

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 19 July 1991

Amendments to the proposals for a
COUNCIL REGULATION (EEC)
on the application of the provisions of Community law
to the Canary Islands

COUNCIL DECISION
setting up a programme of options specific to the remote
and insular nature of the Canary Islands (POSEICAN)

COUNCIL DECISION
setting up a programme of options specific to the remote and
insular nature of Madeira and the Azores (POSEIMA)

(presented by the Commission pursuant to Article 149(3)
of the EEC Treaty)

1.

Amendment to the proposal for a
COUNCIL REGULATION (EEC)
on the application of the provisions of Community law
to the Canary Islands

Recitals

Fifth recital

Whereas application of the common agricultural policy to the Canary Islands will make possible the free movement of products on the conditions applicable to mainland Spain (end of the transitional period: 31 December 1995) with the exception of the supplementary trade mechanisms as regards the supplying of the Canary Islands; whereas, in this framework, the free movement of products between the Canary Islands and the rest of Spain will be ensured; whereas full application of the common agricultural policy is subject to the entry into force of specific supply arrangements; whereas the application of this policy will have to be accompanied in addition by specific measures relating to the agricultural production of the Canary Islands; whereas it is therefore necessary to maintain the provisions of the Act of Accession relating to the application of the common agricultural policy to the Canary Islands until the entry into force of such supply arrangements with the exception of those governing the access of agricultural products originating in the Canary Islands to the other parts of the Community; whereas the provisions of Protocol 2 relating to bananas must remain in force;
(last sentence deleted)

Twelfth recital

Whereas the charge known as the "arbitrio insular - tarifa especial" applicable to products supplied by other parts of the Community on the terms set out in Article 6(3) of Protocol 2 shall not be extended beyond 31 December 1992 except as applied on a case-by-case basis, until 31 December 2000 at the latest, to be decided upon by the Council; whereas the levying of this charge on products imported into the Canary Islands from non-Community countries will have to be phased out from 1 January 1996 so that it is completely eliminated by 31 December 2000, without prejudice to obligations under existing arrangements;

Articles

Article 3

The common fisheries policy shall apply to the Canary Islands on the terms laid down for mainland Spain, as from the entry into force of this Regulation.

Application of the common fisheries policy shall be accompanied by specific measures designed to take account, where necessary, of the special features of Canary Islands production.

Article 5(3)

3. The rates applicable may vary depending on the category of product between 0,1% and 5%; these rates may, however, rise to 15% in the case of manufactured tobacco (CN codes 2402 10 00 and 2402 20 00). They may under no circumstances be increased by more than 15% of the initial rate. This variation in rates must in no case be such as to give rise to discrimination against products of Community origin.

Article 5(5)

5. The arrangements for exemptions adopted by the competent authorities pursuant to paragraph 4 shall be notified to the Commission, which shall inform the Member States thereof and have two months to assess their conformity with the aims defined in that paragraph. If the Commission has made no comment within that period, the arrangement shall be deemed to have been approved.

Article 5(6)

6. During 1995, the Commission, after consulting the Spanish authorities, shall examine the impact of the measures taken on the economy of the Canary Islands and the prospects for their integration into the Community's customs territory. On the basis of this examination, the Spanish authorities may be authorized, in accordance with the criteria in paragraph 4 and the procedure in paragraph 5, to maintain the exemptions in force, in whole or in part, until 31 December 2000 at the latest.

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Article 6(4)

4. The charge known as the "arbitrio insular - tarifa especial" of the Canary Islands shall be applied to products supplied by other parts of the Community on the terms laid down in Article 6(3) of Protocol 2 to the Act of Accession, though it may not be continued beyond 31 December 1992. On a case-by-case basis, however, the Council may, at Spain's request and in accordance with the procedure referred to in Article 6(3) of Protocol 2, authorize the application of this charge to certain sensitive products until 31 December 2000 at the latest. Without prejudice to obligations arising out of existing agreements, the levying of this charge on imported products originating in non-Community countries shall be phased out from 1 January 1996 so as to be completely eliminated by 31 December 2000.

Article 10(3)

3. The provisions of Protocol 2 to the Act of Accession relating to bananas shall continue to apply. (second sentence deleted)

11.

Amendment to the proposal for a

COUNCIL DECISION

setting up a programme of options specific to the remote
and insular nature of the Canary Islands (POSEICAN)

Recitals

Eighth recital

Whereas, for the same reasons and as part of the phased introduction of the common customs tariff, there is a need to create the possibility of special tariff or derogations from the common commercial policy for certain sensitive products, in particular with regard to quantitative restrictions, bearing in mind the free-trade historical regime of the Canary Islands; whereas customs arrangements may also prove to be appropriate for the regime applicable to the Canary Islands free zones;

Articles

Article 1

Council

1. Pursuant to Article 9 of Regulation (EEC) No .../91, an action programme for the Canary Islands (Programme of options specific to the remote and insular nature of the Canary Islands), hereinafter referred to as the "POSEICAN programme" and set out in the Annex, is hereby established. This programme shall cover legislative measures and financial commitments.

Annex

Paragraph 6.3

6.3. Temporary restrictions may be applied, at sensitive times, on a phasing-out basis, to potatoes delivered to the Canary Islands for a period of ten marketing years.

Paragraph 6.5

6.5. To avoid any deflection of trade, products covered by the measures referred to in paragraph 6.2. may not be re-dispatched in an unaltered state to other parts of the Community. Where the products in question are processed in the Canary Islands, this ban shall not apply to the traditional export of Canary Island products to the rest of the Community.

Paragraph 7.1

7.1. At the request, with supporting documents, of the competent Spanish authorities, specific tariff measures or derogations from the common commercial policy will be considered regarding quantitative restrictions in particular, on a case-by-case basis, for certain sensitive products, as follows:

- (two indents unchanged)

Paragraph 9

(second subparagraph deleted)

Paragraph 12

12. The Commission will report annually to the European Parliament and the Council on progress in the implementation of the POSEICAN programme and, where appropriate, propose any adjustment measures that are necessary to achieve the objectives defined in Title I.

III. Amendment to the proposal for a

COUNCIL DECISION

setting up a programme of options specific to the remote and insular nature of Madeira and the Azores (POSEIMA)

Citations

First citation

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 43, 113 and 235 thereof

Second citation

Having regard to the Act of Accession of Spain and Portugal, and in particular Article 234(3) thereof,

Recitals

Tenth recital

Whereas Community rules must take account of the specific nature of the Azores and Madeira and encourage their economic and social development, particularly in those areas where the fragile nature of island territories is particularly acute, such as transport, fisheries, taxation, the social sector, research and development, or the protection of the environment in view of the vulnerability of the Azores and Madeira to the risks of environmental or natural disasters;

Twelfth recital

Whereas it is important, within the framework of the common transport policy guidelines, to provide regular transport links at the lowest possible cost to alleviate the drawbacks of remoteness and the island location; whereas air transport is an instrument of regional development and the most appropriate forms of greater liberalization should be sought, notably under partnership arrangements;

Seventeenth recital

Whereas the special production conditions in the Azores and Madeira require that particular attention be paid to applying the common agricultural policy to this region; whereas appropriate measures are needed to assist the development of the fruit and vegetable and flowers and live plant sectors; whereas these measures will have to promote the growing of tropical products in particular; whereas special attention will have to be given to Madeira bananas in view of their crucial economic and social importance for the island and with due account for aspects relating to ecological balance and the countryside; whereas other market and structural measures will also be required to support these traditional products, in view of the overwhelming importance of the milk sector in the economic activity of the Azores and its role, which is difficult to replace, as a factor in maintaining the working population in the archipelago;

New recital inserted after seventeenth recital.

Whereas it is necessary to take measures in the fisheries sector in view of its economic and social importance for the two archipelagos;

Annex

Paragraph 6

6. Directives or other measures adopted in connection with the internal market and other common policies will have to take account of the special characteristics of the Azores and Madeira and make their economic and social development possible, particularly in the fields of transport, fisheries and taxation, social matters, research and technological development (without prejudice to the Community framework programme on this topic), and protection of the environment.

Paragraph 8

8. Within the framework of Community transport policy guidelines, the Community and Portugal will as far as possible introduce schemes designed to enable the many different Community airlines, particularly regional airlines, to serve the Azores and Madeira in the interests of their development.

Paragraph 9.2

9.2. In the case of essential agricultural products for consumption or processing in the two regions, this Community action will, within the limits of market requirements of the Azores and Madeira and taking into account local production and traditional trade flows, and making sure that the proportion of Community supplies of the products concerned is maintained, consist in:

- exempting from levies and/or customs duties and the amounts specified in Article 240 of the Act of Accession products originating in third countries;
- permitting $\overline{1} \dots \overline{7}$ on equivalent terms, without application of the amounts laid down in the aforementioned Article 240, the supply of Community products taken into intervention storage or available on the Community market.

The principles underlying the application of this system will be as follows:

- the quantities covered by this supply system will be determined annually in supply estimates;
- in order to ensure that these measures have an impact on the level of production costs and consumer prices, a mechanism will have to be set up to monitor this impact up to the end user stage;
- with respect to raw sugar supplies for the Azores, the system will be applicable until such time as local production of sugar beet is sufficient to satisfy local market needs and as long as the total volume of sugar refined in the Azores does not exceed 10 000 tonnes;
- with respect to supplies of compound feedingstuffs in the Azores and Madeira, the system will be applied temporarily pending an increase in capacity and the modernization of the industry producing these feedingstuffs, subject to the limits of local market needs and taking account of the quantity of local production, in such a way as not to prejudice the industry in the region concerned. This measure may be applied for three marketing years for the products coming under CN Codes 2309 90 31, 33, 41, 43, 51 and 53.

Paragraph 9.3

9.3. In the Azores, for the purposes of genetic improvement, aid may be granted for the purchase of male breeding animals originating in the Community.

(products in brackets deleted)

Paragraph 10.4

10.4. Aid will be granted for three years from 1 January 1991 up to 31 December 1993. During these three years, annual Community aid will remain constant and equal to the extra cost of supplies, as defined above, in the reference year (1989). At the end of that three year period, the Commission will assess this measure and will re-examine the situation.

Paragraph 14.1

14.1. Within six months of the date on which this Decision takes effect, the Council or the Commission, as appropriate, will adopt the measures referred to in sections 14.2 to 14.9;

Paragraph 14.6

14.6. To improve the quality of agricultural products, and where appropriate fishery products; in Madeira and the Azores and to promote the marketing of such products, the Community may finance the design and promotion of a logo for each of these regions.

Paragraph 14.8

14.8. New forms of structural assistance may also be envisaged within the framework of programmes to be submitted by the Portuguese authorities, and in particular:

(a) for Madeira:

- aids to improve and diversify production and to improve product quality, particularly in the case of wine, fruit and vegetables, flowers and plants, animal products, forestry products, and the fisheries sector;

(b) for the Azores:

- aids to improve and diversify production and to improve product quality, particularly in the case of milk, animal products, fruit and vegetables, flowers and plants, wine, forestry products and the fisheries sector;
- aid to offset the additional cost of agricultural investments because of the need for protection against natural disasters and, where production has been diversified, aid for the establishment of a solidarity fund for the restoration of production potential damaged by natural disasters.

Paragraph 14.9 (new)

14.9 Apart from the specific study referred to in section 14.2, at the request of the Portuguese authorities studies will be carried out in the agricultural sector, particularly on Madeira wine and the fisheries sector. As regards the latter, the study will be carried out pursuant to Regulation (EEC) No 4028/86 as last amended by Regulations No 3944/90 and No 4042/89

Paragraph 14.9a (new)

For fishery products from the Azores, an increased aid scheme will be introduced, over a period of five years following the date of their recognition with regard to producer organizations to be set up in the five years following the date of entry into force of POSEIMA.

Paragraph 16

17. The Commission will report annually to the European Parliament and the Council on progress in the implementation of POSEIMA, and if appropriate, propose any adjustment measures deemed necessary to attain the objectives set out in Title I.



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DOCUMENTS

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