

Regulation (EU) No 229/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in favour of the smaller Aegean islands and repealing Council Regulation (EC) No 1405/2006

## CHAPTER I

### SUBJECT MATTER AND OBJECTIVES

#### *Article 1*

##### **Subject matter**

- 1 This Regulation lays down specific measures for agriculture to mitigate the difficulties caused by the insularity, small size and distance from markets of the smaller Aegean islands ('the smaller islands').
- 2 For the purposes of this Regulation 'the smaller islands' means any islands in the Aegean Sea except the islands of Crete and Evia.

#### *Article 2*

##### **Objectives**

- 1 The specific measures provided for in Article 1 shall help to meet the following objectives:
  - a guaranteed supply to the smaller islands of products essential for human consumption or for processing and as agricultural inputs by mitigating the additional costs incurred due to their insularity, small size and distance from markets;
  - b the preservation and development of agricultural activities in the smaller islands, including the production, processing, marketing and transport of local raw and processed products.
- 2 The objectives set out in paragraph 1 shall be implemented by means of the measures referred to in Chapters III, IV and V.

## CHAPTER II

### SUPPORT PROGRAMME

#### *Article 3*

##### **Establishing the support programme**

- 1 The measures provided for in Article 1 shall be defined by a support programme comprising:
  - a specific supply arrangements as provided for in Chapter III; and
  - b specific measures to assist local agricultural production as provided for in Chapter IV.

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2 The support programme shall be established at the geographical level which Greece deems to be the most appropriate. It shall be prepared by the competent local and regional authorities designated by Greece, 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.

#### *Article 4*

### **Compatibility and consistency**

1 Measures taken under the support programme shall comply with Union law. Such measures shall be consistent with other Union policies and with the measures taken under such policies.

2 Consistency of the measures taken under the support programme with measures implemented under other instruments of the common agricultural policy, and in particular the common organisations of markets, rural development, product quality, animal welfare and the protection of the environment, shall be ensured.

In particular, no measure under this Regulation shall be financed as:

- a additional support for premium or aid schemes under a common organisation of the market, save in exceptional cases, justified by objective criteria;
- b support for research projects, measures to support research projects or measures eligible for Union financing under Council Decision 2009/470/EC of 25 May 2009 on expenditure in the veterinary field<sup>(1)</sup>;
- c support for measures within the scope of Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)<sup>(2)</sup>.

#### *Article 5*

### **Content of the support programme**

The support programme shall comprise:

- (a) a schedule for the implementation of the measures and a general annual indicative financing table showing the resources to be deployed;
- (b) proof of the compatibility and consistency between the various measures under the programme and with the criteria and quantitative indicators to be used for monitoring and evaluation;
- (c) the steps taken to ensure that the programme is implemented effectively and appropriately, including the arrangements for publicity, monitoring and evaluation, and a specified set of quantified indicators for use in programme evaluation;
- (d) the designation of the competent authorities and bodies responsible for implementing the programme and the designation at the appropriate levels of authorities or associated bodies and socio-economic partners, and the results of consultations held.

## Article 6

### Approval and amendments of the programme

1 The support programme is established under Regulation (EC) No 1405/2006 and is financed under the financial allocation referred to in Article 18(2) and (3).

The programme comprises a forecast supply balance indicating the products, the quantities thereof and the amount of aid for supply from the Union together with a draft programme of support for local production.

2 Depending on the annual evaluation of the implementation of measures included in the support programme, Greece may submit to the Commission duly substantiated proposals for amendments to those measures 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 implementing acts laying down the procedures for assessing whether the amendments proposed comply with Union law and for deciding whether to approve them. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 22(2).

3 The procedures laid down by the implementing acts referred to in paragraph 2 may take account of the following elements: the importance of the modifications proposed by Greece with reference to the introduction of new measures, whether the changes to the budget allocated to the measures are substantial, changes in the quantities and in the level of aid for products in the forecast supply balances and any amendments to codes and descriptions laid down in Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff<sup>(3)</sup>.

4 The implementing acts referred to in paragraph 2 shall also determine, for each procedure, the frequency with which requests for amendments are to be made, as well as the time frames within which the approved amendments are to be implemented.

## Article 7

### Monitoring and follow-up

Greece shall conduct verifications by means of administrative and on-the-spot checks. The Commission shall adopt implementing acts regarding the minimum characteristics of the checks to be carried out by Greece.

The Commission shall also adopt implementing acts regarding the procedures and physical and financial indicators in order to ensure that the implementation of the programmes is monitored in an effective manner.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 22(2).

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## CHAPTER III

### SPECIFIC SUPPLY ARRANGEMENTS

#### *Article 8*

#### **Forecast supply balance**

1 Specific supply arrangements are hereby established for the Union's 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.

2 Greece shall establish, at the geographical level which it deems most appropriate, a forecast supply balance so as to quantify the annual supply requirements for the smaller islands with regard to the agricultural products.

A separate forecast balance may be drawn up for the requirements of undertakings packaging and processing products intended for the local market, for consignment to the rest of the Union or for export to third countries as part of regional trade, in accordance with Article 13(2) and (3), or within the context of traditional trade flows.

#### *Article 9*

#### **Operation of the specific supply arrangements**

1 Aid shall be granted to supply the smaller islands with agricultural products.

The amount of the aid shall be determined for each product concerned, taking account of the additional costs of marketing products in the smaller islands, calculated from the usual ports of shipment in mainland Greece, and from the ports of islands of transit or of loading for the islands of final destination. In the case of agricultural inputs and products intended for processing, such aid should take account of the additional costs associated with insularity, small size and distance from markets.

2 The specific supply arrangements shall only apply to products of sound, fair and marketable quality.

#### *Article 10*

#### **Implementation**

In implementing the specific supply arrangements, account shall be taken, in particular, of the following:

- (a) the specific needs of the smaller islands and the precise quality requirements;
- (b) traditional trade flows with ports in mainland Greece and between the islands in the Aegean Sea;
- (c) the economic aspect of the proposed aid;
- (d) where applicable, the need not to obstruct the development of local products.

## Article 11

### Certificates

1 The aid provided for in Article 9(1) shall be granted on presentation of a certificate.

Certificates shall be issued only to operators entered in a register held by the competent authorities.

Those certificates shall not be transferable.

2 No security shall be required when applying for a certificate. 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 as referred to in Article 12. In such cases, Article 34(1), (4), (5), (6), (7) and (8) of Commission Regulation (EC) No 376/2008 of 23 April 2008 laying down common detailed rules for the application of the system of import and export licences and advance fixing certificates for agricultural products<sup>(4)</sup> shall apply.

The Commission shall be empowered to adopt delegated acts, in accordance with Article 21, determining the conditions for recording operators in the register and providing for the full exercise by operators of their rights to participate in the specific supply arrangements.

3 The Commission shall adopt implementing acts concerning the measures necessary to ensure the uniform application by Greece of this Article, specifically relating to the introduction of the system of certificates, and the commitment undertaken by operators at the time of registration. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 22(2).

## Article 12

### Impact of advantage

1 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 who, as appropriate, may be the consumer in the case of products meant for direct consumption, the end processor or packager in the case of products meant for the processing or packaging industries, or farmers in the case of products used for animal feed or as agricultural inputs.

The advantage referred to in the first subparagraph shall be equal to the amount of the aid.

2 In order to ensure that paragraph 1 is applied in a uniform manner, the Commission shall adopt implementing acts regarding the application of the rules set out in paragraph 1 and more specifically regarding the conditions for the 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 22(2).

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### Article 13

#### **Export to third countries and dispatch to the rest of the Union**

1 The Commission shall adopt implementing acts establishing the requirements in accordance with which products covered by the specific supply arrangements may be exported to third countries or dispatched to the rest of the Union. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 22(2).

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

Exports to third countries of products covered by the specific supply arrangements shall not be subject to the presentation of a certificate.

2 The first subparagraph of paragraph 1 shall not apply to products processed in the smaller islands from products that have benefited from the specific supply arrangements which are:

- a exported to third countries or dispatched to the rest of the Union within the limits of traditional exports and traditional dispatches;
- b exported to third countries as part of regional trade in accordance with the destinations and detailed provisions to be determined by the Commission;
- c dispatched between the smaller islands.

Exports to third countries of products referred to in points (a) and (b) of the first subparagraph shall not be subject to the presentation of a certificate.

No export refund shall be granted on the export of products referred to in points (a) and (b) of the first subparagraph.

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 22(2).

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

### Article 14

#### **Controls and penalties**

1 The agricultural products which are the subject of the specific supply arrangements shall be subject to administrative checks at the time that they enter the smaller islands as well as when they are exported or dispatched.

The Commission shall adopt implementing acts concerning 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 22(2).

2 Except in cases of *force majeure* or exceptional climatic conditions, if an operator, as referred to in Article 11, fails to comply with the commitments made in accordance with that Article, the competent authority, without prejudice to any penalties applicable under national law, shall:

- a recover the advantage granted to the operator;
- b temporarily suspend or revoke the operator's registration, depending on the seriousness of the non-compliance.

3 Except in cases of *force majeure* or exceptional climatic conditions, where operators, as referred to in Article 11, do not carry out the planned entry, their entitlement to apply for certificates shall be suspended by the competent authority for a period of 60 days following expiry of that certificate. After the suspension period, the issue of subsequent certificates shall be subject to the lodging of a security equal to the amount of the advantage to be granted during a period to be determined by the competent authority.

The competent authority shall adopt the measures required to reutilise any quantities of products made available as a result of non-execution, partial execution or cancellation of the certificates issued or recovery of the advantage.

## CHAPTER IV

### MEASURES TO ASSIST LOCAL AGRICULTURAL PRODUCTS

#### *Article 15*

#### **Measures**

1 The support programme contains the measures necessary in order to ensure continuity and development of local lines of agricultural production in the smaller islands under the scope of Part Three, Title III of the Treaty.

2 The part of the programme which includes measures to assist local agricultural production shall comprise at least the following elements:

- a a quantified description of the current agricultural production situation, taking into account the results of available evaluations, showing disparities, gaps and potential for development and the financial resources deployed;
- b a description of the strategy proposed, the priorities selected, its quantified general and operational objectives, and an appraisal showing the expected economic, environmental and social impact, including employment effects;
- c a description of the measures envisaged, and in particular aid schemes for implementing them, and, where appropriate, information on the need for any studies, demonstration projects, training or technical assistance operations relating to the preparation, implementation or adaptation of the measures concerned;
- d a list of the aid constituting direct payments in accordance with Article 2(d) of Council Regulation (EC) No 73/2009 of 19 January 2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers<sup>(5)</sup>;
- e the aid amount established for each measure and the provisional amount for each action in order to achieve one or more objectives for the programme.

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3 The Commission shall adopt implementing acts concerning requirements for the provision of the aid described in paragraph 2. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 22(2).

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

Each measure may include a variety of actions. For each action, the programme shall define at least the following elements:

- a the beneficiaries;
- b the eligibility conditions;
- c the unit amount of aid.

The Commission shall adopt delegated acts in accordance with Article 21 concerning the conditions for establishing the amount of aid awarded in respect of the support for the marketing and transport of raw and processed products outside the region in which they are produced, and, where appropriate, concerning the conditions for establishing the quantities of products subject to that aid.

#### Article 16

### Controls and wrongful payments

1 Verification of measures provided for in this Chapter shall be conducted by administrative and on-the-spot checks.

2 In the event of wrongful payments, the beneficiary concerned shall be required to reimburse the amounts in question. Article 80 of Commission Regulation (EC) No 1122/2009 of 30 November 2009 laying down detailed rules for the implementation of Council Regulation (EC) No 73/2009 as regards cross-compliance, modulation and the integrated administration and control system, under the direct support schemes for farmers provided for that Regulation, as well as for the implementation of Council Regulation (EC) No 1234/2007 as regards cross-compliance under the support scheme provided for the wine sector<sup>(6)</sup> shall apply *mutatis mutandis*.

## CHAPTER V

### ACCOMPANYING MEASURES

#### Article 17

### State aid

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 alleviating the specific constraints on farming in the smaller islands as a result of their insularity, small size, mountainous terrain and climate, their economic dependency on a small number of products and their distance from markets.

2 Greece may grant additional financing for the implementation of the support programme. In such cases, Greece shall notify the Commission of the State aid and the

Commission may approve it in accordance with this Regulation as part of the support programme. Aid thus notified shall be deemed to have been notified within the meaning of the first sentence of Article 108(3) of the Treaty.

3 Without prejudice to paragraphs 1 and 2 of this Article and by way of derogation from Article 180 of Regulation (EC) No 1234/2007 and Article 3 of Council Regulation (EC) No 1184/2006 of 24 July 2006 applying certain rules of competition to the production of and trade in agricultural products<sup>(7)</sup>, Articles 107, 108 and 109 of the Treaty shall not apply to payments made under Chapters III and IV of this Regulation by Greece in conformity with this Regulation.

## CHAPTER VI

### FINANCIAL PROVISIONS

#### *Article 18*

##### **Financial resources**

1 The measures provided for in this Regulation shall constitute intervention intended to stabilise the agricultural markets within the meaning of Article 3(1)(b) of Council Regulation (EC) No 1290/2005 of 21 June 2005 on the financing of the common agricultural policy<sup>(8)</sup>.

2 The Union shall finance the measures provided for in Chapters III and IV up to a maximum annual amount of EUR 23,93 million.

3 The amount allocated annually to finance the specific supply arrangements referred to in Chapter III shall not exceed EUR 7,11 million.

The Commission shall adopt implementing acts establishing the requirements in accordance with which Greece may amend the allocation of resources allocated each year to the various products benefiting from the specific supply arrangements. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 22(2).

4 The Commission shall adopt delegated acts, in accordance with Article 21, concerning the conditions for determining the annual maximum amount which may be allocated to measures for financing studies, demonstration projects, training and technical assistance, provided that such allocation is reasonable and proportionate.

## CHAPTER VII

### GENERAL AND FINAL PROVISIONS

#### *Article 19*

##### **National measures**

Greece shall take the measures necessary to ensure compliance with this Regulation, in particular as regards checks and administrative penalties, and shall inform the Commission thereof.

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## Article 20

### Communications and reports

1 Greece shall communicate to the Commission not later than 15 February each year the appropriations made available to it which it intends to spend in the following year on implementation of the forecast supply balance and for each measure promoting local agricultural production included in the support programme.

2 Greece shall submit to the Commission no later than 30 September each year a report on the implementation of the measures provided for in this Regulation over the previous year.

3 By 31 December 2016, and thereafter every five years, the Commission shall submit a general report to the European Parliament and to the Council showing the impact of the action taken under this Regulation, accompanied, if applicable, by appropriate proposals.

## Article 21

### Exercise of the delegation

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

2 The power to adopt delegated acts referred to in Article 11(2), Article 15(4) and Article 18(4) shall be 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 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 delegation of power referred to in Article 11(2), Article 15(4) and Article 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 to revoke 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 The delegated acts adopted pursuant to Article 11(2), Article 15(4) and Article 18(4) shall enter into force only if no objection has been expressed by either 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 do not intend to raise any objections. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

## Article 22

### **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.

## Article 23

### **Repeal**

Regulation (EC) No 1405/2006 is hereby repealed.

References made to the repealed Regulation shall be construed as being made to this Regulation and shall be read in accordance with the correlation table set out in the Annex.

## Article 24

### **Entry into force**

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

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

Done at Strasbourg, 13 March 2013.

*For the European Parliament*

*The President*

M. SCHULZ

*For the Council*

*The President*

L. CREIGHTON

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- (1) OJ L 155, 18.6.2009, p. 30.
- (2) OJ L 277, 21.10.2005, p. 1.
- (3) OJ L 256, 7.9.1987, p. 1.
- (4) OJ L 114, 26.4.2008, p. 3.
- (5) OJ L 30, 31.1.2009, p. 16.
- (6) OJ L 316, 2.12.2009, p. 65.
- (7) OJ L 214, 4.8.2006, p. 7.
- (8) OJ L 209, 11.8.2005, p. 1.

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