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*****I**
REPORT

on the proposal for a regulation of the European Parliament and of the Council laying down specific measures for agriculture in favour of the smaller Aegean islands
(COM(2010)0767 – C7-0003/2011 – 2010/0370(COD))

Committee on Agriculture and Rural Development

Rapporteur: Georgios Papastamkos

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

In amendments by Parliament, amendments to draft acts are highlighted in bold italics. Highlighting in normal italics is an indication for the relevant departments showing parts of the draft act which may require correction when the final text is prepared – for instance, obvious errors or omissions in a language version. Suggested corrections of this kind are subject to the agreement of the departments concerned.

The heading for any amendment to an existing act that the draft act seeks to amend includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend. Passages in an existing act that Parliament wishes to amend, but that the draft act has left unchanged, are highlighted in bold. Any deletions that Parliament wishes to make in such passages are indicated thus: [...].

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council laying down specific measures for agriculture in favour of the smaller Aegean islands (COM(2010)0767 – C7-0003/2011 – 2010/0370(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2010)0767),
 - having regard to Article 294(2) and Article 42 and Article 43(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0003/2011),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 15 March 2011¹,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Agriculture and Rural Development (A7-0319/2011),
1. Adopts the position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ OJ C 132, 3.5.2011, p. 82.

Amendment 1

Proposal for a regulation

Recital 4

Text proposed by the Commission

(4) In order to achieve the objectives of the scheme promoting the smaller Aegean islands more effectively, the support programme must include measures which ensure the supply of agricultural products and the preservation and development of local agricultural production. The level of programming needs to be harmonised and the policy of partnership between the Commission and the Member State needs to become systematic.

Amendment

(4) In order to achieve the objectives of the scheme promoting the smaller Aegean islands more effectively, the support programme must include measures which ensure the supply of agricultural products and the preservation and development of local agricultural production. The level of programming needs to be harmonised and the policy of partnership between the Commission and the Member State needs to become systematic. ***The Commission is to contribute to the drawing up of aid programmes through the exchange of good practices and by establishing harmonised framework indicators to monitor the implementation of the programmes.***

Amendment 2

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) In keeping with the principle of subsidiarity and in order to ensure flexibility, two principles which form the basis of the programming approach adopted for the scheme promoting the smaller Aegean islands, the authorities appointed by Greece may propose amendments to the programme to bring it into line with the reality of the situation on these islands. Also in keeping with this approach, the procedure for amending the

Amendment

(5) In keeping with the principle of subsidiarity and in order to ensure flexibility, two principles which form the basis of the programming approach adopted for the scheme promoting the smaller Aegean islands, the authorities appointed by Greece may propose amendments to the programme to bring it into line with the reality of the situation on these islands. ***To this end, encouragement should be given for more significant***

programme must be adapted to reflect the level of relevance of each type of amendment.

involvement on the part of the competent local and regional authorities. Also in keeping with this approach, the procedure for amending the programme must be adapted to reflect the level of relevance of each type of amendment.

Justification

Encouragement should be given for more significant involvement on the part of the Aegean local and regional authorities to amend and adapt the programme in line with the needs and requirements of farm workers living in the islands.

Amendment 3

Proposal for a regulation

Recital 7

Text proposed by the Commission

(7) The problems experienced by the smaller Aegean islands are accentuated by the small size of the islands. In order to guarantee the effectiveness of the measures envisaged, such measures should **only** apply **to small islands**.

Amendment

(7) The problems experienced by the smaller Aegean islands are accentuated by the small size of the islands. In order to guarantee the effectiveness of the measures envisaged, such measures should apply **to all Aegean islands except for Crete and Evia**.

Justification

It should be made clear that these specific measures should apply to all Aegean islands with the exception of Crete and Evia, which are exempt because of their large size.

Amendment 4

Proposal for a regulation

Recital 8

Text proposed by the Commission

(8) In order to achieve the goal of lowering prices in the smaller Aegean islands and mitigating the additional costs of their

Amendment

(8) In order to achieve the goal of lowering prices in the smaller Aegean islands and mitigating the additional costs of their

remoteness and insularity while maintaining the competitiveness of EU products, aid should be granted for the supply of EU products to the smaller Aegean islands. Such aid should take account of the additional cost of transport to the smaller Aegean islands and, in the case of agricultural inputs and products intended for processing, the additional costs of insularity and small size.

remoteness and insularity while maintaining the competitiveness of EU products, aid should be granted for the supply of EU products to the smaller Aegean islands. Such aid should take account of the additional cost of transport to the smaller Aegean islands, ***the additional costs of exporting to third countries*** and, in the case of agricultural inputs and products intended for processing, the additional costs of insularity and small size.

Amendment 5

Proposal for a regulation

Recital 9

Text proposed by the Commission

(9) In order to avoid speculation which would be harmful to end users in the smaller Aegean islands, it is important to specify that the specific supply arrangements may only apply to products of sound, fair and marketable quality.

Amendment

deleted

Amendment 6

Proposal for a regulation

Recital 11

Text proposed by the Commission

(11) With regard to processed products, trade between the smaller Aegean islands should be authorised in order to allow commerce between these *islands*. Account should also be taken of trade flows within the context of regional commerce and traditional exports and dispatching with the rest of the EU or third countries and, consequently, exports of processed products corresponding to traditional trade for all those regions should be authorised.

Amendment

(11) With regard to processed products, trade between the smaller Aegean islands should be authorised ***and transport costs in respect of these products should be reduced***, in order to allow commerce between these *islands*. Account should also be taken of trade flows within the context of regional commerce and traditional exports and dispatching with the rest of the EU or third countries and, consequently, exports of processed products

corresponding to traditional trade for all those regions should be authorised.

Justification

In the interests of consistency with the amendment tabled to Recital 4.

Amendment 7

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) European Union policy to assist local production in the smaller Aegean islands as established by Regulation (EC) No 1405/2006 has involved a multitude of products and measures for their production, marketing or processing. Those measures have proved effective and ensured that agricultural activities have been maintained and developed. The EU should continue to support this production, which is a key factor in the environmental, social and economic equilibrium of the smaller Aegean islands. Experience has shown that, as in the case of rural development policy, closer partnership with the local authorities can help to address the particular issues affecting the islands concerned in a more targeted way. Support for local production should thus continue to be granted through the support programme, established for the first time by Regulation (EC) No 1405/2006.

Amendment

(14) European Union policy to assist local production in the smaller Aegean islands as established by Regulation (EC) No 1405/2006 has involved a multitude of products and measures for their production, marketing or processing. Those measures have proved effective and ensured that agricultural activities have been maintained and developed. The EU should continue to support this production, which is a key factor in the environmental, social and economic equilibrium of the smaller Aegean islands. Experience has shown that, as in the case of rural development policy, closer partnership with the local authorities can help to address the particular issues affecting the islands concerned in a more targeted way. Support for local production should thus continue to be granted through the support programme, established for the first time by Regulation (EC) No 1405/2006, ***which constitutes an effective model for the introduction of specific aid arrangements encompassing the smaller islands off Sicily, where environmental and socio-economic conditions are similar to those on the smaller islands of the Aegean Sea.***

Amendment 8

Proposal for a regulation
Recital 15 a (new)

Text proposed by the Commission

Amendment

(15a) minimum elements to be included in the support programme should also be determined as regards specific measures for the transport from the islands of raw and processed agricultural products.

Justification

Support should be provided for the transport from smaller Aegean islands of raw and processed agricultural products, which suffer from a dual competitive disadvantage because of the high cost of both raw materials and subsequent transport. The recommendation follows the reasoning behind the provisions of the regulation seeking to offset the competitive disadvantage of the higher cost of supplying the islands with raw materials.

Amendment 9

Proposal for a regulation
Recital 16

Text proposed by the Commission

Amendment

(16) In order to ensure that *it* can be implemented, ***the support programme may also contain measures for financing studies, demonstration projects, training and technical assistance.***

(16) In order to ensure that ***the support programme*** can be implemented, ***it is necessary to allow subsidies to be linked with production in future.***

Justification

In order to ensure that the aid programme is used as effectively as possible and given the limited amounts of public funding available, it is necessary to link subsidies with production. Other programmes are also available for the co-funding of studies, demonstration projects, training and technical assistance.

Amendment 10

Proposal for a regulation
Recital 17

Text proposed by the Commission

Amendment

(17) Farmers in the smaller Aegean islands

(17) Farmers in the smaller Aegean islands

should be encouraged to supply quality products and the marketing of such products should be assisted.

should be encouraged to supply quality products, *making the maximum use of local genetic and propagation material, to apply Community standards for organic farming and to use traditional farming methods*, and the marketing of such products should be assisted, *particularly at a local level, making use of the opportunities offered by the development of other sectors such as tourism. Support measures should be designed to ensure production of local agricultural products which, for the most part, are traditional products with protected designation of origin and protected geographical indication.*

Justification

Farmers are encouraged to apply Community standards for organic farming and follow traditional production methods (e.g. terraces, drystone walls, traditional tanks), helping to safeguard them as island cultural traditions. It is also proposed to link aid payments to production. Support measures are designed to ensure local production of products which for the most part are traditional products covered by protected designation of origin and protected geographical indication.

Amendment 11

Proposal for a regulation Recital 17 a (new)

Text proposed by the Commission

Amendment

(17a) Emphasis should be placed to the preservation of cultural heritage in the form of physical and traditional characteristics of agricultural production methods.

Amendment 12

Proposal for a regulation Recital 18

Text proposed by the Commission

Amendment

(18) A derogation may be granted from the

(18) A derogation may be granted from the

Commission's consistent policy of not authorising State operating aid for the production, processing **and** marketing of agricultural products listed in Annex I to the Treaty in order to mitigate the specific constraints on farming in the smaller Aegean islands as a result of their remoteness, insularity and distant location, small area, mountainous terrain and climate **and** their economic dependency on a small number of products.

Commission's consistent policy of not authorising State operating aid for the production, processing, marketing **and transport** of agricultural products listed in Annex I to the Treaty in order to mitigate the specific constraints on farming in the smaller Aegean islands as a result of their remoteness, insularity and distant location, small area, mountainous terrain and climate, their economic dependency on a small number of products **and their distance from markets**.

Justification

Support should be provided for the transport from smaller Aegean islands of raw and processed agricultural products, which suffer from a dual competitive disadvantage because of the high cost of both raw materials and subsequent transport. The recommendation follows the reasoning behind the provisions of the regulation seeking to offset the competitive disadvantage of the higher cost of supplying the islands with raw materials.

Amendment 13

Proposal for a regulation Recital 19a (new)

Text proposed by the Commission

Amendment

(19a) The support programme should include measures which specifically target traditional agricultural products, which have a tendency to disappear because of uneconomic production costs. Given that a large number of traditional agricultural products have not yet been included in the support scheme and that the rate of take-up for products already covered by that scheme is particularly high, an increase is needed in the overall budget for the scheme.

Justification

A large number of traditional products have not yet been included in the support scheme. Production of these products is tending to disappear because of the extremely high costs involved. Given that the take-up rate for the funds provided for the previous five years was

particularly high, the total budget for the scheme needs to be increased so as to boost as far as possible the production of a greater number of agricultural products.

Amendment 14

Proposal for a regulation

Recital 20

Text proposed by the Commission

(20) Since 2007, requirements in essential products have increased in the smaller Aegean islands as a result of the increasing livestock population and demographic pressure. The proportion of the budget which Greece may use for the specific supply arrangements for the smaller Aegean islands should therefore be increased.

Amendment

(20) Since 2007, requirements in essential products have increased in the smaller Aegean islands as a result of the increasing livestock population, ***abandonment of the primary sector because of exorbitant production costs and tourist*** and demographic pressure. The proportion of the budget which Greece may use for the specific supply arrangements for the smaller Aegean islands should therefore be increased. ***The increase should not, however, be at the expense of the budget for strengthening local agricultural production, and should therefore be accompanied by an increase in the amounts set aside to support such production.***

Justification

The Commission's proposal to increase the budget for specific supply arrangements should not be at the expense of the budget for strengthening local production. There should therefore be a similar increase in the amount available for supporting local agricultural production.

Amendment 15

Proposal for a regulation

Recital 21 a (new)

Text proposed by the Commission

Amendment

(21a) The Commission should be required to submit to the European Parliament and to the Council, by 31 December 2016 at the latest, a general report on the impact of measures taken to implement this

regulation accompanied, where appropriate, by suitable recommendations. The Commission should consider the possibility of including, in these recommendations, an integrated sustainable development programme taking account of the cultural heritage and environmental importance of the smaller Aegean islands and the issues and problems specifically arising from their particular geographical position and environment, as well as of the increase in illegal migration.

Amendment 16

Proposal for a regulation Recital 22

Text proposed by the Commission

(22) The *Commission should therefore be able* to adopt *delegated* acts in accordance with Article 290 of the Treaty, *in order to supplement or modify* certain non-essential elements of the present Regulation. *The areas with regard to which this ability can be exercised and the conditions to which this delegation should be subject should be set out.*

Amendment

(22) *In order to ensure the proper functioning of the regime introduced 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 in respect of the supplementing or modification of certain non-essential elements of the present Regulation. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.*

Justification

The amendment uses the wording of the 'standard provisions' agreed by the institutions for delegated acts.

Amendment 17

Proposal for a regulation Recital 23

Text proposed by the Commission

(23) In order to ensure that the programme is implemented in the smaller Aegean islands in a uniform manner in relation to other similar schemes and to avoid unfair competition or discrimination between operators, ***the Commission should be able to adopt implementing acts in accordance with Article 291(2) of the Treaty. The Commission should therefore be granted implementing powers under that provision, specifically vis-à-vis the uniform conditions*** under which products affected by the special supply arrangements enter, leave and move within the smaller Aegean islands, the ***uniform conditions*** for implementing the programme and the minimum characteristics for checks which Greece must apply.

Amendment

(23) In order to ensure that the programme is implemented in the smaller Aegean islands in a uniform manner in relation to other similar schemes and to avoid unfair competition or discrimination between operators, ***implementing powers should be conferred on the Commission, specifically concerning the standard rules*** under which products affected by the special supply arrangements enter, leave and move within the smaller Aegean islands, the ***standard rules*** for implementing the programme and the minimum characteristics for checks which Greece must apply. ***Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers****.

****OJ L 55, 28.02.2011, p. 13.***

Justification

The amendment uses the wording of the 'standard provisions' agreed by the institutions for implementing acts. The term 'conditions' is also replaced, as this is used for delegated acts and not implementing acts.

Amendment 18

Proposal for a regulation Article 1 – paragraph 1

Text proposed by the Commission

1. This Regulation lays down specific measures for agriculture to mitigate the difficulties caused by the isolation, remoteness, insularity and small size of the smaller Aegean islands, referred to as ‘smaller islands’.

Amendment

1. This Regulation lays down specific measures for agriculture to mitigate the difficulties caused by the isolation, remoteness, insularity, ***distance from markets*** and small size of the smaller Aegean islands, referred to as ‘smaller islands’.

Amendment 19

Proposal for a regulation

Article 2 – paragraph 1 – point b

Text proposed by the Commission

b) preservation and development of agricultural activities in the smaller islands, including the production, processing ***and*** marketing of local products.

Amendment

(b) preservation and development of agricultural activities in the smaller islands, including the production, processing, marketing ***and transport*** of local ***raw and processed*** products.

Justification

Support should be provided for the transport from smaller Aegean islands of raw and processed agricultural products, which suffer from a dual competitive disadvantage because of the high cost of both raw materials and subsequent transport. The recommendation follows the reasoning behind the provisions of the regulation seeking to offset the competitive disadvantage of the higher cost of supplying the islands with raw materials.

Amendment 20

Proposal for a regulation

Article 3 – point 2

Text proposed by the Commission

2. The support programme shall be established at the geographical level which Greece deems most appropriate. It shall be prepared by the competent authorities designated by the said Member State, which shall submit it to the Commission

Amendment

2. The support programme shall be established at the geographical level which Greece 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 in accordance with Article 6 after the competent authorities and organisations at the appropriate regional level have been consulted.

for approval in accordance with Article 6 after the competent **local and regional** authorities and organisations at the appropriate regional level have been consulted.

Justification

Encouragement should be given for greater significant involvement on the part of the Aegean local and regional authorities to amend and adapt the programme in line with the needs and requirements of farm workers living in the islands.

Amendment 21

Proposal for a regulation

Article 6 – paragraph 1 – subparagraph 3

Text proposed by the Commission

The Commission shall *evaluate* the support programme proposed **and decide whether or not to approve it by means of an implementing act.**

Amendment

The Commission shall **adopt implementing acts deciding** whether or not to approve **a support programme proposed, after carrying out an evaluation thereof. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 25(2).**

Justification

The amendment uses the wording of the ‘standard provisions’ agreed by the institutions for implementing acts.

Amendment 22

Proposal for a regulation

Article 6 – point 2

Text proposed by the Commission

2. Depending on the annual evaluation of the implementation of measures included in the support programme, Greece may submit to the Commission proposals for amendments thereto within the context of the financial allocation referred to in Article 18(2) and (3), to bring them more

Amendment

2. Depending on the annual evaluation of the implementation of measures included in the support programme, Greece may submit to the Commission proposals for amendments thereto within the context of the financial allocation referred to in Article 18(2) and (3), to bring them more

into line with the requirements of the smaller islands and the strategy proposed. The Commission shall adopt *by means of an* implementing *act* the uniform measures for the submission of proposals for amendments to the programme.

into line with the requirements of the smaller islands and the strategy proposed. The Commission shall adopt implementing *acts concerning* the uniform measures for the submission of proposals for amendments to the programme. *Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 25(2).*

Justification

The amendment uses the wording of the 'standard provisions' agreed by the institutions for implementing acts.

Amendment 23

Proposal for a regulation Article 6 – paragraph 3

Text proposed by the Commission

3. In order to take into account the different types of amendments proposed and the time frame within which they must be implemented, the Commission shall **determine by delegated act** the procedure for approving amendments.

Amendment

3. In order to take into account the different types of amendments proposed and the time frame within which they must be implemented, the Commission shall **adopt delegated acts in accordance with Article 22 determining** the procedure for approving amendments.

Justification

The wording of the 'Standardised Provisions' agreed on between the institutions regarding delegated acts is used.

Amendment 24

Proposal for a regulation Article 7 – first subparagraph

Text proposed by the Commission

Greece shall conduct verifications by means of administrative and on-the-spot checks. In order to ensure uniform application, the Commission shall adopt **by**

Amendment

Greece shall conduct verifications by means of administrative and on-the-spot checks. In order to ensure uniform application, the Commission shall adopt

implementing act the minimum characteristics of the checks to be carried out by Greece.

implementing **acts determining** the minimum characteristics of the checks to be carried out by Greece. **Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 25(2).**

Justification

The wording of the 'Standardised Provisions' agreed on between the institutions regarding implementing acts is used.

Amendment 25

**Proposal for a regulation
Article 11 – paragraph 2**

Text proposed by the Commission

2. In order to ensure that operators fully exercise their rights to participate in the specific supply arrangements, the Commission shall **determine, by** delegated act, the conditions for recording operators in the register and, if necessary, **shall make** it compulsory to establish a security for the issuing of certificates.

Amendment

2. In order to ensure that operators fully exercise their rights to participate in the specific supply arrangements, the Commission shall **adopt** delegated acts in accordance with Article 22, determining the conditions for recording operators in the register and, if necessary, **making** it compulsory to establish a security for the issuing of certificates.

Justification

The wording of the 'Standardised Provisions' agreed on between the institutions regarding delegated acts is used.

Amendment 26

**Proposal for a regulation
Article 11 – paragraph 3**

Text proposed by the Commission

3. The Commission shall adopt **by means of an** implementing **act** all measures necessary to ensure the uniform application by Greece of this Article, specifically relating to the introduction of the system of certificates, not including the establishment

Amendment

3. The Commission shall adopt implementing **acts** all measures necessary to ensure the uniform application by Greece of this Article, specifically relating to the introduction of the system of certificates, not including the establishment

of the security for certificates, and the commitment of operators at the time of registration.

of the security for certificates, and the commitment of operators at the time of registration. ***Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 25(2).***

Justification

The wording of the 'Standardised Provisions' agreed on between the institutions regarding implementing acts is used.

Amendment 27

**Proposal for a regulation
Article 12 – paragraph 2**

Text proposed by the Commission

2. In order to ensure that paragraph 1 above is applied in a uniform manner, the Commission shall adopt by means of ***an*** implementing ***act*** detailed rules for its application and more specifically ***conditions for*** governing monitoring by the Member State that the advantage has in fact been passed on up to the end user.

Amendment

2. In order to ensure that paragraph 1 above is applied in a uniform manner, the Commission shall adopt by means of implementing ***acts*** detailed rules for its application and more specifically ***rules*** governing monitoring by the Member State that the advantage has in fact been passed on up to the end user. ***Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 25(2).***

Justification

The wording of the 'Standardised Provisions' agreed on between the institutions regarding implementing acts is used. In addition, the term 'conditions' is replaced, because it is a term used for delegated and not implementing acts.

Amendment 28

**Proposal for a regulation
Article 13 – paragraph 1 – first subparagraph**

Text proposed by the Commission

1. Products covered by ***the*** specific supply arrangements ***may be exported*** to third

Amendment

1. The Commission shall adopt implementing acts establishing uniform

countries or *dispatched* to the rest of the EU only *under* uniform *conditions* established by the Commission by means of an implementing act.

rules for the export of products covered by specific supply arrangements to third countries *and for their dispatch* to the rest of the EU. *Those implementing act shall be adopted in accordance with the examination procedure referred to in Article 25(2).*

Products which do not comply with such uniform rules shall not be exported.

Justification

The wording of the 'Standardised Provisions' agreed on between the institutions regarding implementing acts is used.

Amendment 29

Proposal for a regulation

Article 13 – paragraph 1 – second subparagraph

Text proposed by the Commission

Those *conditions* shall include in particular reimbursement of the aid received under the specific supply arrangements.

Amendment

Those *rules* shall include, in particular, reimbursement of the aid received under the specific supply arrangements.

Justification

The term 'conditions' is replaced, because it is a term used for delegated and not the implementing acts.

Amendment 30

Proposal for a regulation

Article 13 – paragraph 2 – point a

Text proposed by the Commission

a) exported to third countries or dispatched to the rest of the EU within the limits of traditional exports and traditional dispatches. *These quantities shall be established by the Commission by means of an implementing act;*

Amendment

(a) exported to third countries or dispatched to the rest of the EU within the limits of traditional exports and traditional dispatches.

Justification

The wording of the 'Standardised Provisions' agreed on between the institutions regarding implementing acts is used.

Amendment 31

Proposal for a regulation

Article 13 – paragraph 2 – point b

Text proposed by the Commission

b) exported to third countries as part of regional trade in accordance with the destinations and ***conditions*** to be determined by the Commission ***by means of an implementing act***;

Amendment

b) exported to third countries as part of regional trade in accordance with the destinations and ***detailed provisions*** to be determined by the Commission.

Justification

The wording of the 'Standardised Provisions' agreed on between the institutions regarding implementing acts is used. In addition, the term 'conditions' is replaced, because it is a term used for delegated and not implementing acts.

Amendment 32

Proposal for a regulation

Article 13 – paragraph 2 – subparagraph 1a new

Text proposed by the Commission

Amendment

The Commission shall adopt implementing acts establishing the limits of the quantities of products referred to in point (a) and the detailed provisions referred to in point (b). Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 25(2).

Justification

The wording of the 'Standardised Provisions' agreed on between the institutions regarding implementing acts is used.

Amendment 33

Proposal for a regulation Article 13 – paragraph 3

Text proposed by the Commission

3. In order to target the benefit resulting from the application of the specific supply arrangements to traditional trade, the Commission shall ***establish by means of a delegated act***, the conditions that processing operations which may give rise to traditional dispatch or traditional exports must comply with.

Amendment

3. In order to target the benefit resulting from the application of the specific supply arrangements to traditional trade, the Commission shall ***adopt delegated acts in accordance with Article 22 establishing*** the conditions that processing operations which may give rise to traditional dispatch or traditional exports must comply with.

Justification

The wording of the 'Standardised Provisions' agreed on between the institutions regarding delegated acts is used.

Amendment 34

Proposal for a regulation Article 14 – paragraph 1 – second subparagraph

Text proposed by the Commission

In order to ensure uniform application of this provision, the Commission shall adopt ***by means of an implementing acts*** the minimum characteristics of the checks to be carried out by Greece.

Amendment

In order to ensure uniform application of this provision, the Commission shall adopt implementing ***acts establishing*** the minimum characteristics of the checks to be carried out by Greece. ***Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 25(2);***

Justification

The wording of the 'Standardised Provisions' agreed on between the institutions regarding

implementing acts is used.

Amendment 35

Proposal for a regulation

Article 14 – paragraph 2 – second subparagraph

Text proposed by the Commission

In order to ensure that the operators participating in the scheme comply with their obligations, the Commission shall **establish by means of** delegated **act** the conditions necessary for the **implementation** of the first subparagraph above and the processing of new applications for certificates by the operator.

Amendment

In order to ensure that the operators participating in the scheme comply with their obligations, the Commission shall **adopt** delegated **acts in accordance with Article 22, establishing** the conditions necessary for the **application** of the first subparagraph above and the processing of new applications for certificates by the operator.

Justification

The wording of the 'Standardised Provisions' agreed on between the institutions regarding delegated acts shall be used.

Amendment 36

Proposal for a regulation

Article 15 – paragraph 3

Text proposed by the Commission

3. The Commission shall adopt **by means of an** implementing act the uniform **conditions** for **the provision of** the aid described in paragraph 2.

Amendment

3. The Commission shall adopt implementing **acts establishing** uniform **detailed provisions** for the aid described in paragraph 2. **That implementing act shall be adopted in accordance with the examination procedure referred to in Article 25(2).**

Justification

The wording of the 'Standardised Provisions' agreed on between the institutions regarding implementing acts is used. In addition, the term 'conditions' is replaced, because it is a term used for delegated and not implementing acts.

Amendment 37

Proposal for a regulation

Article 15 – paragraph 4 – subparagraph 1

Text proposed by the Commission

4. The programme may include measures to support production, processing *or* marketing of agricultural products in the smaller islands.

Amendment

4. The programme may include measures to support production, processing, marketing *and transport* of agricultural *raw and processed* products in the smaller islands.

Justification

Support should be provided for the transport from smaller Aegean islands of raw and processed agricultural products, which suffer from a dual competitive disadvantage because of the high cost of both raw materials and subsequent transport. The recommendation follows the reasoning behind the provisions of the regulation seeking to offset the competitive disadvantage of the higher cost of supplying the islands with raw materials.

Amendment 38

Proposal for a regulation

Article 15 – paragraph 4 – subparagraph 3

Text proposed by the Commission

In order to support the marketing of products outside the region in which they are produced, the Commission *may* adopt *by means of a* delegated *act* the conditions for establishing the amount of aid awarded in respect of such marketing and, where appropriate, the maximum quantities which form the subject of this aid.

Amendment

In order to support the marketing *and transport* of *raw and processed* products outside the region in which they are produced, the Commission *shall be empowered to* adopt delegated *acts in accordance with Article 22 concerning* the conditions for establishing the amount of aid awarded in respect of such marketing *transport* and, where appropriate, the maximum quantities which form the subject of this aid.

Justification

Support should be provided for the transport from smaller Aegean islands of raw and processed agricultural products, which suffer from a dual competitive disadvantage because of the high cost of both raw materials and subsequent transport. The recommendation follows the reasoning behind the provisions of the regulation seeking to offset the competitive disadvantage of the higher cost of supplying the islands with raw materials.

Amendment 39

Proposal for a regulation Article 17 – paragraph 1

Text proposed by the Commission

1. For the agricultural products covered by Annex I to the Treaty, to which Articles 107, 108 and 109 thereof apply, the Commission may authorise, in accordance with Article 108 of the Treaty, operating aid in the sectors producing, processing and marketing those products, with a view to mitigating the specific constraints on farming in the smaller islands as a result of their isolation, remoteness, insularity, small size, mountainous terrain and climate **and** their economic dependency on a small number of products.

Amendment

1. For the agricultural products covered by Annex I to the Treaty, to which Articles 107, 108 and 109 thereof apply, the Commission may authorise, in accordance with Article 108 of the Treaty, operating aid in the sectors producing, processing, marketing **and transporting** those products, with a view to mitigating the specific constraints on farming in the smaller islands as a result of their isolation, remoteness, insularity, small size, mountainous terrain and climate, their economic dependency on a small number of products **and their distance from markets**.

Justification

Support should be provided for the transport from smaller Aegean islands of raw and processed agricultural products, which suffer from a dual competitive disadvantage because of the high cost of both raw materials and subsequent transport. The recommendation follows the reasoning behind the provisions of the regulation seeking to offset the competitive disadvantage of the higher cost of supplying the islands with raw materials.

Amendment 40

Proposal for a regulation Article 18 – paragraph 2

Text proposed by the Commission

2. The EU shall finance the measures provided for in Chapters III and IV up to a maximum annual amount of EUR **23.93** million.

Amendment

2. The EU shall finance the measures provided for in Chapters III and IV up to a maximum annual amount of EUR **31.11** million.

Justification

The overall annual amount is increased by EUR 7.18 million to support the cultivation of

more products and strengthen the specific supply arrangements (SSA). The final amount of increase is obtained by calculating an increase of 30% in the amount provided by the existing arrangements as a ceiling for the SSA and of 30% in the amount set aside to support local production, calculated by subtracting from the overall budget the amount provided as a ceiling for the SSA.

Amendment 41

Proposal for a regulation

Article 18 – paragraph 3 – first subparagraph

Text proposed by the Commission

Amendment

1. The amount allocated annually to finance the specific supply arrangements referred to in Chapter III may not exceed EUR **6.56** million.

1. The amount allocated annually to finance the specific supply arrangements referred to in Chapter III may not exceed EUR **7.11** million.

Justification

It is proposed to increase the amount allocated annually to fund the specific supply arrangements by 30% due to strong demand for this specific measure. This increase should not be at the expense of the budget for supporting local agricultural production.

Amendment 42

Proposal for a regulation

Article 18 – paragraph 3 – second subparagraph

Text proposed by the Commission

Amendment

The Commission shall **establish by** implementing **act** the uniform **conditions under** which Greece may amend the allocation of resources allocated each year to the various products benefiting from the specific supply arrangements.

The Commission shall **adopt** implementing **acts** the uniform **detailed provisions in accordance with** which Greece may amend the allocation of resources allocated each year to the various products benefiting from the specific supply arrangements.

Justification

The wording of the 'Standardised Provisions' agreed on between the institutions regarding implementing acts is used.

Amendment 43

Proposal for a regulation Article 21

Text proposed by the Commission

Amendment

Commission powers

deleted

When powers are granted to the Commission, it shall act in accordance with the procedure referred to in Article 22, in the case of delegated acts, and in accordance with the procedure referred to in Article 25, in the case of implementing acts.

Justification

The reference to Articles 22 and 25 is already included in the 'Standardised Provisions' used in previous articles for delegated and implementing acts.

Amendment 44

Proposal for a regulation Article 22

Text proposed by the Commission

Amendment

1. The power to adopt **the** delegated acts referred to in this Regulation shall be conferred on the Commission for an indeterminate period of time.

1. The power to adopt delegated acts shall be conferred on the Commission **subject to the conditions laid down in this Article.**

2. As soon as it adopts a delegated act, the Commission shall provide simultaneous notification thereof to the European Parliament and to the Council.

2. The power to adopt delegated acts referred to in Articles 6(3), 11(2), 13(3), 14(2), 15(4) and 18(4) shall be conferred on the Commission for a period of 5 years from ...*. 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 shall be 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.

3. The power to adopt delegated acts shall be conferred on the Commission subject to the conditions laid down in Articles 23 and 24.

3. The delegation of power referred to in Articles 6(3), 11(2), 13(3), 14(2), 15(4) and 18(4) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Articles 6(3), 11(2), 13(3), 14(2), 15(4) and 18(4) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

**** Date of entry into force of this Regulation***

Justification

The wording of the 'Standardised Provisions' agreed on between the institutions regarding delegated acts is used.

Amendment 45

Proposal for a regulation Article 23

Text proposed by the Commission

Amendment

Revocation of delegation

deleted

- 1. The delegation of power referred to in Article 22, paragraph 1 may be revoked at any time by the European Parliament or by the Council.**
- 2. The institution which has commenced an internal procedure for deciding whether to revoke the delegation of power shall inform the other legislator and the Commission at the latest one month before the final decision is taken, stating the delegated powers which could be subject to revocation and the reasons for a revocation.**
- 3. The decision of revocation shall put an end to the delegation of the powers specified in that decision. It shall take effect immediately or at a later date specified therein. It shall not affect the validity of the delegated acts already in force. It shall be published in the Official Journal of the European Union.**

Justification

Covered by Article 22.

Amendment 46

Proposal for a regulation Article 24

Text proposed by the Commission

Amendment

Objections to delegated acts

deleted

- 1. The European Parliament or the Council may object to the delegated act within a period of two months from the date of notification. At the initiative of the**

European Parliament or the Council this period shall be extended by one month.

2. If, on expiry of that period, neither the European Parliament nor the Council has objected to the delegated act, or if, before that date, the European Parliament and the Council have both informed the Commission that they have decided not to raise objections, the delegated act shall enter into force at the date stated in its provisions.

3. If the European Parliament or the Council objects to a delegated act, it shall not enter into force. The institution which objects shall state the reasons for objecting to the delegated act.

Justification

Covered by Article 22.

Amendment 47

Proposal for a regulation Article 25

Text proposed by the Commission

Implementing acts - committee

1. The Commission shall be assisted by the Management Committee for Direct Payments established under Article 141 of Regulation (EC) No 73/2009.

2. When implementing acts are adopted pursuant to this Regulation, Article [5] of Regulation (EU) No. [xxxx/yyyy] (to be completed following the adoption of the regulation on control mechanisms, as referred to in Article 291(3) of the TFEU, currently the subject of discussion by the European Parliament and the Council) shall apply (examination procedure).

Amendment

Committee procedure

1. The Commission shall be assisted by the Management Committee for Direct Payments established under Article 141 of Regulation (EC) No 73/2009. ***That committee shall be a committee within the meaning of Regulation (EU) No. 182/2011.***

2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No. 182/2011 shall apply.

Justification

The wording of the 'Standardised Provisions' agreed on between the institutions regarding implementing acts shall be used.

EXPLANATORY STATEMENT

1. Regulatory framework and brief historical background

Under Article 174 of the Treaty on the Functioning of the European Union (TFEU) the strengthening of the economic, social and territorial cohesion of the Union is of major importance in promoting its harmonious and balanced development. The article states that the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions, in particular island, cross-border and mountain regions.

In 1989 and 1991 the Council adopted 'Programmes of Options Specifically Relating to Remoteness and Insularity' known as POSEI.

In 1993 a similar programme was adopted covering the smaller Aegean islands. Acting on the conclusions of the European Council of December 1988 held in Rhodes, the Commission drew up a programme of action in the light of the specific conditions created by the territorial dispersion and the remote and isolated nature of the Aegean islands. Community support for the 'smaller Aegean islands' basically involves specific measures to promote the production, processing and marketing of certain agricultural products and to supply the islands with raw materials.

Since the Aegean islands were not recognised under the Treaties as outermost regions, special arrangements were adopted under a separate regulatory measure, appropriations being drawn from the same fund as for the POSEI, that is to say the European Agricultural Guarantee Fund/European Agricultural Fund for Rural Development, while measures are planned and implemented on the same basis and within the same framework.

The legal basis for the Commission's proposal for a regulation on small Aegean islands is Article 42 which states that 'the Council, on a proposal from the Commission, may authorise the granting of aid: (a) for the protection of enterprises handicapped by structural or natural conditions ...'

The proposal for a regulation under examination constitutes a further adjustment to the arrangements introduced in 1993 and subsequently modified a number of times, most recently in 2006 (Regulation 1405/2006). Under the principle of subsidiarity, the Commission adopted the proposal seeking to encourage participation in decision making for adoption and implementation of the arrangements. The Greek authorities are accordingly responsible for drawing up the support programme and submitting it to the Commission for approval. They are also able to propose changes thereto in line with the current requirements of the islands.

2. Particular circumstances on the Aegean islands

The rapporteur takes the view that the plethora of small Aegean islands is a major challenge to the policy of territorial cohesion as originally conceived under EU law and embodied in economic and social cohesion policy. The systematic and consistent reference to the special territorial characteristics of various EU sub-units and the implications thereof for their socio-

economic and ecological development should be reflected in a clear framework for establishment of the required objectives and the formulation of suitable policies. In planning terms this means operational interoperability between individual territorial units and measures to bridge the gap between them and make them more accessible. Action to enhance the relative advantages of each region and, where appropriate, achieve greater specialisation in economic, social and environmental terms, as well as overcoming disadvantages, is a precondition for the conservation of territorial diversity and greater cohesion. Furthermore, the functional differences between EU territorial units mean that they are interactive, interdependent and complementary. They do not always follow a predictable course, each having its own system of work sharing and specialisation and its own links with other territorial units.

The dispersal of the islands and their position in relation to each other within the archipelago is an obstacle to supply and trade, resulting in greatly increased transport costs. Existing transport networks are inadequate and undermined by structural weaknesses (ageing fleets, high fares) resulting in 'dual insularity', the smaller islands being supplied from other more central islands. Limited size, lack of accessibility both within and without, declining and ageing populations, lack of basic commodities and public services (water, electricity, heating) and geophysical and climatic conditions (rocky soil, scattered farms, drought and high winds) are what set the Aegean islands apart.

They are also situated on the EU's external borders. The particularly difficult farming conditions on the smaller Aegean islands are being compounded by external pressures as a result of (illegal) migration.

3. The Commission's proposal for a regulation

Successive amendments to the existing regulation, the development of EU law, experience gained from the implementation thereof in practice and the new regulatory framework established following the entry into force of the Lisbon Treaty all make it necessary to reformulate certain provisions and restructure the proposal.

The Commission proposal is one of the measures being introduced with a view to updating EC/EU legislation following the changes introduced by the Lisbon Treaty. Specifically, a number of provisions of Council Regulation (EC) No 1405/2006 are brought into line with the provisions of the new Articles 290 (delegated acts) and 291 (implementing acts) of the TFEU.

The Commission proposal is not seeking to introduce major changes. It is expected to produce a report in 2011 on the impact of special measures to date and recommend amendments to the substance thereof.

The proposed rewording clarifies the objectives of the regulation and seeks to restructure the text of the legislation for implementation purposes.

A special mention should be made of the Commission proposal to increase by 20% budget appropriations for Greece under the special supply arrangements. In accordance with the

findings of the report by the European Court of Auditors regarding special measures for the outermost regions and smaller Aegean islands (Special Report 10/2010), the Commission recognises that there has since 2007 been an increased need for basic commodities because of developments in the livestock sector and demographic pressures. The increase proposed by the Commission does not involve an increase in the total budget, which remains the same as in previous years. Notwithstanding the advantages of this proposal, it may also have substantial drawbacks, involving deductions from funding previously earmarked for special agricultural support measures

In the financial statement accompanying the proposal funding is entered under two budget headings in the first pillar (direct aid) of the common agricultural policy (European Agricultural Guarantee Fund).

4. Rapporteur's proposals

The rapporteur takes the observations of the European Court of Auditors particularly seriously regarding implementation in practice and the overall effectiveness of the measure. The programme of action for Greece must reflect the economic analysis of the needs of farming in the Aegean islands, providing overall strategy which clearly establishes the relationship between the various measures proposed and the overall objectives and the intended effect.

Agriculture as perceived today is inextricably linked with sustainable economic, social and ecological development. Agriculture in the Aegean islands must be carried out in such a way as to ensure that the local economy does not become excessively dependent on its principal source of revenue, tourism, concentrating instead on conserving valuable natural and cultural resources.

However, the Commission proposal laying down specific measures in favour of agriculture in the smaller Aegean islands seeks to reword rather than amend the existing regulation. Any proposals by the European Parliament must take into account the regulatory scope of the arrangements, for which funding is entered under the first pillar of the CAP.

A systematic approach, an in-depth analysis of existing needs and a clear strategy are necessary to deal with the ongoing structural weaknesses of agriculture in the Aegean islands. In their present form, current aid arrangements for the smaller Aegean islands cannot and should not be used alone to meet the above challenges. The rapporteur calls for a fundamental review thereof, incorporating measures to protect the environment, increase the agricultural dimension of tourism and strengthen agricultural infrastructures.

Closer cooperation across the board with the new local administrative structures in Greece should make it possible to implement the measures more effectively and in accordance with the actual farming requirements in the Aegean islands.

The rapporteur also considers it admissible for aid to be linked to production, the objective thereof being to encourage local, mainly traditional, PDO and PGI products.

Concerning the adequacy of funding for farm production and special supply arrangements,

the Court of Auditors has made it clear that available budget appropriations are failing to make a substantial contribution to achieving the objectives sought. In principle, the rapporteur endorses the Commission proposal to increase budget appropriations for the special supply arrangements while taking the view that this should not be at the expense of appropriations earmarked for local production. Given the criticisms of the Court of Auditors, it is also necessary to increase by 30% or €1.64 million the annual funding for special supply arrangements as opposed to the 20% or €1.09 million proposed by the Commission. Furthermore, the rapporteur takes the view that funding for local production must be increased accordingly (by 30% or €5.54 million), bringing the total budget for this measure to €31.11 million (a €7.17 million increase).

The rapporteur considers that, as a matter of course, measures should be included to improve the transport of agricultural products produced or processed in the Aegean islands in accordance with EU law. There can be no justification for funding the supply of basic commodities to the islands without providing funding for the subsequent transport of their produce to the EU and other outlying markets. Clearly transport of products from the smaller Aegean islands involves the same extra costs as the transport of basic commodities to them. For this reason, your rapporteur recommends that provisions regarding the special supply arrangements be implemented in the same way.

Finally, a number of technical amendments concern the wording of the provisions enable the Commission to adopt delegated acts under Article 290 TFEU or implementing acts under Article 291 TFEU. Given that 'standard provisions' have already been agreed between the institutions with a view to ensuring uniform wording, these amendments adequately replace the text of the Commission proposal. Similarly, the expression 'uniform conditions', which occurs frequently in the Commission proposal in connection with implementing acts, in fact relates to delegated acts alone and should therefore be replaced accordingly.

PROCEDURE

Title	Specific measures in favour of agriculture in the smaller Aegean islands (recast)
References	COM(2010)0767 – C7-0003/2011 – 2010/0370(COD)
Date submitted to Parliament	17.12.2010
Committee responsible Date announced in plenary	AGRI 18.1.2011
Committee(s) asked for opinion(s) Date announced in plenary	JURI 18.1.2011
Not delivering opinions Date of decision	JURI 3.10.2011
Rapporteur(s) Date appointed	Georgios Papastamkos 26.1.2011
Discussed in committee	27.6.2011
Date adopted	26.9.2011
Result of final vote	+: 29 –: 0 0: 6
Members present for the final vote	John Stuart Agnew, Richard Ashworth, Liam Aylward, José Bové, Luis Manuel Capoulas Santos, Vasilica Viorica Dăncilă, Michel Dantin, Paolo De Castro, Albert Deß, Herbert Dorfmann, Robert Dušek, Lorenzo Fontana, Iratxe García Pérez, Sergio Gutiérrez Prieto, Martin Häusling, Esther Herranz García, Peter Jahr, Elisabeth Jeggle, Jarosław Kalinowski, Elisabeth Köstinger, Gabriel Mato Adrover, Mairead McGuinness, Krisztina Morvai, James Nicholson, Rareş-Lucian Niculescu, Wojciech Michał Olejniczak, Georgios Papastamkos, Marit Paulsen, Britta Reimers, Ulrike Rodust, Alfreds Rubiks, Giancarlo Scottà, Czesław Adam Siekierski, Sergio Paolo Francesco Silvestris, Alyn Smith
Substitute(s) present for the final vote	Luís Paulo Alves, Spyros Danellis, Vincenzo Iovine, Giovanni La Via, Maria do Céu Patrão Neves, Jacek Włosowicz
Date tabled	3.10.2011