward with appropriate proposals for a revised POSEI scheme.

ENTRY INTO FORCE: 21/03/2013.

DELEGATED ACTS: the Commission is empowered to adopte delegated acts to ensure the proper functioning of the system set in place by the Regulation. The power to adopt such acts shall be conferred on the Commission for a period of **five years** from 21 March 2013 (a period that can be tacitly extended for periods of an identical duration). The European Parliament or the Council may object to the delegated act within a period of **two months** of notification of that act (which may be extended by two months.) If the European Parliament or Council objects, the delegated act shall not enter into force.

Outermost regions: specific measures for agriculture

2010/0256(COD) - 27/09/2010

Ministers held an exchange of views following a presentation by the Commission of the proposal for a regulation laying down specific measures for agriculture in the outermost regions of the Union. The Commission also presented the first report on the effects of the 2006 reform of the Programme of Options Specifically Relating to Remoteness and Insularity (POSEI) regime.

Some delegation noted the importance of these measures for the regions concerned and questioned the legal basis of the Commission proposal. The Special Agriculture Committee will work on this subject before the proposal is re-presented to ministers.

The Commission proposes a reshaping of the Regulation (EC) 247/2006 laying down specific measures for agriculture in the outermost regions of the Union in order to bring it into conformity with the Lisbon Treaty. The original text has also been cleaned up and updated to include the most recent changes to the common market organisations (CMOs).

Moreover, two changes in the new text come from recommendations included in the report on the implementation of the reform of the POSEI regime presented during this session:

- the first concerns the budget for specific supply arrangements (SSAs) for France and Portugal;
- the second relates to the liberalisation of trade between the French overseas departments on products covered by SSAs.

Since 1991, agriculture in the outermost regions of the EU has benefited from POSEI, the aim of which is to allow specific measures for the implementation of the Common Agricultural Policy that take into consideration the geographical and economic disadvantages of these regions. The POSEI agricultural measures are divided into two main categories: the first concerns the supply of products which are essential for human consumption, for processing or as agricultural inputs. The second concerns specific support measures for the production and marketing of local agricultural products.

Outermost regions: specific measures for agriculture

2010/0256(COD) - 24/09/2010 - Legislative proposal

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

PROPOSED ACT: Regulation of the European Parliament and of the Council.

IMPACT ASSESSMENT: no impact assessment was carried out.

LEGAL BASE: Article 42 and Article 43(2) of the Treaty on the Functioning of the EU.

CONTENT: in view of the fact that since it was adopted on 30 January 2006, Council Regulation (EC) No 247/2006 laying down specific measures for agriculture in the outermost regions of the Union has been the subject of several amendments, it is proposed that it be recast in the interests of clarity.

Furthermore, changes in Community legislation and the practical implementation of this Regulation that have occurred since it was adopted, make it necessary to modify certain provisions and to restructure the legislative text so that it reflects more effectively the reality of the POSEI agricultural scheme. The main amendments are as follows:

Subject: the Regulation lays down specific measures for agriculture to mitigate the difficulties caused by extreme remoteness, specifically remoteness, isolation, small surface areas, terrain, difficult climate and economic dependence on a limited number of products of the outermost regions.

Objectives: the proposal is more explicit in setting out the scheme's main objectives:

The specific measures shall help to meet the following objectives:

- guaranteed supply to the outermost regions of products essential for human consumption or for processing and as agricultural inputs by mitigating the additional costs due to extreme remoteness;
- preservation and development of agricultural activities in the outermost regions, including the production, processing and the sale of local products.

These objectives shall be implemented by means of the measures referred to in Chapters III, IV and V.

Structure: the new structure highlights the central role played by the Programmes of Options Specifically Relating to the Remoteness and Insularity (POSEI programmes) which have now been defined for each outermost region at the most appropriate level and coordinated by the relevant Member States. These programmes relate to the two fundamental POSEI elements, namely the specific supply arrangements and the specific measures in favour of local production.

POSEI: the measures provided for are defined for each outermost region by a POSEI Programme which shall comprise: a) specific supply arrangements and b) specific measures to assist local agricultural production.

The POSEI programme shall be established at the geographical level which the Member State concerned deems most appropriate. It shall be prepared by the competent authorities designated by the said Member State, which shall submit it to the Commission for approval after the competent authorities and organisations at the appropriate regional level have been consulted. A single POSEI programme may be submitted for each Member State in respect of its outermost regions.

Other amendments: minor amendments have been made to the wording of the Regulation, in particular:

- the procedure for submitting programmes and amendments for approval to the Commission has been specified to make it more consistent with current practice and in view of the need for greater flexibility and efficiency as regards the process of adapting programmes to meet the actual needs of agriculture and the supply of products essential for the outermost regions;
- it has been specified that the specific supply arrangements should be designed for each region in accordance with local agricultural production, the development of which should not be limited by aid for supply which is too excessive for products which are also produced locally. This provision is considered to be necessary to make it compulsory for the two POSEI instruments to be compatible with each other;
- the possibility of re-dispatching products which have been processed locally using basic products which have benefited from the specific supply arrangements, without the benefit being reimbursed, which was restricted to products dispatched from the Azores to Madeira or vice versa, or from Madeira to the Canary Islands or vice versa, will also now apply to the French overseas departments;
- in the interests of sound budgetary management, Member States must indicate in their programmes the list of aid constituting direct payments;
- it is also helpful to indicate how the aid amounts for measures to assist local agricultural products are defined, which was previously not indicated in the basic act;
- lastly, the financial allocation for each national programme selected is that which corresponds to the 2011 financial year and subsequent years. However, the ceiling for financing for the specific supply arrangements for France and Portugal has increased by 20%, in the light of the conclusions of the first report on the impact of the 2006 POSEI reform, submitted to the European Parliament and the Council in 2010.

FINANCIAL IMPLICATIONS: the proposal does not affect the sources of financing or the "intensity of Community support."

Outermost regions: specific measures for agriculture

2010/0256(COD) - 04/10/2011 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Agriculture and Rural Development adopted the report by Gabriel MATO ADROVER (EPP, ES) on the proposal for a regulation of the European Parliament and of the Council laying down specific measures for agriculture in the outermost regions of the Union.

The committee recommends that the European Parliament's position adopted at first reading, following the ordinary legislative procedure, should amend the Commission's proposal as follows:

Legal basis: Members call for the proposal to be based on Article 349 of the Treaty on the Functioning of the European Union (TFEU), the only article in the Treaty under which the outermost regions receive special treatment.

Specific objectives: the specific supply arrangement **should not, however, under any circumstances damage local products and their development**. In addition, these measures should:

- secure the long-term future and development of the so-called livestock and crop diversification sectors in the outermost regions, including the production, processing and the sale of local products, while at the same time significantly improving the local population's degree of self-sufficiency by increasing domestic production and reducing imports, in particular on account of the higher transport-related costs;
- maintain the development and strengthen the competitiveness of traditional agricultural activities in the outermost regions, including the production, processing and marketing of local crops and products, whilst ensuring that the revenue generated by the products and by-products of traditional agricultural sectors is shared fairly between producers, processors and distributors;
- foster research and innovation, in particular with a view to developing sustainable, high value-added agricultural production.

These objectives must be achieved by: (i) taking **a holistic approach to sustainable development** which seeks both to safeguard the environment and to guarantee producers and farmers a decent income; (ii) involving measures to provide farmers and processors with **ongoing training** in order to foster the development of high-quality, productive and sustainable agricultural sectors.

Content of Programmes: the POSEI programme shall comprise the establishment of **regional monitoring committees** to assess the effectiveness and level of implementation of each measure, through official, timetabled consultation of stakeholders.

Operation of the arrangements: according to the Commission, no aid shall be granted for the supply of products which have already benefited from the specific supply arrangements in another outermost region. Members consider that this measure shall not apply in the case of products processed in French overseas departments from raw materials which have benefited from specific supply arrangements being dispatched between French overseas departments.

Another amendment stipulates that **products from third countries should comply with the European Union's veterinary and phytosanitary standards**.

Impact of advantage: at each point of trade, the specific supply arrangement advantage should be passed on by the different operators, including those involved in commercial distribution, when the final user is the consumer. The Member States shall endeavour to ensure that the economic advantage of the benefits granted under the specific supply arrangements is in fact passed on to the end user, including the application of a more favourable fiscal policy for imported products or for processed products incorporating products imported under these arrangements.

'Regional trade': it is stated that this term shall be understood as trade, for each French overseas department, the Azores and Madeira and the Canary Islands, with third countries belonging to the same geographical area as those outermost regions, and with countries with which there are historical trade links.The list of countries involved in regional trade with the outermost regions should be revised in accordance with trends in exports by these areas.

Measures to assist local agricultural products: in order to improve the effectiveness of support for measures to assist local producers in the outermost regions, Member States may make advance payments for all POSEI actions in support of local production. Once the beneficiaries' projects have been approved, the Member States may issue an attestation to make it easier for them to obtain prefinancing from a bank.

Insurance against the risk of natural disasters: to increase the market competitiveness of agricultural products from the outermost regions and improve the ability of agricultural holdings to withstand natural disasters and hazards, steps shall be taken to encourage each subsector as a whole to take out disaster risk insurance, as a consequence of which cooperatives, farmers' associations and all other agricultural bodies shall be exempted from the ban on receiving state aid to promote access to agricultural insurance cover.

Plant health programmes: programmes for the control of organisms harmful to crop production should be extended to all the outermost regions given the growing proliferation of pests, largely as a consequence of climate conditions and the increase in trade. They call for EU partipation to cover 75% of the eligible expenditure (as opposed to 65% as proposed by the Commission).

Wine: Members wish to exempt the Canary Islands from any provision restricting the development of production in this sector in the future, bearing in mind the decline seen in recent years. The impact of a derogation from the provisions on illegal vineyards would be virtually nil for the mainland sector, since only 14.7% of wines consumed in the Canary Islands are locally produced.

Financial resources: in respect of each financial year, the Union shall finance the measures provided for in the Regulation, up to a minimum annual sum equivalent to:

- in the **Overseas Departments of France**: **EUR 308.21 million** (instead of EUR 278.41 million);
- **Azores and Madeira**: **EUR 117.61 million** (instead of 106.21 million);
- **Canary Islands: EUR 297.12 million** (instead of 268.42).

The sums allocated for each financial year to finance the measures provided for in the Regulation may not exceed EUR 26.9 million (instead of EUR 24.8 million) for the Overseas Departments of France.

The Commission shall ensure that the allocation of aid among the outermost regions of a single Member State does not excessively disadvantage one or more of those regions.

Banana producers: in view of the adverse effects on European banana producers of a gradual lowering of customs duties on bananas under the multilateral Geneva agreement and the free trade agreements with the Andean countries, Central America and Mercosur, appropriate **compensation** shall be paid to banana producers in the outermost regions of the Union. This compensation shall be of the order of EUR 30 million per year for all the banana-producing countries in the Union.

In future, the Commission shall submit a report assessing the impact that any new tariff concessions for imports of bananas into the European Union will have on producers' incomes. That report shall be accompanied, where necessary, by a legislative proposal with the aim of offsetting the losses of income suffered by EU producers.

Impact assessment: to avoid undermining the POSEI objectives, the Commission shall carry out prior impact studies of the possible effects (based on the criteria set by the UN) whenever international trade agreements are negotiated which may affect sectors supported by the POSEI. On completion, said prior impact studies shall be forwarded by the Commission to Parliament, the Council and the local or regional authorities of the outermost regions before conclusion of the international agreements concerned.

As regards the **milk sector**, given the significant impact the dismantling of the milk-quota system can be expected to have on the milk sector in the outermost regions, the Commission shall submit a **report assessing the impact of dismantling that system**. This report shall be accompanied by a legislative proposal concerning due compensation for the losses of income suffered by producers in the outermost regions of the Union at any given time.

Extensions to the list of outermost regions: any extension to the list of outermost regions of the EU shall be coupled with increased funding for the POSEI programmes.

Delegated acts: in order to ensure the proper functioning of the regime established by this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission to enable it to supplement or modify certain non-essential elements of the present Regulation.