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(Acts whose publication is obligatory)

# COUNCIL REGULATION (EC) No 2248/2001

#### of 19 November 2001

on certain procedures for applying the Stabilisation and Association Agreement between the European Communities and their Member States, of the one part, and the Republic of Croatia, of the other part and for applying the Interim Agreement between the European Community and the Republic of Croatia

THE COUNCIL OF THE EUROPEAN UNION.

Having regard to the Treaty establishing the European Community, and in particular Article 133 thereof,

Having regard to the proposal from the Commission,

#### Whereas:

- (1) The Council is in the process of concluding a Stabilisation and Association Agreement between the European Communities and their Member States, of the one part, and the Republic of Croatia, of the other part, which was signed at Luxembourg on 29 October 2001 (hereinafter referred to as 'the Stabilisation and Association Agreement').
- Meanwhile the Council is also in the process of concluding an Interim Agreement between the European Community and the Republic of Croatia (1) signed at Luxembourg on 29 October 2001 (hereinafter referred to as the 'Interim Agreement') which will provide for the early entry into force of the trade and trade-related provisions of the Stabilisation and Association Agreement.
- It is necessary to lay down the procedures for the (3) application of certain provisions of these Agreements.
- These Agreements stipulate that certain products origin-(4)ating in the Republic of Croatia may be imported into the Community, within the limits of tariff quotas, at a reduced or zero rate of customs duty. It is therefore necessary to lay down provisions for the calculation of the reduced rates of customs duties.
- (5) These Agreements already specify the products eligible for those tariff measures, the relevant volumes (and increases thereof), the applicable duties, periods of application and any eligibility criteria.
- Council or Commission Decisions amending the Combined Nomenclature and Taric codes do not entail any substantive changes.
- (7) In the interest of simplicity and of timely publication of regulations implementing Community tariff quotas, provision should be made for the Commission, assisted

by the Committee set up by Article 248a of Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code (2), to adopt the regulations opening and providing for the administration of the tariff quotas for fishery products. The Commission should adopt, assisted by the Committee provided for in Article 42 of Council Regulation (EC) No 1254/1999 of 17 May 1999 on the common organisation of the market in beef and veal (3), the regulations opening up and providing for the administration of the tariff quotas for 'baby-beef' products.

- Duties should be totally suspended where preferential treatment results in ad valorem duties of 1 % or less, or in specific duties of EUR 1 or less.
- This Regulation should be applied upon the entry into force or provisional application of the Interim Agreement and will remain in application upon the entry into force of the Stabilisation and Association Agreement.
- (10)The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission (4),

HAS ADOPTED THIS REGULATION:

#### Article 1

# Subject matter

This Regulation aims at defining certain procedures for the adoption of detailed rules for the implementation of various provisions of the Stabilisation and Association Agreement between the European Communities and their Member States, of the one part, and the Republic of Croatia, of the other part (hereinafter referred to as the 'Stabilisation and Association Agreement') and the Interim Agreement between the European Community and the Republic of Croatia (hereinafter referred to as the 'Interim Agreement').

<sup>(1)</sup> The Interim Agreement will be published in an Official Journal dated 14 December 2001.

<sup>(2)</sup> OJ L 302, 19.10.1992, p. 1. Regulation as last amended by Regulation (EC) No 2700/2000 (OJ L 311, 12.12.2000, p. 17).
(3) OJ L 160, 26.6.1999, p. 21.
(4) OJ L 184, 17.7.1999, p. 23.

#### Article 2

# Concessions on baby-beef

Detailed rules for the implementation of Article 14(2) of the Interim Agreement, and thereafter Article 27(2) of the Stabilisation and Association Agreement, concerning the tariff quota for 'baby-beef' products shall be adopted by the Commission in accordance with the procedure referred to in Article 3(2).

#### Article 3

#### Committee

- 1. The Commission shall be assisted by the Committee provided for in Article 42 of Regulation (EC) No 1254/1999.
- 2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC shall apply.

The period laid down in Article 4(3) of Decision 1999/468/EC shall be set at one month.

3. The Committee shall adopt its rules of procedure.

#### Article 4

# Concessions on fishery products

Detailed rules for the implementation of Article 15(1) of the Interim Agreement, and thereafter Article 28(1) of the Stabilisation and Association Agreement, concerning the tariff quotas for fish and fishery products listed in Annex Va of both Agreements, shall be adopted by the Commission in accordance with the procedure set out in Article 5(2).

# Article 5

# Committee

- 1. The Commission shall be assisted by the Customs Code Committee set up by Article 248a of Regulation (EEC) No 2913/92.
- 2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC shall apply.

The period laid down in Article 4(3) of Decision 1999/468/EC shall be set at three months.

3. The Committee shall adopt its rules of procedure.

#### Article 6

#### Tariff reductions

- 1. Subject to paragraph 2, rates of preferential duty shall be rounded down to the first decimal place.
- 2. Where the result of calculating the rate of preferential duty in accordance with paragraph 1 is one of the following, the preferential rate shall be considered a full exemption:
- (a) 1 % or less in the case of ad valorem duties, or
- (b) EUR 1 or less per individual amount in the case of specific duties.

#### Article 7

# Technical adaptations

Amendments and technical adaptations to the detailed rules on implementation adopted pursuant to this Regulation, which are necessary following changes to the Combined Nomenclature codes and to the Taric-subdivisions or arising from the conclusion of new agreements, protocols, exchanges of letters or other acts between the Community and Croatia, shall be adopted in accordance with the procedures set out in Article 3(2) and Article 5(2) of this Regulation.

#### Article 8

#### Entry into force and application

This Regulation shall enter into force on the day of its publication in the Official Journal of the European Communities.

This Regulation shall be applicable from the date of entry into force or the date of provisional application of the Interim Agreement. That date will be published in the Official Journal of the European Communities.

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

Done at Brussels, 19 November 2001.

For the Council The President L. MICHEL

# COMMISSION REGULATION (EC) No 2249/2001

#### of 20 November 2001

# establishing the standard import values for determining the entry price of certain fruit and vegetables

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Commission Regulation (EC) No 3223/94 of 21 December 1994 on detailed rules for the application of the import arrangements for fruit and vegetables (¹), as last amended by Regulation (EC) No 1498/98 (²), and in particular Article 4(1) thereof,

#### Whereas:

(1) Regulation (EC) No 3223/94 lays down, pursuant to the outcome of the Uruguay Round multilateral trade negotiations, the criteria whereby the Commission fixes the standard values for imports from third countries, in respect of the products and periods stipulated in the Annex thereto. (2) In compliance with the above criteria, the standard import values must be fixed at the levels set out in the Annex to this Regulation,

HAS ADOPTED THIS REGULATION:

#### Article 1

The standard import values referred to in Article 4 of Regulation (EC) No 3223/94 shall be fixed as indicated in the Annex hereto.

#### Article 2

This Regulation shall enter into force on 21 November 2001.

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

Done at Brussels, 20 November 2001.

ANNEX
to the Commission Regulation of 20 November 2001 establishing the standard import values for determining the entry price of certain fruit and vegetables

(EUR/100 kg)

CN code	Third country code (¹)	Standard import value
0702 00 00	052	49,4
	096	12,7
	204	46,9
	999	36,3
0707 00 05	052	92,8
	999	92,8
0709 90 70	052	99,2
	999	99,2
0805 20 10	204	75,4
	999	75,4
0805 20 30, 0805 20 50, 0805 20 70,		·
0805 20 90	052	56,8
	204	77,3
	464	174,2
	999	102,8
0805 30 10	052	50,3
	388	30,5
	524	12,5
	528	52,9
	600	60,8
	999	41,4
0808 10 20, 0808 10 50, 0808 10 90	060	32,5
	096	10,2
	400	76,8
	404	80,5
	800	199,4
	999	79,9
0808 20 50	052	103,5
	400	83,5
	999	93,5

<sup>(1)</sup> Country nomenclature as fixed by Commission Regulation (EC) No 2020/2001 (OJ L 273, 16.10.2001, p. 6). Code '999' stands for 'of other origin'.

# COMMISSION REGULATION (EC) No 2250/2001 of 20 November 2001 prohibiting fishing for cod by vessels flying the flag of Spain

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 2847/93 of 12 October 1993 establishing a control system applicable to the common fisheries policy (1), as last amended by Commission Regulation (EC) No 1965/2001 (2), and in particular Article 21(3) thereof,

#### Whereas:

- (1) Council Regulation (EC) No 2848/2000 of 15 December 2000 fixing for 2001 the fishing opportunities and associated conditions for certain fish stocks and groups of fish stocks, applicable in Community waters and, for Community vessels, in waters where limitations in catch are required (3), as amended by Commission Regulation (EC) No 1666/2001 (4), lays down quotas for cod for 2001.
- In order to ensure compliance with the provisions (2) relating to the quantity limits on catches of stocks subject to quotas, the Commission must fix the date by which catches made by vessels flying the flag of a Member State are deemed to have exhausted the quota allocated.

According to the information received by the Commission, catches of cod in the waters of ICES subareas I and II b, by vessels flying the flag of Spain or registered in Spain have exhausted the quota allocated for 2001. Spain has prohibited fishing for this stock from 27 October 2001. This date should therefore be adopted in this Regulation,

HAS ADOPTED THIS REGULATION:

#### Article 1

Catches of cod in the waters of ICES subareas I and II b, by vessels flying the flag of Spain or registered in Spain are hereby deemed to have exhausted the quota allocated to Spain for 2001.

Fishing for cod in the waters of ICES subareas I and II b, by vessels flying the flag of Spain or registered in Spain is hereby prohibited, as are the retention on board, transhipment and landing of this stock caught by the above vessels after the date of application of this Regulation.

This Regulation shall enter into force on the day following its publication in the Official Journal of the European Communities. It shall apply from 27 October 2001.

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

Done at Brussels, 20 November 2001.

OJ L 261, 20.10.1993, p. 1. OJ L 268, 9.10.2001, p. 23. OJ L 334, 30.12.2000, p. 1. OJ L 223, 18.8.2001, p. 4.

# COMMISSION REGULATION (EC) No 2251/2001

#### of 20 November 2001

amending Regulation (EC) No 2759/1999 laying down rules for the application of Council Regulation (EC) No 1268/1999 on Community support for pre-accession measures for agriculture and rural development in the applicant countries of central and eastern Europe in the pre-accession period

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1268/1999 of 21 June 1999 on Community support for pre-accession measures for agriculture and rural development in the applicant countries of central and eastern Europe in the pre-accession period (1), and in particular Article 12(1) thereof,

Whereas:

- Commission Regulation (EC) No 2759/1999 (2), as (1) amended by Regulation (EC) No 2356/2000 (3), laying down rules for the application of Regulation (EC) No 1268/1999, fixes the grant to producer groups as a percentage of marketed production. It is appropriate to allow these percentages to constitute a ceiling within which the actual amount may be set, in order to increase the flexibility in determining the assistance granted to producer organisations.
- (2) Article 8(2) of Regulation (EC) No 2759/1999 set the date on which the rural development plan was submitted to the Commission as the starting point of eligibility of expenditure. In order to ensure coherence with the agreements concluded with applicant countries, which foresee that only expenditure paid by the Agency from the date of the Commission conferring financial management on that Agency is eligible, this provision should be changed accordingly.
- (3) According to external aid rules in the manual of instructions 'Contracts for works, supplies and services concluded for the purposes of Community cooperation with third countries' (4), support for investment requires all services, works, machinery and supplies to originate only in the Community or in applicant countries; if so requested, the final beneficiary should be able to estab-

lish the origin of inputs into works or service contracts financed under the present instrument, using any admissible means of evidence.

The measures provided for in this Regulation are in (4) accordance with the opinion of the Agricultural Structures and Rural Development Committee,

HAS ADOPTED THIS REGULATION:

#### Article 1

Regulation (EC) No 2759/1999 is amended as follows:

- 1. In Article 6(4), the first sentence is replaced by the following:
  - The aid referred to in paragraph 3 shall be determined for each producer organisation on the basis of its annual marketed production and shall not exceed:
- 2. In Article 8(2), the first subparagraph is replaced by the following:
  - Only expenditure paid by the Agency from the date of the Commission decision conferring financial management on that Agency, or the date(s) specified therein, shall be eligible for Community support. For a project to be eligible for Community support, all services, works, machinery and supplies shall originate in the Community or in the applicant countries; if so requested, the final beneficiary shall be able to establish the origin of the inputs into works or service contracts, using any admissible means of evidence.'

# Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

OJ L 161, 26.6.1999, p. 87. OJ L 331, 23.12.1999, p. 51. OJ L 272, 25.10.2000, p. 13. SEC (1999) 1801/2.

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

Done at Brussels, 20 November 2001.

# COMMISSION REGULATION (EC) No 2252/2001

#### of 20 November 2001

amending Regulation (EC) No 2222/2000 laying down financial rules for the application of Council Regulation (EC) No 1268/1999 on Community support for pre-accession measures for agriculture and rural development in the applicant countries of central and eastern Europe in the pre-accession period

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1268/1999 of 21 June 1999 on Community support for pre-accession measures for agriculture and rural development in the applicant countries of central and eastern Europe in the pre-accession period (1), and in particular Article 9(2) and Article 12(2) thereof,

Whereas:

- Article 2(g) of Commission Regulation (EC) No 2222/ 2000 (2) laying down financial rules for the application of Regulation (EC) No 1268/1999 indicates that the annual financing agreement amends, as appropriate, provisions laid down in the multi-annual financing agreement. A possibility for an annual financing agreement also to amend, as appropriate, provisions laid down in another prior annual financing agreement, inter alia, the period of commitment, should be provided for.
- (2) Article 7(3) of Regulation (EC) No 2222/2000 provides that the Commission shall apply the decommitment rule set out in Article 31(2) of Council Regulation (EC) No 1260/1999 (3), as amended by Regulation (EC) No 1447/2001 (4), laying down general provisions on the Structural Funds. As no Commission decision conferring management to agencies in applicant countries could be taken in 2000 it is appropriate to extend the limit date for decommitment of the 2000 commitment.
- Article 9(1) of Regulation (EC) No 2222/2000 limits (3) eligibility to expenditure paid by beneficiaries from the date of the Commission decision conferring financial management on the agency designated by the applicant country. In order to permit a smooth introduction of the system provided for in Regulation (EC) No 1268/1999

and to enable concerned parties to benefit properly from it, it is appropriate to exclude from this provision expenditure on feasibility and related studies concerning selected projects and expenditure incurred under technical assistance.

- Article 11(3) of Regulation (EC) No 2222/2000 provides for no charges to be levied on interest earned by the Sapard euro account, except those of a fiscal nature. However, in order to ensure the full use of Community funds for Sapard objectives, this exception should also be eliminated.
- (5) The measures provided for in this Regulation are in accordance with the opinion of the Committee of the European Agriculture Guarantee and Guidance Fund (EAGGF),

HAS ADOPTED THIS REGULATION:

#### Article 1

Regulation (EC) No 2222/2000 is amended as follows:

- 1. Article 2(g) is replaced by the following:
  - '(g) "annual financing agreement" means the agreement setting out the financial allocation for the year in question on the basis of the appropriations entered in the Community budget and supplementing and amending, as appropriate, provisions laid down either in the multiannual financing agreement or in a prior annual financing agreement;'.
- 2. The following subparagraph is added to Article 7(3):

By way of derogation from the first subparagraph, the Commission shall automatically decommit any part of the commitment corresponding to the year 2000 which has not been settled by the payment on account or for which it has not received an acceptable payment application, by 31 December 2003 at the latest.'

OJ L 161, 26.6.1999, p. 87. OJ L 253, 7.10.2000, p. 5. OJ L 161, 26.6.1999, p. 1. OJ L 198, 21.7.2001, p. 1.

- 3. Article 9(1), second indent, is replaced by the following:
  - '— be based on declarations of expenditure incurred by the beneficiary. Such declarations shall include only projects selected and expenditure paid from the date of the Commission decision referred to in Article 3(1), except for feasibility and related studies concerning the selected projects and for technical assistance.'
- 4. Article 11(3) is replaced by the following:
  - '3. Interest earned on the Sapard euro account shall be used exclusively for the programme. Such interest shall not be subject to reduction due to any charges.'

#### Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

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

Done at Brussels, 20 November 2001.

# COMMISSION REGULATION (EC) No 2253/2001

#### of 20 November 2001

# prohibiting fishing for sprat by vessels flying the flag of Sweden

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 2847/93 of 12 October 1993 establishing a control system applicable to the common fisheries policy (1), as last amended by Regulation (EC) No 1965/2001 (2), and in particular Article 21(3) thereof,

#### Whereas:

- Council Regulation (EC) No 2848/2000 of 15 December (1)2000 fixing for 2001 the fishing opportunities and associated conditions for certain fish stocks and groups of fish stocks, applicable in Community waters and, for Community vessels, in waters where limitations in catch are required (3), as amended by Commission Regulation (EC) No 1666/2001 (4), lays down quotas for sprat for 2001.
- In order to ensure compliance with the provisions (2) relating to the quantity limits on catches of stocks subject to quotas, the Commission must fix the date by which catches made by vessels flying the flag of a Member State are deemed to have exhausted the quota allocated.
- According to the information received by the Commis-(3) sion, catches of sprat in the waters of ICES divisions IIa and IV (EC waters) by vessels flying the flag of Sweden

or registered in Sweden have exhausted the quota allocated for 2001. Sweden has prohibited fishing for this stock from 9 November 2001. This date should be adopted in this Regulation also,

HAS ADOPTED THIS REGULATION:

#### Article 1

Catches of sprat in the waters of ICES divisions IIa and IV (EC waters) by vessels flying the flag of Sweden or registered in Sweden are hereby deemed to have exhausted the quota allocated to Sweden for 2001.

Fishing for sprat in the waters of ICES divisions IIa and IV (EC waters) by vessels flying the flag of Sweden or registered in Sweden is hereby prohibited, as are the retention on board, transhipment and landing of this stock caught by the above vessels after the date of application of this Regulation.

#### Article 2

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

It shall apply from 9 November 2001.

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

Done at Brussels, 20 November 2001.

OJ L 261, 20.10.1993, p. 1. OJ L 268, 9.10.2001, p. 23. OJ L 334, 30.12.2000, p. 1. OJ L 223, 18.8.2001, p. 4.

# COMMISSION REGULATION (EC) No 2254/2001

#### of 20 November 2001

# on issuing A2 export licences for fruit and vegetables

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Commission Regulation (EC) No 1961/2001 of 8 October 2001 on detailed rules for implementing Council Regulation (EC) No 2200/96 as regards export refunds on fruit and vegetables (¹), and in particular Article 3(4) thereof,

#### Whereas:

- (1) Commission Regulation (EC) No 2102/2001 (2) set the indicative refund rates and the indicative quantities for A2 export licences, other than those applied for in the context of food aid.
- (2) For tomatoes, oranges and table grapes, in view of the economic situation and taking account of information received by operators via their applications for A2 licences, the definitive refund rates should be set at a different rate from the indicative rates. The percentages for the issuing of licences for the quantities applied for should also be set. The definitive rates may not be more than 50 % more than the indicative rates.
- (3) Pursuant to Article 3(5) of Regulation (EC) No 1961/2001, applications for rates in excess of the cor-

responding definitive rates shall be considered null and void,

#### HAS ADOPTED THIS REGULATION:

#### Article 1

- 1. For A2 export licences for which applications have been submitted pursuant to Article 1 of Regulation (EC) No 2102/2001 the actual date of application referred to in the second subparagraph of Article 3(1) of Regulation (EC) No 1961/2001 is hereby set at 21 November 2001.
- 2. The licences referred to in the first paragraph shall be issued at the definitive refund rates and at the percentages for the quantities applied for as indicated in the Annex to this Regulation.
- 3. Pursuant to Article 3(5) of Regulation (EC) No 1961/2001, applications referred to in the first paragraph for rates in excess of the corresponding definitive rates set out in the Annex shall be considered null and void.

#### Article 2

This Regulation shall enter into force on 21 November 2001.

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

Done at Brussels, 20 November 2001.

# ANNEX

Product	Definitive refund rates (EUR/t net)	Percentages for the issuing of licences
Tomatoes	30	100 %
Oranges	30	98 %
Table grapes	34	100 %

# COMMISSION REGULATION (EC) No 2255/2001

#### of 20 November 2001

# determining the world market price for unginned cotton

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Protocol 4 on cotton, annexed to the Act of Accession of Greece, as last amended by Council Regulation (EC) No 1050/2001 (1),

Having regard to Council Regulation (EC) No 1051/2001 of 22 May 2001 on production aid for cotton (2), and in particular Article 4 thereof,

#### Whereas:

- In accordance with Article 4 of Regulation (EC) No 1051/2001, a world market price for unginned cotton is to be determined periodically from the price for ginned cotton recorded on the world market and by reference to the historical relationship between the price recorded for ginned cotton and that calculated for unginned cotton. That historical relationship has been established in Article 2(2) of Commission Regulation (EC) No 1591/ 2001 of 2 August 2001 (3). Where the world market price cannot be determined in this way, it is to be based on the most recent price determined.
- In accordance with Article 5 of Regulation (EC) No 1051/2001, the world market price for unginned cotton is to be determined in respect of a product of specific characteristics and by reference to the most favourable offers and quotations on the world market among those

considered representative of the real market trend. To that end, an average is to be calculated of offers and quotations recorded on one or more European exchanges for a product delivered cif to a port in the Community and coming from the various supplier countries considered the most representative in terms of international trade. However, there is provision for adjusting the criteria for determining the world market price for ginned cotton to reflect differences justified by the quality of the product delivered and the offers and quotations concerned. Those adjustments are specified in Article 3(2) of Regulation (EC) No 1591/2001.

The application of the above criteria gives the world market price for unginned cotton determined hereinafter,

HAS ADOPTED THIS REGULATION:

#### Article 1

The world price for unginned cotton as referred to in Article 4 of Regulation (EC) No 1051/2001 is hereby determined as equalling EUR 20,143/100 kg.

#### Article 2

This Regulation shall enter into force on 21 November 2001.

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

Done at Brussels, 20 November 2001.

OJ L 148, 1.6.2001, p. 1. OJ L 148, 1.6.2001, p. 3.

OJ L 210, 3.8.2001, p. 10.

# **COMMISSION DIRECTIVE 2001/99/EC**

#### of 20 November 2001

amending Annex I to Council Directive 91/414/EEC concerning the placing of plant protection products on the market to include glyphosate and thifensulfuron-methyl as active substances

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Directive 91/414/EEC of 15 July 1991 concerning the placing of plant protection products on the market (1), as last amended by Commission Directive 2001/ 87/EC (2), and in particular Article 6(1) thereof,

#### Whereas:

- Commission Regulation (EEC) No 3600/92 of 11 (1) December 1992 laying down the detailed rules for the implementation of the first stage of the programme of work referred to in Article 8(2) of Council Directive 91/414/EEC concerning the placing of plant protection products on the market (3), as last amended by Regulation (EC) No 2266/2000 (4), laid down the detailed rules for the implementation of the first stage of the programme of work referred to in Article 8(2) of Directive 91/414/EEC (hereinafter referred to as 'the Directive'). Pursuant to Regulation (EEC) No 3600/92, Commission Regulation (EC) No 933/94 of 27 April 1994 laying down the active substances of plant protection products and designating the rapporteur Member States for the implementation of Commission Regulation (EEC) No 3600/92 (5), as last amended by Regulation (EC) No 2230/95 (6), laid down the list of active substances of plant protection products to be assessed, with a view to their possible inclusion in Annex I to the Directive.
- For glyphosate and thifensulfuron-methyl the effects on (2) human health and the environment have been assessed in accordance with the provisions laid down in Regulation (EEC) No 3600/92 for a range of uses proposed by the notifiers. Under Regulation (EC) No 933/94, Germany and France were designated as rapporteur Member States for glyphosate and thifensulfuron-methyl, respectively. The rapporteur Member States submitted the relevant assessment reports and recommendations to the Commission on 1 February 1999 (glyphosate) and on 30 April 1996 (thifensulfuron-methyl) in accordance with Article 7(1)(c) of Regulation (EEC) No 3600/92.
- These assessment reports have been reviewed by the Member States and the Commission within the Standing Committee on Plant Health. The reviews were finalised

on 29 June 2001 in the format of the Commission review reports for glyphosate and thifensulfuron-methyl.

- (4) The dossiers and the information from the reviews of glyphosate and thifensulfuron-methyl were also submitted to the Scientific Committee for Plants. No specific questions were addressed to the Committee. The Committee considered that there were no issues that it wished to raise regarding the active substances in the context of a possible inclusion in Annex I to the Directive (7). The Committee noted that absence of comment should only be interpreted as an indication of no obvious reasons necessitating comment.
- It has appeared from the various examinations made that plant protection products containing the active substances concerned may be expected to satisfy, in general, the requirements laid down in Article 5(1)(a) and (b) of the Directive, in particular with regard to the uses which were examined and detailed in the Commission review report. It is therefore appropriate to include the active substances concerned in Annex I, in order to ensure that in all Member States the authorisations of plant protection products containing the active substances concerned can be granted in accordance with the provisions of the said Directive.
- The Directive provides that after inclusion of an active substance in Ânnex I, Member States must, within a prescribed period, grant, vary or withdraw, as appropriate, the authorisations of the plant protection products containing the active substance. In particular, plant protection products should not be authorised unless account is taken of the conditions associated with the inclusion of the active substance in Annex I and the uniform principles laid down in the Directive on the basis of a dossier satisfying the prescribed data requirements.
- A reasonable period must be provided for before an active substance is included in Annex I in order to permit Member States and the interested parties to prepare themselves to meet the new requirements which will result from the inclusion. Moreover, after inclusion, a reasonable period is necessary to permit Member States to implement the provisions of the Directive on plant protection products containing glyphosate or thifensulfuron-methyl. In particular, Member States

OJ L 230, 19.8.1991, p. 1.
OJ L 276, 19.10.2001, p. 17.
OJ L 366, 15.12.1992, p. 10.
OJ L 259, 13.10.2000, p. 27.
OJ L 107, 28.4.1994, p. 8.
OJ L 225, 22.9.1995, p. 1.

<sup>(7)</sup> Minutes of the plenary of the Scientific Committee on Plants from

March 7, 2001 (glyphosate).

Minutes of the plenary of the Scientific Committee on Plants from June 7, 2001 (thifensulfuron-methyl)

must, within that period, review existing authorisations and, where appropriate, grant new authorisations in accordance with the provisions of the Directive. A longer period should be provided for the submission and assessment of the complete dossier of each plant protection product in accordance with the uniform principles laid down in the Directive. For plant protection products containing several active substances, the complete evaluation on the basis of the uniform principles can only be carried out when all the active substances concerned have been included in Annex I to the Directive.

- (8) The review report is required for the proper implementation by the Member States, of several sections of the uniform principles laid down in the Directive. It is, therefore, appropriate to provide that the finalised review reports (except for confidential information) are kept available or made available by the Member States for consultation by any interested parties. If a review report has to be updated to take account of technical and scientific developments, the conditions for the inclusion of the substance concerned in Annex I to the Directive should also be amended in accordance with the Directive.
- (9) The measures provided for in this Directive are in accordance with the opinion of the Standing Committee on Plant Health,

HAS ADOPTED THIS DIRECTIVE:

#### Article 1

Annex I to Directive 91/414/EEC shall be amended in accordance with the Annex hereto.

#### Article 2

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive, by 1 January 2003 at the latest. They shall forthwith inform the Commission thereof.

In particular they shall, in accordance with Directive 91/414/EEC, where necessary, amend or withdraw existing authorisations for plant protection products containing glyphosate or thifensulfuron-methyl as active substance by that date.

When Member States adopt this provision, they shall contain a reference to this Directive or shall be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.

- 2. With regard to evaluation and decision-making pursuant to the uniform principles provided for in Annex VI to Directive 91/414/EEC, on the basis of a dossier satisfying the requirements of Annex III thereto, the deadline for amending or withdrawing authorisations for plant protection products containing glyphosate or thifensulfuron-methyl as the only active substance shall be 1 July 2006.
- 3. For plant protection products containing glyphosate or thisensulfuron-methyl together with another active substance which is in Annex I to Directive 91/414/EEC, the period for amending or withdrawing authorisations shall expire four years after the entry into force of the Directive which amended Annex I so as to add the last of those substances to it.
- 4. Member States shall keep available the review reports for glyphosate and thifensulfuron-methyl (except for confidential information within the meaning of Article 14 of Directive 91/414/EEC) for consultation by any interested parties or shall make it available to them on specific request.

#### Article 3

This Directive shall enter into force on 1 July 2002.

#### Article 4

This Directive is addressed to the Member States.

Done at Brussels, 20 November 2001.

For the Commission

David BYRNE

Member of the Commission

The following entries shall be added at the end of the table in Annex I to Directive 91/414/EEC:

No	Common name, identification Nos	IUPAC name	Purity (1)	Entry into force	Expiration of inclusion	Specific provisions
25	Glyphosate CAS No 1071-83-6 CIPAC No 284	N-(phosphonomethyl)-glycin	950 g/kg	1 July 2002	30 June 2012	Only uses as herbicide may be authorised  For the implementation of the uniform principles of Annex VI, the conclusions of the review report on glyphosate, and in particular Appendices I and II thereof, as finalised in the Standing Committee on Plant Health on 29 June 2001 shall be taken into account. In this overall assessment Member States:  — must pay particular attention to the protection of the groundwater in vulnerable areas, in particular with respect to non-crops uses
26	Thifensulfuron-methyl CAS No 79277-27-3 CIPAC No 452	Methyl 3-(4-methoxy-6-methyl-1,3,5-triazin-2-ylcarbamoyl-sulfamoyl) thiophene-2-carboxy-late	960 g/kg	1 July 2002	30 June 2012	Only uses as herbicide may be authorised.  For the implementation of the uniform principles of Annex VI, the conclusions of the review report on thifensulfuron-methyl, and in particular Appendices I and II thereof, as finalised in the Standing Committee on Plant Health on 29 June 2001 shall be taken into account. In this overall assessment Member States:  — must pay particular attention to the protection of groundwater,  — must pay particular attention to the impact on aquatic plants and must ensure that the conditions of authorisation include, where appropriate, risk mitigation measures

ANNEX

<sup>(1)</sup> Further details on identity and specification of active substance are provided in the review report.

II

(Acts whose publication is not obligatory)

# **COUNCIL**

# DECISION No 6/2001 OF THE EU-ROMANIA ASSOCIATION COUNCIL

of 17 October 2001

adopting the terms and conditions for the participation of Romania in the 'Culture 2000' programme

(2001/802/EC)

THE ASSOCIATION COUNCIL,

Having regard to the Additional Protocol to the Europe Agreement establishing an Association between the European Communities and their Member States, of the one part, and Romania, of the other (¹), concerning Romania's participation in Community programmes, and in particular Articles 1 and 2 thereof,

#### Whereas:

- (1) According to Article 1 of the Additional Protocol, Romania may participate in Community framework programmes, specific programmes, projects or other actions in particular in the field of culture.
- (2) According to Article 2 of the said Protocol, the terms and conditions for the participation of Romania in this area are to be decided by the Association Council,

HAS DECIDED AS FOLLOWS:

#### Article 1

Romania shall participate in the 'Culture 2000' programme according to the terms and conditions set out in Annexes I and II which shall form an integral part of this Decision.

# Article 2

This Decision shall enter into force on the first day of the month following its publication in the Official Journal.

It shall apply for the duration of the 'Culture 2000' programme, starting from 1 January 2001.

Done at Brussels, 17 October 2001.

For the Association Council

The President

L. MICHEL

#### ANNEX I

#### Terms and conditions for the participation of Romania in the 'Culture 2000' programme

- 1. Romania will participate in the activities of the 'Culture 2000' programme (hereinafter called 'the Programme') in conformity, unless otherwise provided for in this Decision, with the objectives, criteria, procedures and deadlines as defined in Decision No 508/2000/EC of the European Parliament and of the Council (¹) establishing the Programme.
- 2. To participate in the Programme, Romania will pay each year a contribution to the general budget of the European Union according to the detailed arrangements described in Annex II. If necessary in order to take into account programme developments, or the evolution of Romania's absorption capacity, the Association Committee is entitled to adapt this contribution, so as to avoid a budgetary imbalance in the implementation of the programme.
- 3. The terms and conditions for the submission, assessment and selection of applications related to eligible institutions, organisations and individuals of Romania will be the same as those applicable to eligible institutions, organisations and individuals of the Community. Romanian experts may be taken into consideration by the Commission when appointing independent experts according to the relevant provisions of the decision establishing the Programme to assist it in the project evaluation.
- 4. With a view to ensuring the Community dimension of the Programme, in order to be eligible for Community financial support, projects and activities will have to include at least a partner from one of the Member States of the Community.
- 5. The maximum amount of financial support for the activities of the Cultural Contact Points will not exceed 50 % of the total budget for its activities.
- 6. Without prejudice to the responsibilities of the Commission of the European Communities and the Court of Auditors of the European Communities in relation to the monitoring and evaluation of the Programme pursuant to Article 8 of Decision No 508/2000/EC, the participation of Romania in the Programme will be continuously monitored on a partnership basis involving the Commission of the European Communities and Romania. Romania will submit to the Commission relevant reports and take part in other specific activities set out by the Community in that context.
- 7. In conformity with the Community's Financial Regulations, contractual arrangements concluded with, or by, entities of Romania shall provide for controls and audits to be carried out by, or under the authority of, the Commission and the Court of Auditors. As far as financial audits are concerned, they may be carried out for the purpose of controlling such entities' income and expenditures, related to the contractual obligations towards the Community. In a spirit of cooperation and mutual interest, the relevant authorities of Romania shall provide any reasonable and feasible assistance as may be necessary or helpful under the circumstances to perform such controls and audits.
- 8. Without prejudice to the procedures referred to in Article 5 of Decision No 508/2000/EC, representatives of Romania will participate as observers in the Management Committee for the points which concern them. This committee shall meet without the presence of representatives of Romania for the rest of the points, as well as at the time of voting.
- 9. The language to be used in all sorts of contacts with the Commission, as regards the application process, contracts, reports to be submitted and other administrative arrangements for the programme, will be one of the official languages of the Community.
- 10. The Community and Romania may terminate activities under this Decision at any time upon twelve months' notice in writing. Projects and activities in progress at the time of termination shall continue until their completion under the conditions laid down in this Decision.

#### ANNEX II

#### Financial contribution of Romania to 'Culture 2000'

1. The financial contribution to be paid by Romania to the general budget of the European Union to participate in the Programme will be the following (in euro):

			(EUR)
2001	2002	2003	2004
709 536	709 536	709 536	709 536

- 2. Romania will pay the contribution mentioned above, partly from the Romanian national budget, and partly from Romania's PHARE National Programme. Subject to a PHARE separate programming procedure, the requested PHARE funds will be transferred to Romania by means of a separate Financing Memorandum. Together with the part coming from Romania's State budget, these funds will constitute Romania's national contribution, out of which it will make payments in response to annual calls for funds from the Commission.
- 3. PHARE funds will be requested according to the following schedule:

			(EUR)
2001	2002	2003	2004
317 540	317 540	317 540	317 540

The remaining part of the contribution of Romania will come from the Romanian State budget.

4. The Financial Regulation applicable to the general budget of the European Communities will apply, in particular to the management of the contribution of Romania.

Travel costs and subsistence costs incurred by representatives and experts of Romania for the purposes of taking part as observers in the work of the committee referred to in Annex I, Point 8 or other meetings related to the implementation of the Programme shall be reimbursed by the Commission on the same basis as and in accordance with the procedures currently in force for non-governmental experts of the Member States of the European Union.

5. After the entry into force of this Decision and at the beginning of each following year, the Commission will send to Romania a call for funds corresponding to its contribution to the budget of the Programme under this Decision.

This contribution shall be expressed in euro and paid into a euro bank account of the Commission.

Romania will pay its contribution according to the call for funds:

- by 1 May for the part financed from its national budget, provided that the call for funds is sent by the Commission before 1 April, or at the latest one month after the call for funds is sent if later;
- by 1 May for the part financed from PHARE, provided that the corresponding amounts have been sent to Romania by this time, or at the latest within a period of 30 days after these funds have been sent to Romania.

Any delay in the payment of the contribution shall give rise to the payment of interest by Romania on the outstanding amount from the due date. The interest rate corresponds to the rate applied by the European Central Bank, on the due date, for its operations in euro, increased by 1,5 percentage points.

# **COMMISSION**

# **COMMISSION DECISION** of 25 April 2001

# on the State aid implemented by Finland for Ojala-Yhtymä Oy

(notified under document number C(2001) 1139)

(Only the Finnish and Swedish texts are authentic)

(Text with EEA relevance)

(2001/803/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community, and in particular the first subparagraph of Article 88(2) thereof,

Having regard to the Agreement on the European Economic Area, and in particular Article 62(1)(a) thereof,

Having called on interested parties to submit their comments pursuant to the provisions cited above (1),

Whereas:

mentary information was provided by letters dated 22 December 2000 and 20 March 2001.

- The Commission decision to initiate the procedure was published in the Official Journal of the European Communities (2) The Commission invited interested parties to submit their comments on the aid.
- The Commission received no comments from interested (5) parties.

# I. PROCEDURE

- Finland notified the Commission of the abovementioned (1) aid pursuant to Article 88(3) of the EC Treaty by letter dated 23 September 1999. The Commission requested additional information from Finland by letters dated 11 October 1999 and 8 December 1999. Finland replied by letters dated 12 November 1999 and 12 January 2000.
- According to the information received from Finland, (2) part of the planned aid had already been granted to the company at the time of the notification. Therefore, the case was registered as non-notified aid.
- By letter dated 17 April 2000, the Commission (3) informed Finland that it had decided to initiate the procedure laid down in Article 88(2) of the EC Treaty in respect of the aid. Finland submitted its comments by letters dated 17 May 2000 and 19 May 2000. Supple-

# II. DETAILED DESCRIPTION OF THE AID

- The assisted project in question is to locate a new aluminium pressure foundry in Haapajärvi to be built by Ojala-Yhtymä Oy. Haapajärvi is classified as area 2 for 2000 to 2006 for regional aid. The production facility is to have the latest state-of-the-art technology, which is not in use anywhere else in the Nordic countries. The facility will produce various components using the aluminium pressure-casting method. It will have total capacity of [...] (\*) and should be operational by the end of 2001 at the latest. Ojala-Yhtymä Oy is to employ 80 people by the end of 2001 and 100 people by the end of 2003. The investment started in 1999 and should be complete by the end of 2003.
- In 1998/1999 Ojala-Yhtymä Oy had a turnover of FIM 212 million (EUR 36 million) and made a profit of FIM 17 million (EUR 2,8 million). Finland accounts for around 95 % of the turnover. The company employed 260 people in 1999.

See footnote 1.

<sup>(2)</sup> See tootnoie 1. (\*) Confidential information.

<sup>(1)</sup> OJ C 162, 10.6.2000, p. 9.

- Ojala-Yhtymä Oy belongs to the Ojala Group. The Ojala Group produces metal components made of thin plate. The companies belonging to the Ojala Group also design, manufacture and assemble electrical, electronic and telecommunications components that incorporate the thin metal components for specific customers in the electronics and telecommunications industries. The Ojala Group operates in four locations in Finland and new production facilities are to be built in two other locations (Haapajärvi and Piippola). The Group has 620 employees and the budgeted turnover for 1999 was FIM 500 million. The Group's most important clients are [...] and its most important markets other than Finland are [...].
- Total investment in the assisted project is FIM 101,5 million (EUR 16,9 million). It is made up of investment in machinery and equipment and investment in buildings. The machinery and equipment investment is FIM [...] million, while the buildings investment is FIM [...] million.
- The aid as notified by Finland is as follows:

Haapajärvi (loan to be converted FIM 15 million to a grant)

Haapajärvi (grant)

FIM 10 million

Total FIM 25 million (EUR 4,15 million)

- The FIM 15 million is a loan which will not be paid off during the five-year loan period. If the company carries out the investment as planned, it does not have to pay the loan back. As security for the loan, Haapajärvi has a mortgage on the land and the buildings to be built on it by the company.
- FIM 10 million of the aid is a grant paid directly to the (12)company by Haapajärvi. It is channelled through the Elinkeinoelämän kehittämisrahasto, an industrial development fund.
- By the end of 1999 the company had been paid the (13)whole amount of the FIM 25 million aid.
- In its decision initiating the formal investigation proce-(14)dure, the Commission noted that the company had applied for FIM 21 million of investment aid (investointituki) from the state and that the application was still pending. Therefore, the Commission stated that it would not take the existence of this application into account for the purposes of the procedure, unless, in the course of the procedure, new information relevant for the

- assessment of the case came to light on the basis of the decision taken by the Finnish authorities on the pending
- In its decision initiating the procedure, the Commission also noted that Haapajärvi had sold the company 14 hectares of land for FIM 140 000 (FIM 10 000/ha, FIM  $1/m^2$ ) for the production facility.
- In this connection, the Commission noted that sales of land by the authorities should comply with the Commission communication on state aid elements in sales of land and buildings by public authorities (3). In accordance with this communication, the sale should be carried out through an open bidding procedure or the market price should be established by an independent expert valuer.
- In its decision initiating the procedure, the Commission noted that the sale had not been carried out through an open bidding procedure. This being the case, the market price should have been established by an asset valuer fulfilling the conditions laid down in point 2(a) of the communication. In the absence of such an evaluation, the Commission was unable to be sure that the sale of land by Haapajärvi to Ojala-Yhtymä had not included any state aid elements.
- The Commission noted that the aid was ad hoc aid. According to the third paragraph of point 2 of the guidelines on national regional aid (4) (hereinafter referred to as 'the regional aid guidelines'), ad hoc aid does not as a rule fulfil the requirements of the regional aid guidelines and the derogations under Article 87(3)(a) and (c) will normally be allowed only for aid granted under approved schemes. For this reason, there needed to be a separate examination of whether the aid was compatible with the regional aid rules.
- In its decision initiating the procedure, the Commission noted that the information on the market and region concerned did not allow it to conclude that the balance stipulated in the regional aid guidelines between the resulting distortions of competition and the advantages of the aid in terms of the development of a less-favoured region could be guaranteed.
- Consequently, for the reasons explained above, the Commission questioned whether the aid was compatible with the regional aid guidelines and whether the sale of the land by the municipality of Haapajärvi to Ojala-Yhtymä Oy might contain an element of state aid.

# III. COMMENTS FROM FINLAND

According to Finland, the aid should be considered justi-(21)fied on the basis of Article 87(3) of the EC Treaty. The aid complies with the principles of the regional aid guidelines. The question of whether the aid was granted on the basis of an approved scheme or as ad hoc aid is irrelevant from the point of view of its actual impact. What is relevant is the fact that, regardless of its source, the aid complies with the standard principles applicable for regional aid in the Community.

<sup>(3)</sup> OJ C 209, 10.7.1997, p. 3. (4) OJ C 74, 10.3.1998, p. 9.

- (22) Finland notes that the regional ceiling for large companies in Haapajärvi for 2000 to 2006, as approved by the Commission, is 20 % NGE. This is 25 %-26 % GGE. The aid intensity of the notified aid, i.e. the grant and the loan, is less than 25 % GGE and, therefore, below the regional ceiling.
- (23) Regarding the market situation, Finland notes that more than 60 % of Ojala-Yhtymä's exports go to countries outside the EEA, i.e. the United States (47,74 %), Australia (8,12 %) and China (2,76 %). The aluminium components to be produced in Haapajärvi will replace imports of these products from third countries, particularly from China.
- Finland explains that, logistically speaking, Ojala-Yhtymä's location in Haapajärvi makes it 10 %-15 % weaker than its competitors owing to the higher transport costs for its products. Therefore, the production costs need to be correspondingly lower in order for the company to remain internationally competitive. This is to be achieved by increasing productivity and rationalising production. The production facility to be built in Haapajärvi uses the latest state-of-the-art technology available and is particularly environmentally friendly. The aluminium used in production will be recycled and the air-conditioning and watering systems are closed, which means that no pollutants are discharged into the environment. According to Finland, the aid will help the company keep up with its competitors, but does not distort competition in the relevant market.
- (25) Finland points out that Haapajärvi is classified as an objective No 2 aid area for 2000 to 2006. The region is clearly worse off than the average for the regions and, therefore, the granting of regional aid is justified. Haapajärvi has been in a weak financial position for the past three years. The accounting period deficit was FIM 9,1 million in 1997, FIM 8,3 million in 1998 and FIM 0,5 million in 1999.
- (26) Finland points out that Haapajärvi is a small town with a population of 8 232 at 1 January 2001. The population of Haapajärvi is falling as educated young people move away from the area owing to poor job prospects (129 people left in 1999). Unemployment is well above the national average (17,3 % at 31 December 2000). Of the unemployed total, 18 % are young people under the age of 25, while 19 % are long-term unemployed.
- (27) According to Finland, the assisted project contributes to the development of the region by creating a new kind of economic activity and new jobs. It will create 100 new jobs for the area directly and 200 new jobs indirectly. It will alleviate the impact of structural change in the

- region and help diversify its industrial structure. The project will help reduce the unemployment rate and improve job prospects for the young and the long-term unemployed. It will also bring tax revenue of FIM 3 million to the town, thereby easing Haapajärvi's financial straits. The project will also bring new know-how to the region and promote the creation of new service activities.
- (28) Finland also sent the Commission an asset valuer's evaluation (5) of the sales price of the land, together with a map showing the land sold. According to the evaluation, the land is forestry land, of which 11 hectares are forest and 3 hectares abandoned arable land. The land is not situated in a zoning area and has no infrastructure.
- (29) The soil is mainly forest soil and the arable land is peat soil. The land has 830 m² of tree stand, which is mainly pulpwood. The tree stand was evaluated on the basis of the stumpage prices for Haapajärvi as announced by the Nivala-Haapajärvi Forestry Management Association. The evaluation concerns the following tree stand: pine timber (30 m²), spruce timber (60 m²), pine pulpwood (150 m²), spruce pulpwood (490 m²) and birch pulpwood (100 m²). The value of 3 hectares of sapling stand and the value of the soil were also assessed. The evaluation concludes that the value of the land is FIM 133 500. The accuracy of the evaluation is 5 % either way.

#### IV. ASSESSMENT OF THE AID

- 30) Under Article 87(1) of the EC Treaty, any aid granted by a Member State or through state resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods is, in so far as it affects trade between Member States, deemed incompatible with the common market. In accordance with the established case-law of the Court of Justice and the Court of First Instance, the criterion of trade between Member States being affected is met if the recipient firm is engaged in a line of business that involves trade between Member States.
- (31) The Commission notes that the aid is being granted through state resources to a single company, conferring an advantage on it by reducing the costs it would otherwise have to bear in order to be able to carry out the investment project. Moreover, the recipient of the aid, Ojala-Yhtymä Oy, is a company producing metal components for the electricity and electronics industry, which is a line of business involving trade between Member States. Therefore, the aid in question falls within the scope of Article 87(1) of the EC Treaty.

<sup>(5)</sup> Kalajokilaakson Kiinteistöpiste Ky LKV, Tuomo Junttila, notary public, qualified real estate broker.

- (32) The aid consists of direct grants from the municipality of Haapajärvi for an investment in the area. Haapajärvi is an assisted area within the meaning of Article 87(3)(c) of the EC Treaty. However, in 1999 when the aid contrary to the rules was granted and paid to the company, Haapajärvi was an assisted area within the meaning of Article 87(3)(a) of the EC Treaty (6).
- (33) Point 2 of the regional aid guidelines states that they apply to regional aid granted in every sector of the economy, apart from the sectors for which specific rules apply. Since manufacturing of metal components is not covered by any specific rules, the aid is to be assessed according to the provisions of the regional aid guidelines.
- (34) The Commission notes that the aid has already been paid to the beneficiary Ojala-Yhtymä Oy and that it was not granted under any approved regional scheme. Therefore, the aid is deemed to be non-notified ad hoc aid.
- (35) According to the second paragraph of point 2 of the regional aid guidelines, a derogation for regional aid under Article 87(3)(a) or Article 87(3)(c) may be granted only if the balance between the resulting distortions of competition and the advantages of the aid in terms of the development of a less-favoured region can be guaranteed.
- (36) According to the third paragraph of point 2 of the regional aid guidelines, ad hoc aid does not, unless shown otherwise, count as fulfilling the requirements of the guidelines and derogations under Article 87(3)(a) and Article 87(3)(c) will normally be applied only to aid granted under approved schemes.
- (37) For this reason, there needs to be a separate examination of whether the aid is compatible with the regional aid rules.

## Aid intensity

- (38) The Commission notes that in its decision initiating the formal investigation procedure it observed that Ojala-Yhtymä had applied for FIM 21 million of investment aid and that the application was still pending.
- (39) By letter of 22 December 2000, Finland informed the Commission that the company's application for investment aid had been rejected. Therefore, the Commission notes that there is no additional aid arising from the application that would need to be taken into account in the present decision.
- (6) At the time of the aid notification Haapajärvi was classified as an objective No 1 assisted area. For 2000 to 2006 it has been classified as an objective No 2 assisted area.

- (40) The Commission further notes that in its decision initiating the formal investigation procedure, it suspected that the sale of land by Haapajärvi to Ojala-Yhtymä included state aid elements since the sales price was not established by an independent expert evaluation in accordance with the Commission communication on state aid elements in sales of land and buildings by public authorities (7).
- (41) According to the Commission's information, the land is forestry land not situated in a zoning area. The land has no infrastructure. The infrastructure requires investment of FIM 1,3 million, which is to be financed by the company. Therefore, if there is any additional aid to the company, it can only be in the sales price of the land.
- (42) In the course of the proceedings, Finland sent the Commission an evaluation of the land price by a private company dealing in real estate sales and evaluations in the region. The evaluation was carried out by a notary public working in the company.
- (43) According to the evaluation, the land is forestry land, of which 11 hectares is forest and 3 hectares abandoned arable land. The land is situated outside the municipal zoning area and has no infrastructure. The soil is mainly forest soil and the arable land is peat soil. The land has 830 m² of tree stand, which is mainly pulpwood. The tree stand was evaluated on the basis of the stumpage prices for Haapajarvi as announced by the Nivala-Haapajärvi Forestry Management Association.
- (44) The total value of tree stand, sapling stand and soil was given as FIM 118 650. In order to assess the market price, the aggregate sum of the valued items needs to be corrected. The correction factor generally used is 25 % and this is also being applied in the present case. This gives the corrected value of 118 650 x 0,75 = FIM 89 000. Since the land is outside the zoning area, but is classified as a reserve area A in the master plan, a value weighting of 1,5 is used to determine the final market value. This gives 89 000 x 1,5 = FIM 133 500. The accuracy of the evaluation is 5 % either way.
- (45) According to the information available, the value of a plot of forest land in Finland depends mainly on the value of the trees growing in the area in question. In general, forest land without trees has virtually no value. The value of the trees growing in a certain area depends on the quality of the land and the trees.
- (46) The Commission notes that the evaluation was carried out by a private company using the public stumpage prices for tree stands as announced by the area Forestry Management Association. The Commission, therefore, has no reason to doubt the impartiality and accuracy of the evaluation in question.

<sup>(7)</sup> See footnote 3.

- The Commission further notes that the value of the trees growing in the area, namely FIM 118 650, is lower than the sales price of FIM 140 000 FIM paid by Ojala-Yhtymä Oy. The market value of the land, however, was determined as FIM 133 500 with an accuracy margin of
- The Commission notes that even if the estimated value (48)were increased by 5 % (to FIM 140 175), the sales price of FIM 140 000 paid by Ojala-Yhtymä still corresponds to the market value of the land and, therefore, does not contain additional aid to the company that would have to be taken into account in the present decision.
- For the reasons explained above under points 35 to 48 the aid to be assessed in the present decision is the FIM 25 million paid to the company by Haapajärvi. The intensity of this aid is 24,6 %.
- (50)The Commission notes that Haapajärvi is an assisted area within the meaning of Article 87(3)(c) of the EC Treaty. It is classified as an objective 2 area for 2000 to 2006 with the regional ceiling of 20 % NGE, which corresponds to 26 % GGE. The Commission further notes that in 1999 when the aid contrary to the rules was granted and paid to the company, Haapajärvi was classified as an objective No 1 area with a regional ceiling of 35 % GGE, making it an assisted area within the meaning of Article 87(3)(a) of the EC Treaty.
- (51)The Commission notes that the aid intensity of 24,6 % in the case in hand is below the regional ceiling.
- However, since the aid in question is ad hoc aid, separate consideration needs to be given to whether the balance between the resulting distortions of competition and the advantages of the aid in terms of the development of a less-favoured region can be guaranteed, as stipulated in the second paragraph of point 2 of the regional guidelines.

# Balance between the distortions of competition and the advantages of the aid for the development of a less-favoured region

- On the question of the distortion of competition, the (53)Commission notes that Ojala-Yhtymä produces aluminium components for the electrical and electronics industry, including telecommunications equipment. Its biggest clients are [...].
- (54)According to the Commission's information, the electrical machinery and electronics manufacturing industry has experienced strong growth over the past decade. Between 1993 and 1998 production grew by almost 30 % in real terms to 361 billion. This corresponds to

- an annual growth rate in excess of 5,3 %. Exports to non-EU countries almost trebled over the ten-year period to 1998, reaching EUR 107 billion in that year. The trade balance remained negative, as imports from non-EU countries reached EUR 131 billion (8).
- The two most important subsectors for assessment of the present case are electronic components and components for telecommunications equipment.
- (56)Electronic components are used in virtually all equipment and the portion of the cost of the electronic equipment they account for has risen continuously over the past decade. According to the European Electronic Component Manufacturers Association (EECA), it has increased from less than 18 % in 1988 to more than 24 % in 1998. This trend is expected to continue because of the ever-increasing complexity of electronic components. In 1998 EU production of electronic components was worth EUR 25 billion. Growth in the industry is driven mainly by the market for active components and, in particular, semiconductors. In the area of passive components, telecommunications has always been a large consumer, a situation that has been further reinforced with the explosion in mobile telephony.
- In 2000 EU production of telecommunications equipment was worth EUR 75 billion. This is a sector that has enjoyed vigorous growth in recent years, with output rising by 9,7 % in 1999 and 2000. The European Information Technology Observatory (EITO) has forecast annual growth in the region of 30 % over the period 1997 to 2002 and that the number of mobile phone connections would reach nearly 200 million in western Europe (9). This is one of the few high-tech industries in Europe with a trade surplus. In 2000 the surplus was EUR 17 billion. The surplus rose at the rate of 23 % per annum between 1994 and 1998.
- The Commission notes that, according to the information at its disposal, growth in the industries in question is strong (10) and heavily focused on exports to countries outside the Community. Since the industries have registered growth averaging more than 5 % over the last five years and the growth prospects remain positive, it can be concluded that they are not suffering from structural overcapacity.
- The Commission further notes that Ojala-Yhtymä's turnover in 1998 was FIM 212 million (EUR 36 million), while the turnover of the Ojala Group in 1999 was FIM 500 million (EUR 84 million). Although the company's turnover figures are based on sales and the market information in the possession of the Commission is expressed in production values, the turnover figures for both the company and the group indicate that they account for less than 1 % of the relevant markets referred to above.

Eurostat: Panorama of European industry 1999.

<sup>(</sup>a) Eurostat: Panorama of European industry 1999.
(b) Average growth in industrial production between Average growth in industrial production between 1995 and 2000 was 2,54 % (Eurostat).

- (60) On the issue of the state of the region concerned, the Commission notes that Haapajärvi was in a weak financial position over the period 1998 to 2000 with the balance sheet showing a deficit. The unemployment rate was 17,3 % at 31 December 2000. The population of Haapajärvi fell by 129 in 1999 because of educated young people moving away from the area owing to poor job prospects. The population currently stands at 8 232. For these reasons the Commission considers that the region can be considered a less-favoured region within the meaning of the regional aid guidelines.
- (61) On the matter of the advantages of the aid in terms of less-favoured region development, the Commission notes that the assisted project will be the only major industrial establishment in this region which is sparsely populated and suffers from high unemployment. The project will create 100 jobs directly and may indirectly contribute to creating a significant number of other jobs in the region, thereby helping to reverse the trend of population loss in the region, which appears to be continuing because of the lack of job opportunities there. The assisted project, which will be the only significant company in the area, will, therefore, have a vital effect on improving the social and economic situation of the region within the meaning of the regional aid guidelines.
- In addition, the Commission notes that the project (62)concerned is also in principle eligible for regional investment aid under an approved investment aid scheme. Without the ad hoc aid granted by the municipality of Haapajärvi, the aid to the project could have been granted through this approved scheme. Therefore, the positive effect of the aid on the region concerned is equivalent to the effect aid granted under the approved scheme would have had, regardless of whom the aid was granted by (the municipality of Haapajärvi in the case of ad hoc aid and the state in the case of aid under an approved scheme). The fact that, in the absence of the ad hoc aid granted by the municipality of Haapajärvi, the aid for investment would have been granted under the approved scheme means that the advantages of the aid in terms of less-favoured region development are consid-

- ered equivalent to the effects of the aid granted under an approved scheme and, as such, are guaranteed in the manner intended in the regional aid guidelines.
- (63) Considering the above, and the moderate share of both Ojala-Yhtymä and the Ojala Group in the relevant market segments, which are not suffering from structural overcapacity, but are, on the contrary, experiencing strong growth, the Commission considers that the advantages of the aid to the region concerned outweigh any distortion of competition resulting from it. For this reason the aid is deemed to be compatible with the regional aid guidelines.

#### V. CONCLUSION

(64) The Commission regrets that Finland unlawfully granted the aid in question in breach of Article 88(3) of the EC Treaty. However, since the aid complies with the guidelines on national regional aid, it is considered compatible with Article 87(3) of the Treaty,

HAS ADOPTED THIS DECISION:

#### Article 1

The state aid which Finland has implemented for Ojala-Yhtymä Oy, amounting to EUR 4,15 million, is compatible with the common market within the meaning of Article 87(3) of the Treaty.

#### Article 2

This Decision is addressed to the Republic of Finland.

Done at Brussels, 25 April 2001.

For the Commission

Mario MONTI

Member of the Commission

#### **COMMISSION DECISION**

## of 20 November 2001

prolonging for the eighth time the validity of Decision 1999/815/EC concerning measures prohibiting the placing on the market of toys and childcare articles intended to be placed in the mouth by children under three years of age made of soft PVC containing certain phthalates

(notified under document number C(2001) 3717)

(Text with EEA relevance)

(2001/804/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Directive 92/59/EEC of 29 June 1992 on general product safety (1), and in particular Article 9 thereof,

#### Whereas:

- The Commission adopted, on 7 December 1999, (1) Decision 1999/815/EC (2) based on Article 9 of Directive 92/59/EEC requiring the Member States to prohibit the placing on the market of toys and childcare articles intended to be placed in the mouth by children under three years of age, made of soft PVC containing one or more of the substances di-iso-nonyl phthalate (DINP), di(2-ethylhexyl) phthalate (DEHP), dibutyl phthalate (DBP), di-iso-decyl phthalate (DIDP), di-n-octyl phthalate (DNOP), and butylbenzyl phthalate (BBP).
- The validity of Decision 1999/815/EC was limited to (2) three months, in accordance with the provision of Article 11(2) of Directive 92/59/EEC; therefore, the validity of the Decision was to expire on 8 March 2000.
- Article 11(2) of Directive 92/59/EEC states that the (3) validity of the measures adopted on the basis of Article 9 of the said Directive is limited to three months, but may be prolonged under the same procedure foreseen for the adoption of these measures.
- When adopting Decision 1999/815/EC it was foreseen to prolong its validity if necessary. The validity of the measures adopted under Decision 1999/815/EC on the basis of Article 9 of Directive 92/59/EEC was prolonged under Commission Decisions 2000/217/EC (3), 2000/ 381/EC (4), 2000/535/EC (5), 2000/769/EC (6), 2001/ 195/EC (7), 2001/467/EC (8) and 2001/665/EC (9) for an additional period of three months each time, in accordance with the provision of Article 11(2) of the said

Directive; therefore the validity of the Decision is to expire on 21 November 2001,

- Some relevant developments have taken place recently concerning the validation of phthalates migration test methods and the comprehensive risk assessment of these phthalate esters under the Existing Substances Regulation (793/93/EC). However, further work in this area is still necessary to try to solve some crucial outstanding difficulties.
- Pending resolution of the outstanding issues, and in order to guarantee the objectives of Decision 1999/ 815/EC and its prolongation under Decisions 2000/ 217/EC, 2000/381/EC, 2000/535/EC, 2000/769/EC, 2001/195/EC, 2001/467/EC and 2001/665/EC it is necessary to maintain the prohibition of the placing on the market of the products considered.
- Certain Member States have implemented Decision (7) 1999/815/EC as modified by Decisions 2000/217/EC, 2000/381/EC, 2000/535/EC, 2000/769/EC, 2001/ 195/EC, 2001/467/EC, and 2001/665/EC by measures applicable until 21 November 2001. Therefore it is necessary to ensure that the validity of these measures is prolonged.
- It is therefore necessary to prolong the validity of (8) Decision 1999/815/EC for an eighth time in order to ensure that all the Member States maintain the prohibition provided for by that Decision; according to Article 11(2) of Directive 92/59/EEC the validity may be prolonged for a period of three months.
- The measures provided for in this Decision are in accordance with the opinion of the Emergencies Committee.

HAS ADOPTED THIS DECISION:

# Article 1

In Article 5 of Decision 1999/815/EC the words '21 November 2001' are replaced by the words '20 February 2002'.

OJ L 228, 11.8.1992, p. 24.
OJ L 315, 9.12.1999, p. 46.
OJ L 68, 16.3.2000, p. 62.
OJ L 139, 10.6.2000, p. 40.
OJ L 229, 6.9.2000, p. 27.
OJ L 306, 7.12.2000, p. 37.

OJ L 69, 10.3.2001, p. 37. OJ L 163, 20.6.2001, p. 30. OJ L 233, 31.8.2001, p. 51.

EN

# Article 2

Member States shall take the measures necessary to comply with this Decision within less than 10 days of its notification. They shall forthwith inform the Commission thereof.

Article 3

This Decision is addressed to the Member States.

Done at Brussels, 20 November 2001.

For the Commission

David BYRNE

Member of the Commission

# EUROPEAN CENTRAL BANK

#### GUIDELINE OF THE EUROPEAN CENTRAL BANK

of 25 October 2001

amending Guideline ECB/2000/6 on the implementation of Article 52 of the Statute of the European System of Central Banks and of the European Central Bank after the end of the transitional period

(ECB/2001/10)

(2001/805/EC)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty establishing the European Community and in particular to Article 106(1) thereof and to Articles 16 and 52 of the Statute of the European System of Central Banks and of the European Central Bank (hereinafter referred to as the 'Statute'),

#### Whereas:

- (1) Guideline ECB/2000/6 of 20 July 2000 on the implementation of Article 52 of the Statute of the European System of Central Banks and of the European Central Bank after the end of the transitional period (¹) contains the conditions under which national central banks (NCBs) of participating Member States will exchange banknotes of other participating Member States at their respective par value. Article 3 thereof states that banknotes that qualify for exchange must not be badly mutilated and specifically mentions two categories of banknotes that do not qualify for exchange.
- (2) Some NCBs have decided to implement schemes for the marking of national banknotes after 1 January 2002, which aim at facilitating and protecting the withdrawal of the national banknotes. The purpose of marking is to discourage the acceptance by the general public of national banknotes and the continued use of national banknotes as legal tender.
- (3) In view of the general obligation to exchange banknotes of other participating Member States, it must be ensured that marked banknotes are excluded, i.e. that marked banknotes are treated in the same way as mutilated banknotes. Therefore, Article 3 of Guideline ECB/2000/6 will have to be amended accordingly, in order that marked banknotes are explicitly mentioned among the categories of banknotes that do not qualify for exchange.
- (4) Furthermore, it is acknowledged that information on the marking procedures in the different Member States should be made available on the ECB website.

(5) In accordance with Article 12.1 and Article 14.3 of the Statute, ECB guidelines form an integral part of Community law,

HAS ADOPTED THIS GUIDELINE:

#### Article 1

# Introduction of new recital

In Guideline ECB/2000/6, the following new recital 4a shall be inserted:

'(4a) Whereas it is acknowledged that, as a general rule, badly mutilated banknotes do not qualify for exchange, and specific reference will be made to certain categories of banknotes that will be excluded from the exchange rules; whereas marking schemes will be implemented by some NCBs of participating Member States with the aim of facilitating and protecting the withdrawal of the national banknotes, and therefore marked banknotes will be explicitly mentioned among the banknotes that do not qualify for exchange; whereas it is deemed necessary to make information on the marking procedures in the different Member States available on the ECB website.'

# Article 2

# Amendment to Article 1

In Article 1 of Guideline ECB/2000/6, the following text shall be added after the fourth indent:

'— "marking" shall mean the identification of the national banknotes with a distinctive and specific symbol, e.g. holes punched by perforators, which will be carried out by authorised institutions in implementation of legal measures taken at the level of each participating Member State, with the aim of facilitating the withdrawal of the national banknotes from circulation.'

#### Article 3

# Amendment to Article 3

Article 3 of Guideline ECB/2000/6 shall be amended to read as follows:

Banknotes of other participating Member States that qualify for exchange under this Guideline shall not be badly mutilated. In particular, the banknotes shall not consist of more than two parts of the same banknote joined together or have been damaged by anti-theft devices. In addition they shall not have been marked or have been damaged in a manner that makes it impossible to check the presence of marking.'

# Article 4

# Final provisions

This Guideline is applicable to all banknotes of other participating Member States presented for exchange between 1 January 2002 and 31 March 2002.

This Guideline is addressed to the NCBs of participating Member States.

This Guideline shall be published in the Official Journal of the European Communities.

Done at Frankfurt am Main, 25 October 2001.

For Governing Council of the ECB Willem F. DUISENBERG