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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 3.4.2008
COM(2008) 168 final

2008/0065 (CNS)

Proposal for a

COUNCIL REGULATION

**amending Regulation (EC) No 1405/2006 laying down specific measures for agriculture
in favour of the smaller Aegean islands and amending Regulation (EC) No 1782/2003**

(presented by the Commission)

EXPLANATORY MEMORANDUM

On 18 September 2006 the Council adopted Regulation (EC) No 1405/2006 laying down specific measures for agriculture in favour of the smaller Aegean islands.

This Regulation provides for two lines of support, i.e. aid for the specific supply arrangements and aid to assist local agricultural products.

The first of the two lines is actually designed to supply products which are essential for human consumption (Article 3), for processing or as agricultural inputs, thus introducing specific supply arrangements aiming at easing the problems deriving from the particular geographical situation of some of the Aegean islands imposing additional transport costs. These essential products are included in Annex I to the Treaty. Therefore, Article 3 should be amended in order to include reference to the Annex I in question, thus limiting the scope of the Article to these products only.

The second line of support (Article 7), introduces measures to assist local agricultural products in general, thus having a wider scope than Article 3. Therefore Article 7 should be amended to include reference to Title II of Part Three of the Treaty thus covering products of the soil, of stock farming and of fisheries and products of first-stage processing directly related to these products.

Furthermore, most of the measures referred to in Chapter III of Regulation (EC) No 1405/2006 constitute direct payments and as such they should be referenced in Council Regulation (EC) No 1782/2003. Due to an error, the entry for the Aegean Islands was incorrectly deleted from Annex I to Regulation (EC) No 1782/2003 by Article 20(3) of Regulation (EC) No 1405/2006. Annex I should, therefore, be corrected with effect from date of application of Regulation (EC) No 1405/2006.

Article 6 of Regulation (EC) No 1405/2006 provides for the procedure for adoption of detailed rules for the application of Chapter II of Regulation (EC) No 1405/2006. As a similar provision is laid down in Article 14 of the said Regulation concerning the implementation of the Regulation in its entirety, Article 6 should therefore be deleted.

Finally, Article 9(e) of Regulation (EC) No 1405/2006 refers, among other issues to be included in the support programme, to provisions for checks and administrative penalties. However, national provisions on checks and administrative penalties cannot be the subject of approval in the framework of the Community support programme for the smaller Aegean islands. These national measures may only be communicated to the Commission in accordance with Article 16 of that Regulation. Therefore, Article 9(e) should be amended in order to exclude any provisions for checks and administrative penalties to be included in the programme submitted by the competent authorities of Greece.

In light of the above, we seek your approval to proceed with the correction of these oversights.

In this respect, please find attached a draft Council Regulation amending Regulation (EC) No 1405/2006 and all necessary documents for the initiation of the respective procedure.

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

Proposal for a

COUNCIL REGULATION

amending Regulation (EC) No 1405/2006 laying down specific measures for agriculture in favour of the smaller Aegean islands and amending Regulation (EC) No 1782/2003

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas:

- (1) Article 1 of Council Regulation (EC) No 1405/2006¹ lays down the scope of application of the Regulation and gives the definition of the smaller islands. The experience from the application of that Regulation shows that the scope of the Regulation should be adapted.
- (2) Article 3 of Regulation (EC) No 1405/2006 introduces specific supply arrangements aiming at easing the problems deriving from the particular geographical situation of some of the Aegean islands imposing additional transport costs in supplying products which are essential for human consumption, for processing or as agricultural inputs. These essential products are included in Annex I to the Treaty. Therefore, Article 3 should be amended in order to include reference to the Annex I in question, thus limiting the scope of the Article to these products only.
- (3) Article 6 of Regulation (EC) No 1405/2006 provides for the procedure for adoption of detailed rules for the application of Chapter II of Regulation (EC) No 1405/2006. As a similar provision is laid down in Article 14 of the said Regulation concerning the implementation of the Regulation in its entirety, Article 6 should therefore be deleted.
- (4) Article 7 of the Regulation (EC) No 1405/2006 introduces measures to assist local agricultural products in general, thus having a wider scope than Article 3. Therefore, Article 7 should be amended to include reference to Title II of Part Three of the Treaty thus covering products of the soil, of stock farming and of fisheries and products of first-stage processing directly related to these products.

¹ OJ L 265, 26.9.2006, p.1.

- (5) Article 9(e) of Regulation (EC) No 1405/2006 refers, among other issues to be included in the support programme, to provisions for checks and administrative penalties. However, national provisions on checks and administrative penalties cannot be the subject of approval in the framework of the Community support programme for the smaller Aegean islands. These national measures may only be communicated to the Commission in accordance with Article 16 of that Regulation. Therefore, Article 9(e) should be amended in order to exclude any provisions for checks and administrative penalties to be included in the programme submitted by the competent authorities of Greece.
- (6) Regulation (EC) No 1405/2006 should therefore be amended accordingly.
- (7) Most of the measures referred to in Chapter III of Regulation (EC) No 1405/2006 constitute direct payments and should as such be referenced in Council Regulation (EC) No 1782/2003². Due to an error, the entry for the Aegean Islands was incorrectly deleted from Annex I to Regulation (EC) No 1782/2003 by Article 20(3) of Regulation (EC) No 1405/2006. Annex I should therefore be corrected with effect from date of application of Regulation (EC) No 1405/2006,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1405/2006 is amended as follows:

- (1) Article 1(1) is replaced by the following:
 - "1. This Regulation lays down specific measures on agriculture to remedy the difficulties caused by the remote and insular nature of the smaller Aegean islands, hereafter referred to as the 'smaller islands'."
- (2) Article 3(1) is replaced by the following:
 - "1. Specific supply arrangements are hereby introduced for the agricultural products listed in Annex I to the Treaty ("the agricultural products"), which are essential in the smaller islands for human consumption, for the manufacture of other products or as agricultural inputs."
- (3) Article 6 is deleted.
- (4) Article 7(1) is replaced by the following:
 - "1. The support programme shall contain the measures needed to ensure continuity and development of local lines of agricultural production in the smaller islands within the scope of Title II of Part Three of the Treaty."
- (5) Article 9(e) is replaced by the following:

² OJ L 270, 21.10.2003, p.1, Regulation as last amended by Regulation (EC) No 1182/2007 (JO L 273 du 17.10.2007, p. 1)

"(e) the steps taken to ensure the support programme is implemented effectively and appropriately, including the arrangements for publicity, monitoring and evaluation;"

Article 2

In Annex I to Regulation (EC) No 1782/2003 the following entry is inserted after POSEI:

"

Aegean Islands	Chapter III of Council Regulation (EC) No 1405/2006 (*****)	Direct payments within the meaning of Article 2 of this Regulation, under measures established in the programmes
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(*****) OJ L 265, 26.9.2006, p. 3."

Article 3

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

However, Article 2 shall apply with effect from 1 January 2007.

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

Done at Brussels,

*For the Council
The President*